



**Pakistan Mineral Development Corporation
(Private) Limited
Audit of Financial Statements
For the Year Ended 30 June 2025**

Submitted by:

Baker Tilly Mehmood Idrees Qamar

Chartered Accountants

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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, 2025, 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, 2025 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, 2025 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.

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Baker Tilly Mehmood Idrees Qamar, Chartered Accountants trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

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.
- 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.

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- 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.

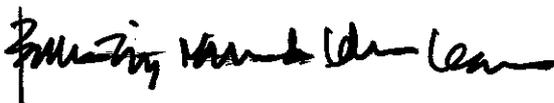
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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).

The engagement partner on the audit resulting in this independent auditor's report is Siraj Ahmad (R-2522).



Baker Tilly Mehmoood Idrees Qamar
Chartered Accountants
Place: Islamabad

Date: 12 FEB 2026

Unique Document Identification Number (UDIN): AR202510286c2kxUoPgF

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

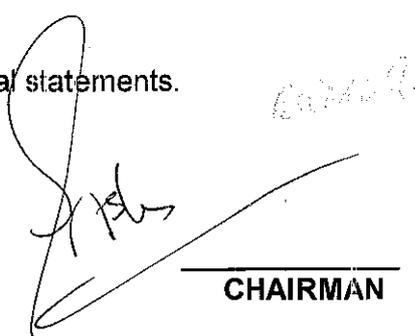
	2025	2024	
	Note -----Pak Rupees in '000'-----		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	541,798	362,241
Capital work in progress	5	53,243	6,266
Exploration and evaluation assets	6	22,268	10,589
Long term investments	7	160,000	161,500
Long term loans to employees	8	148,005	139,823
Long term deposits		43,353	24,192
Employee benefit prepayments		13,167	67,358
		981,834	771,969
CURRENT ASSETS			
Stores, spares and loose tools	9	74,157	86,496
Stock in trade	10	195,998	219,016
Trade debts	11	314,962	250,409
Loans and advances	12	336,101	298,959
Other receivables	13	1,577,331	1,855,936
Short term investment	14	6,854,310	11,163,705
Cash and bank balances	16	746,541	640,056
		10,099,400	14,514,577
TOTAL ASSETS		11,081,234	15,286,544
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	17	10,000	10,000
Equity funds from government for specific projects	18	25,000	25,000
Revenue reserves	19	8,806,915	6,832,421
		8,841,915	6,867,421
NON-CURRENT LIABILITIES			
Employee benefits	20	402,235	832,940
Deferred tax liabilities - net	21	256,304	95,531
		658,539	928,471
CURRENT LIABILITIES			
Contract liabilities	22	115,143	96,245
Insurance Fund	23	111,376	106,102
Trade and other payables	24	869,561	6,861,516
Security deposits	25	148,289	134,001
Provision for taxation - net	26	336,411	292,787
		1,580,780	7,490,651
TOTAL EQUITY AND LIABILITIES		11,081,234	15,286,544

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 42 form an integral part of these financial statements.

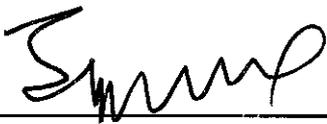

CHIEF EXECUTIVE OFFICER


CHAIRMAN

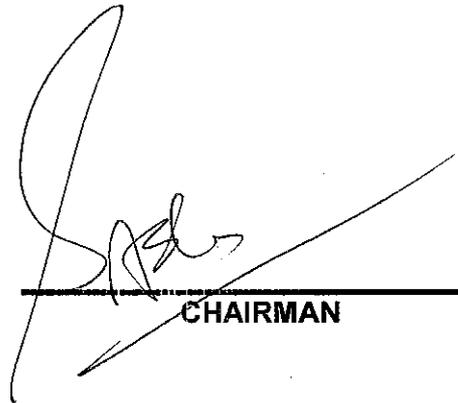
PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 -----Pak Rupees in '000'-----	2024
Revenue	28	5,270,965	4,474,388
Cost of sales	29	<u>(2,938,249)</u>	<u>(2,608,958)</u>
Gross profit		2,332,716	1,865,430
Operating expenses	30	<u>(862,521)</u>	<u>(736,718)</u>
Distribution cost	31	<u>(576,909)</u>	<u>(316,143)</u>
		(1,439,430)	(1,052,861)
Operating profit		893,286	812,569
Other income	32	3,346,943	4,050,009
Share of profit /(loss) from associates	33	-	1,255
Other expenses	34	<u>(470,216)</u>	<u>(471,480)</u>
Profit before taxation		3,770,013	4,392,353
Tax expense	35	<u>(1,422,586)</u>	<u>(1,752,110)</u>
Profit for the year		<u>2,347,427</u>	<u>2,640,243</u>

The annexed notes from 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHAIRMAN

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

2025 **2024**
 -----Pak Rupees in '000'-----

Profit for the year 2,347,427 2,640,243

Other comprehensive income

Items that will not be reclassified subsequently to profit and loss:

Remeasurement gain/ (loss) on employees benefits	372,241	140,167
Related deferred tax impact	(145,174)	(54,665)
	227,067	85,502

Total comprehensive income for the year 2,574,494 2,725,745

The annexed notes from 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHAIRMAN

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

Description	Share capital	Government Equity Funds	General Reserve	Insurance Reserve	Depletion Reserve	Unappropriated Profit	Total
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:							
Profit for the year	-	-	-	-	-	2,640,243	2,640,243
Other comprehensive income for the year	-	-	-	-	-	85,502	85,502
Total comprehensive income / (loss):	-	-	-	-	-	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
Balance as at July 01, 2024	10,000	25,000	683,633	50,000	889,476	5,209,312	6,867,421
Total comprehensive income:							
Profit for the year	-	-	-	-	-	2,347,427	2,347,427
Other comprehensive income for the year	-	-	-	-	-	227,067	227,067
Total comprehensive income:	-	-	-	-	-	2,574,494	2,574,494
Dividend paid	-	-	-	-	-	(600,000)	(600,000)
Allocation for depletion reserve	-	-	-	-	107,590	(107,590)	-
Balance as at June 30, 2025	10,000	25,000	683,633	50,000	997,066	7,076,216	8,841,915

The annexed notes from 1 to 42 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER

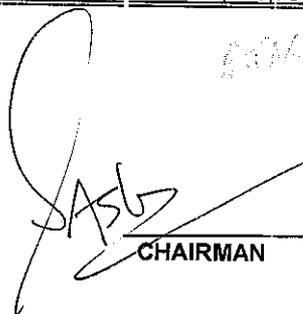

 CHAIRMAN

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	-----Pak Rupees in '000'-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,770,013	4,392,353
Adjustment for:		
Depreciation	77,795	56,810
Impairment loss on capital work-in-progress	265	419
(Gain)/ loss on disposal of fixed assets	(2,880)	(4,131)
Interest income	(56,495)	(49,164)
Amortization loss of employees long term loans	173,894	121,546
Provision for workers profit participation fund	198,420	231,177
Provision for staff benefits	(254,556)	224,879
Exchange (gain) /loss	(677)	(17,239)
Profit share from Duddar Lead Zinc Mining Project	(750,876)	(2,479,225)
Share of (profit)/ loss from associate	-	(1,255)
	<u>(615,110)</u>	<u>(1,916,182)</u>
Cash flow before working capital changes	3,154,903	2,476,171
Working capital changes		
Stores, spares and loose tools	12,339	(11,187)
Stock in trade	23,018	(170,424)
Trade debts	(64,553)	(42,217)
Other receivables	356,388	(660,907)
Contract liabilities	18,898	994
Insurance fund	5,274	12,030
Loans and advances	(37,141)	(214,649)
Trade and other payable	(5,958,995)	4,746,339
	<u>(5,644,772)</u>	<u>3,659,979</u>
Cash (used in)/generated from operating activities:	(2,489,869)	6,136,150
Tax paid	(1,363,373)	(1,911,376)
Workers profit participation fund paid	(231,380)	(191,690)
Staff retirement benefits/contributions paid	250,291	(146,285)
Long term loans to employees - net	(125,581)	(36,591)
Security deposits	14,288	9,573
	<u>(1,455,755)</u>	<u>(2,276,369)</u>
Net cash (used in)/generated from operating activities	<u>(3,945,625)</u>	<u>3,859,781</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property plant and equipment	(242,515)	(115,161)
Acquisition of exploration and evaluation assets	(11,679)	(10,588)
Capital work in progress	(62,079)	(6,628)
Proceeds from disposal of property, plant and equipment	2,880	4,503
Dividend from the associates	1,500	4,351
Income received from Duddar Lead Zinc Mining Project	673,770	3,811,344
Movement in long term security deposits	(19,161)	(5,757)
Short term investments	(2,741,318)	(3,987,992)
Net cash (used in)/generated from investing activities	<u>(2,398,602)</u>	<u>(305,629)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(600,000)	(300,000)
Net cash used in financing activities	<u>(600,000)</u>	<u>(300,000)</u>
Cash and cash equivalent at the beginning of the year	(6,944,227)	3,254,152
Cash and cash equivalent at the end of the year	<u>7,690,768</u>	<u>4,436,616</u>
	<u>746,541</u>	<u>7,690,768</u>

The annexed notes from 1 to 42 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, 2025

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 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.

1.2 GEOGRAPHICAL LOCATIONS OF PROJECTS AND THE BRANCHES

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 | |

1.3 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 Privatization Commission's privatization program for 2024-2029. Therefore, no adjustment has been made in the financial statements to reflect the privatisation process. The necessary adjustments shall be made in the financial statements on the completion of formal process and final decision by the Privatisation Commission of Pakistan.

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 MEASUREMENT

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:

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PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

- (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.

2.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective

2.5.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

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, 2024.

Description	Effective date (annual reporting periods beginning on or after)
IAS 21 The Effect of Changes in Foreign Exchange Rates	January 1, 2025
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9 Financial Instruments: Classification and Measurement	January 1, 2026
IFRS 17 Insurance Contracts	January 1, 2026
Annual improvements to IFRS 7, IFRS 9, IFRS 10 (consolidated financial statements) and IAS 7 (statements of cashflows)	January 1, 2026

2.5.2 Other than the above standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2025:

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

The following interpretations/ IFRS 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

The following standards have been notified by SECP for applicability based on the size and classification of entities subject to phased implementation as notified by SECP:

- IFRS S1 General requirements for disclosure of sustainability related financial information
- IFRS S2 Climate Related Disclosures

As per section 25 of the State-owned Enterprises (Governance and Operations) Act, 2023 (SOE Act, 2023), which came into force on January 30, 2023, the Authority is required to prepare its financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and where such compliance is not currently achieved, such compliance is required to be ensured within three years from the date the SOE Act, 2023 came into force, i.e., by January 30, 2026.

As referred to above, certain IFRS Accounting Standards, amendments and interpretations have either not yet been adopted or have been deferred or waived by the SECP for application in Pakistan. In addition, the IFRS Sustainability Disclosure Standards, including climate-related disclosures and sustainability-related risks and opportunities are subject to phased implementation by SECP.

Management has assessed the impact of adopting full IFRS Accounting Standards as issued by the IASB and, based on this assessment, concluded that adoption of such standards would not have a material impact on the Authority's financial statements. However, the IFRS Sustainability Disclosure Standards, including climate-related disclosures and sustainability-related risks and opportunities require extended disclosures. Management has not yet initiated a detailed impact assessment in respect of these sustainability-related standards.

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PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all periods presented in these 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 CAPITAL WORK IN PROGRESS

Capital work in progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred and advances made in respect of operating fixed assets, capital stores and intangibles assets in the course of their acquisition, construction and installation. Transfers from capital work in progress are made to the relevant category of property, plant and equipment and intangibles as and when the assets are available for use in the manner intended by the Company's management.

3.3 STRIPPING COSTS

Stripping costs incurred in the development of a mine before production commences are capitalized as part of the cost of constructing the mine and classified within Property, Plant and Equipment ("PPE"). Such costs are amortized on a systematic basis over the expected useful life of the mine once commercial production begins, using the units-of-production method.

Once production commences, stripping costs that relate to the extraction of inventory are accounted for as part of the cost of that inventory in accordance with IAS 2 Inventories and those stripping costs that provide improved access to ore to be mined in future periods are recognized as a stripping activity asset provided it is probable that the future economic benefit associated with the improved access will flow to the Company, the component of the ore body for which access has been improved can be identified, and the costs relating to the stripping activity associated with that component can be measured reliably.

Where the criteria for recognition of a stripping activity asset are not met, the stripping costs are recognized in profit or loss as incurred.

3.4 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.

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PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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.

3.5 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.

3.6 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.

3.7 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.

3.8 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.

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PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
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FOR THE YEAR ENDED JUNE 30, 2025

3.9 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.

3.10 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.

3.11 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.

3.12 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.

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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, 2025.

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.

3.13 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.

3.14 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.

3.15 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 recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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3.16 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.

3.17 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.

3.17.1 FINANCIAL ASSETS

Financial assets held by the Company are measured at amortized cost and Fair value through other comprehensive income (FVTOCI). The classification depends on the Company 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. The subsequent measurement of financial assets depends on their classification, as follows:

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 recognized directly in profit or loss.

Fair value through profit or loss

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the profit or loss in the period in which they arise.

De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

3.17.2 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.

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.

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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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 amortized cost and fair value recognized 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 recognize 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.

3.18 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS

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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.

3.19 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.

3.20 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.

3.21 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.

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
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4 PROPERTY, PLANT AND EQUIPMENT

4.1 Operating fixed assets

PARTICULARS	COST				RATE %	ACCUMULATED DEPRECIATION				Written Down Value
	As at 1-Jul-24	Addition / Transfer	Disposal	As at 30-Jun-25		As at 1-Jul-24	For the Year	Disposal	As at 30-Jun-25	
	-----Pak Rupees '000-----									
Lease hold land	2,314	-	-	2,314	-	977	70	-	1,047	1,267
Free hold land	26,628	-	-	26,628	-	-	-	-	-	26,628
Roads Bridges and Slidings	33,725	5,095	-	38,820	5%	27,317	729	-	28,046	10,774
Buildings and other structures on free hold land	200,955	10,299	-	211,254	5% - 20%	116,030	11,799	-	127,829	83,425
Buildings and other structures on lease hold land	71,000	231	-	71,231	10%	43,104	1,000	-	44,247	27,072
Plant and machinery	278,512	89,988	-	368,500	10%	244,431	21,659	-	266,090	102,410
Electrical and other installations	151,457	10,690	-	162,147	10%	76,659	8,417	-	85,076	77,071
Road and rail transport assets	207,651	99,043	(3,148)	303,546	10% - 20%	185,596	16,158	(3,148)	198,606	104,940
Office Equipments	13,537	1,436	-	14,973	10%	4,079	780	-	4,859	10,114
Furniture and Fixtures	57,638	1,786	(239)	59,185	10%	38,789	4,366	(239)	42,916	16,269
Books	400	-	-	400	10%	378	2	-	380	20
Computers	30,930	13,854	-	44,784	30%	24,857	7,398	-	32,255	12,529
Sundry equipments	83,249	24,931	-	108,180	10%	33,566	5,335	-	38,901	69,279
Balance as at June 30, 2025	1,158,084	257,352	(3,386)	1,412,050		795,843	77,795	(3,386)	870,252	541,798

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PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
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4.2 Operating fixed assets - cont'd

PARTICULARS	COST				RATE %	ACCUMULATED DEPRECIATION				Written Down Value
	As at 1-Jul-23	Additions	Disposal/ Adjustments	As at 30-Jun-24		As at 1-Jul-23	For the Year	Disposal/ Adjustments	As at 30-Jun-24	
Land - Lease hold	2,314	-	-	2,314	-	900	77	-	977	1,337
Land - Free hold	26,476	152	-	26,628	-	-	-	-	-	26,628
Roads Bridges and Slidings	33,725	-	-	33,725	5%	26,756	561	-	27,317	6,408
Buildings and other structures on free hold land	167,566	33,389	-	200,955	5% - 20%	106,270	9,760	-	116,030	84,925
Buildings and other structures on lease hold land	71,088	-	-	71,088	10%	41,681	1,483	-	43,164	27,924
Plant and Machinery	264,085	14,427	-	278,512	10%	222,487	21,944	-	244,431	34,081
Electrical and other Installations	135,599	15,858	-	151,457	10%	72,821	3,838	-	76,659	74,798
Road and Rail Transport Assets	189,266	22,482	(4,097)	207,651	10% - 20%	181,854	7,839	(4,097)	185,596	22,055
Office Equipments	12,739	2,422	(1,624)	13,537	10%	5,210	479	(1,610)	4,079	9,458
Furniture and Fixtures	52,129	6,948	(1,439)	57,638	10%	35,747	4,267	(1,225)	38,789	18,849
Books	400	-	-	400	10%	376	2	-	378	22
Computers	25,521	7,800	(2,391)	30,930	30%	23,580	3,538	(2,261)	24,857	6,073
Sundry equipments	56,103	27,798	(652)	83,249	10%	31,182	3,022	(638)	33,566	49,683
Balance as at June 30, 2024	1,037,011	131,276	(10,203)	1,158,084		748,864	56,810	(9,831)	795,843	362,241

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PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
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	Note	2025 -----Pak Rupees in '000'-----	2024
4.3 Depreciation has been allocated as follows:			
Cost of Sales	29	57,803	44,353
Operating Expenses	30	14,788	6,986
Distribution Cost	31	5,205	5,471
		<u>77,796</u>	<u>56,810</u>
5 CAPITAL WORK IN PROGRESS			
Capital Work in progress	5.1	<u>53,243</u>	<u>6,266</u>
5.1 Opening balance		6,266	16,172
Addition	5.1.1	62,079	6,628
Transfer to PPE		(14,837)	(16,115)
Impairment loss		(265)	(419)
Closing balance		<u>53,243</u>	<u>6,266</u>
5.1.1 This include the costs amounting to Rs. 11.4 million incurred on acquisition, customization, and implementation of ERP software, which are currently under development and will be capitalized as intangible assets upon completion.			
6 EXPLORATION AND EVALUATION ASSETS - INTANGIBLE			
Exploration asset	6.1	<u>10,588</u>	<u>10,589</u>
Geological and feasibility studies		<u>11,679</u>	<u>-</u>
		<u>22,268</u>	<u>10,589</u>
6.1 This represents the cost of the exploration licenses. During the year ended on 30 June 2024, 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.			
7 LONG TERM INVESTMENTS			
7.1 Investment in related parties			
Sarhad Mineral (Private) Limited	7.1.1	-	-
Lakhra Coal Development Company Limited	7.1.2	-	-
Baluchistan Mineral Exploration Company Limited	7.1.3	160,000	160,000
Investment in FATA joint venture	7.1.4	-	1,500
		<u>160,000</u>	<u>161,500</u>
7.1.1 Sarhad Mineral (Private) Limited			
Cost		1,225	1,225
Share of post acquisition reserves		-	-
Share of profit for the year		(1,225)	(1,225)
Post acquisition losses brought forward		(1,225)	(1,225)
		<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 Peshawar. 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% (2024: 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.

Total cumulative unrecognized share of losses up to June 30, 2025 amounts to Rs. 1.1 million.

Summarized financial information is as follows:

Financial year	Assets	Liabilities	Net assets	Revenues	Profit/ (loss)
	-----Pak Rupees in '000'-----				
2025 - Unaudited	14,196	18,970	(4,773)	5,750	(245)
2024 - Unaudited	12,547	15,190	(2,643)	9,927	194

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PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
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	2025	2024
	----Pak Rupees in '000'----	
7.1.2 Lakhra Coal Development Company Limited		
Cost	25,000	25,000
Share of post acquisition reserves	-	-
Share of loss for the year	(25,000)	(25,000)
Post acquisition profits brought forward	(25,000)	(25,000)
	-	-

The Company holds a 50% equity interest in Lakhra Coal Development Company Limited (LCDC), a 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, as per IFRS 11 'Joint Arrangements,' since the arrangement qualifies as a joint venture.

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 or 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

Total unrecognized share of loss for the year is Rs. 2.32 million and cumulative unrecognized share of losses up to June 30, 2025 amounts to Rs. 111.79 million.

Summarized financial information are as follows:

Financial year	Assets	Liabilities	Net assets	Revenues	Profit/ (loss)
	----Pak Rupees in '000'----				
2025 - unaudited	102,899	178,719	(75,820)	-	(4,643)
2024 - unaudited	117,694	188,871	(71,177)	-	(5,928)

7.1.3 Baluchistan Mineral Exploration Company Limited

The Company entered into a Shareholders' Agreement with the Government of Baluchistan (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.'

Operations of BMEC are not yet started, therefore, there is no post-acquisition share of profit or loss.

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PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
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FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		----Pak Rupees in '000'----	
7.1.4 FATA joint ventures			
Cost		1,926	1,926
Share of post acquisition reserves			
Share of profit/(loss) for the year	33	-	1,255
Post acquisition profits brought forward		30,932	29,677
Adjustments of prior period		(1,500)	-
		29,432	30,932
Dividend received		(31,358)	(31,358)
		-	1,500

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 (Sc-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/Mined:/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, therefore, share of profit or loss has been recorded as per original arrangement in the financial statements.

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.'

Total unrecognized share of losses up to June 30, 2025 amounts to Rs. 1.22 million.

Summarized financial information are as follows:

Financial year	Assets	Liabilities	Net assets	Revenues	Profit / (loss)
	----Pak Rupees in '000'----				
2025 - unaudited	12,321	16,399	(4,078)	-	(3,452)
2024 - unaudited (restated)	13,156	13,782	(626)	3,480	(894)

7.1.4.1 The Company has included summarized financial statements based on the provisional accounts of the FATA Joint Venture, which have not been audited. During the current year, the prior year financial statements for the year ended 30 June 2024 were updated, resulting in a decrease in net assets by Rs. 5,627 thousand and a corresponding increase in liabilities by the same amount. This adjustment has been recognized in the current year as a prior period adjustment, and the summarized financial statements have been restated accordingly.

8 LONG TERM LOANS TO EMPLOYEES

House Building Advance	8.1	123,930	142,087
Car/ motor cycle	8.2	83,225	76,673
Marriage loan	8.3	16,421	10,651
		223,576	229,411
Less: current maturity of long term loans to employees		(75,572)	(89,588)
		148,005	139,823

8.1 House Building Advance

Opening balance	142,087	136,454
Additions during the year	188,900	138,636
Recovery during the year	(115,630)	(64,991)
Loss on additions and change in interest rate	(126,221)	(97,812)
Unwinding of discount	34,794	29,800
Closing balance	123,930	142,087

8.2 Car/motor cycle

Opening balance	76,673	52,665
Additions during the year	76,324	57,619
Recovery during the year	(43,685)	(30,060)
Loss on additions and change in interest rate	(42,380)	(22,210)
Unwinding of discount	16,293	18,659
Closing balance	83,225	76,673

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8.3 Marriage loan	Note	2025	2024
		-----Pak Rupees in '000'-----	
Opening balance		10,651	11,504
Additions during the year		16,449	3,841
Recovery during the year		(8,074)	(3,947)
Loss on additions and change in interest rate		(5,293)	(3,068)
Unwinding of discount		2,688	2,321
Closing balance		<u>16,421</u>	<u>10,551</u>

8.4 Employee loans are carried at their present value discounted at the original 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.

Out of the loans provided to the employees interest free, the house building loan is interest free. Housing building loans are repayable within a 15-year period while car/ motorcycle loans are repayable within 6-year period while marriage loans are repayable within a 5-year period.

These loans are currently performing with no delinquencies. Historical analysis shows negligible default rates and strong recovery performance. 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.

8.5 Previously, the financial statements stated that the house building loans were interest-free for staff members while officers pay interest ranging from 0% to 5% while Car and motorcycle loans carry interest rates of 5% and 3%, respectively, and are repaid within a six-year period. The note 8.4 to the financial statements has been updated to reflect the practice followed by management of providing interest-free

9 STORES, SPARES AND LOOSE TOOLS

Stores		48,443	53,265
Spares	9.1	42,280	33,334
Loose tools		268	231
Provisions for obsolescence		(16,834)	(334)
		<u>74,157</u>	<u>86,496</u>

9.1 The Company procured a generator from M/s MAK & MAK in 2017 for a total consideration of Rs. 16.5 million, representing approximately 72% of the agreed cost. However, the generator delivered did not conform to the agreed specifications. Consequently, management initiated legal proceedings for the recovery of the amount paid. The case is currently pending adjudication before the Honorable Islamabad High Court. In view of the uncertainty regarding the outcome of the litigation, the Company has recognized a provision for the full amount of Rs. 16.5 million in the current financial statements.

10 STOCKS IN TRADE

Salt stock		175,829	5,857
Coal stock		20,169	213,159
		<u>195,998</u>	<u>219,016</u>

11 TRADE DEBTS - Unsecured

Considered			
- good	11.1	314,962	250,409
- doubtful		-	-
		314,962	250,409
Less: Allowances for expected credit losses	11.2	-	-
		<u>314,962</u>	<u>250,409</u>

11.1 Aging analysis

	2025			2024		
	Due from related party	Other parties	Total	Due from related party	Other parties	Total
Not overdue	-	-	-	-	-	-
Past overdue less than 30 days	-	99,466	99,466	748	59,480	60,228
Past overdue 31 to 60 days	3,063	12,351	15,414	3,220	123,424	126,654
Past overdue 61 to 90 days	-	56,573	56,573	-	-	-
Past overdue more than 91 days	-	143,508	143,508	-	63,527	63,527
Total trade receivable	3,063	311,897	314,961	3,978	246,431	250,409
Provision for expected credit loss (ECL)	-	-	-	-	-	-
	<u>3,063</u>	<u>311,897</u>	<u>314,961</u>	<u>3,978</u>	<u>246,431</u>	<u>250,409</u>

11.2 Trade debts include Rs. 314,962 thousand (99% 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 VIS and PACRA 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 provision for expected credit losses are deemed necessary at this stage. Remaining amount is receivable from the government entity 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.

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	Note	2025 -----Pak Rupees in '000'-----	2024
12 LOANS AND ADVANCES			
Unsecured			
Advance to suppliers/contractor and labor jamadar	12.1	116,188	26,095
Receivable from educational institutions	12.2	-	46,566
Receivable from miners		497	468
		116,685	73,129
Secured			
Advances to employees - considered good	12.3	143,844	136,242
Current portion of loans to employees	8	75,572	89,588
		336,101	298,959
12.1	This amount is allocated for carriage and civil work contracts associated with the execution of agreements. During the year, the balance previously presented under Advances to Suppliers/Contractors and Labor Jamadar has been reclassified to Other Receivables to more appropriately reflect its nature. Comparative figures have been restated accordingly. This reclassification has no impact on the profit or loss or total equity of the Company.		
12.2	Previously, these receivables represented amounts due from educational institutions of PMDC, amounting to Rs. 55.64 million from Survey Institute Rs 23.01 million from Model High School, and Rs. 9.08 million from Women Degree College established in Khewra District, Jhelum. The amounts were recoverable on account of salaries paid to the staff of Model High School and Degree College. During the current year, management has assessed the recoverability of these receivables and concluded that the amounts are no longer collectible. Accordingly, the outstanding balance of PKR 67.04 million has been written off in these financial statements and recognized as donation expense under Other Expenses refer to note 34.		
12.3	Advances to employees includes advances for operational purpose, house rent assistance and against salaries which are recoverable/adjustable within a period of one year.		
13 OTHER RECEIVABLES			
Unsecured			
Receivable from Niaz Akhtar and others	13.1	55,608	55,608
Raising contractors:	13.2	287,781	230,707
Receivable from associated companies	13.3	14,973	11,271
Sales tax refund		121,140	47,602
Receivable from Duddar Lead Zinc Mining Project	13.4	750,876	673,093
Other receivables		198	14,903
		1,230,576	1,033,184
Accrued interest		602,180	878,360
Provision against receivable from Niaz Akhtar & others		(55,608)	(55,608)
Provision against receivable from Raising Contractors		(199,817)	(213,605)
		1,577,331	1,855,936
13.1	The Company has recognized a full provision of Rs. 55,608 thousand (2024: Rs. 55,608 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.		
13.2	These represent amounts recoverable from raising contractors on account of explosives supplied by PMDC in accordance with contractual terms. The explosives are procured by the Company and issued to contractors for mining operations. The outstanding balances are recovered from contractors against the excavation bills submitted by miners or contractors.		
13.3	These are receivables from associated companies as described below:		
13.3.1	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.		
13.3.2	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.		
13.3.3	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, 2025 is Rs. 12,702 thousands (2024: Rs. 8,935 thousands). The maximum outstanding balance during the year is Rs. 12,702 thousand.		
13.4	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.		

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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.

As of June 30, 2025, the amount of Rs. 750.3 million recognized in these financial statements represents PMDC's computed share of profit from MCC based on the audited financial statements of MCC for the year ended December 31, 2024.

14	SHORT TERM INVESTMENT	Note	2025 -----Pak Rupees in '000'-----	2024
	At Amortised Cost:			
	Term Deposits Receipts	14.1	4,201,678	11,163,705
	At Fair Value through Profit or loss			
	Open Ended Mutual Fund	14.2	2,652,632	-
			<u>6,854,310</u>	<u>11,163,705</u>
14.1	This represents term deposit receipts with banks and financial institutions in local currency, carrying interest rate ranging from 10.65% to 23.5% (2024: 15.85% to 21.20%). Included in these amounts are the insurance funds amounting to Rs. 50 million which are also invested in the Term Deposit Receipts.			
14.2	This represents investments in open-ended mutual funds with banks and financial institutions in local currency, with an anticipated rate of return of 12.5% per annum.			
15	TAX REFUNDS DUE FROM GOVERNMENT			
	Opening balance		-	3,519
	Deducted at source during the year		121,470	647,423
	Income tax paid in advance against for tax year 2024		948,958	768,520
	Less: Adjusted against current year provision	26	<u>(1,070,428)</u>	<u>(1,419,461)</u>
			<u>-</u>	<u>-</u>
16	CASH AND BANK BALANCES			
	Cash at bank			
	Local currency			
	- Current accounts		265,134	230,811
	- Deposit accounts	16.1	70,242	395,857
	- Cash in hand		10,165	13,387
	- Cheque in transit		401,000	-
			<u>746,541</u>	<u>640,056</u>
16.1	The savings accounts earns interest at floating rates based on daily bank deposit rates ranging from 9.5% to 12.5% (2024: 12.25% to 19.56%) per annum.			
17	SHARE CAPITAL			
	AUTHORIZED CAPITAL			
	100,000,000 (2024: 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 (2024: 880,000) of Rs. 10/- each issued in cash held by Government of Pakistan through its nominees.	17.1	8,800	8,800
	120,000 ordinary shares (2024: 120,000) of 10/- each issued in free to BESOS Trust	17.2	1,200	1,200
			<u>10,000</u>	<u>10,000</u>

17.1 These carry equal rights to vote, dividends and right & bonus issue.

17.2 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.

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18 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	2025 -----Pak Rupees in '000'-----	2024
19 REVENUE RESERVES			
General reserves	19.1	683,633	683,633
Insurance reserves	19.2	50,000	50,000
Depletion reserve		997,066	889,476
Unappropriated profit		7,076,216	5,209,312
		<u>8,806,915</u>	<u>6,832,421</u>

19.1 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.

19.2 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:

	Note	2025 -----Pak Rupees in '000'-----	2024
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.

20 EMPLOYEE BENEFITS

Compensated absences (leave encashment)	20.1	138,798	146,685
Post-retirement medical benefit	20.2	222,826	679,833
Medical absences cost	20.5	6,512	6,422
Pension Fund Trust	20.3	34,099	-
		<u>402,235</u>	<u>832,940</u>
Pension Fund Trust	20.3	-	(20,141)
Employees Gratuity Trust	20.4	(13,167)	(47,217)
		<u>(13,167)</u>	<u>(67,358)</u>
		<u>389,068</u>	<u>765,581</u>
Transferred to:			
Employee benefits prepayments		13,167	67,358
		<u>402,235</u>	<u>832,940</u>

20.1 Compensated absences (leave encashment)

20.1.1	<u>138,798</u>	<u>146,685</u>
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20.1.1 The movement in the present value of defined benefit obligation is as follows:

Balance as at beginning of the year	146,685	137,297
Current service cost	17,052	14,698
Interest cost	16,713	17,958
Remeasurement due to:		
-Experience adjustments	12,957	23,285
Benefits paid during the year	(54,609)	(46,553)
	<u>138,798</u>	<u>146,685</u>

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	Note	2025 ----Pak Rupees in '000'----	2024
20.1.2 Expense recognized in the statement of profit or loss:			
Current service cost		17,052	14,698
Interest cost		16,713	17,958
Remeasurement of other long term benefits		12,957	23,285
Expense charge in Statement of profit or loss		<u>46,722</u>	<u>55,941</u>

20.1.4 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:

	2025		2024	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
	Rupees in '000'		Rupees in '000'	
Discount rate	123,983	156,239	131,676	164,364
Salary increase rate	155,892	124,013	163,903	131,796

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

	2025	2024
Discount rate used for year end obligation	12.50%	15.75%
Discount rate used for interest cost in profit or loss	14.00%	14.00%
Rate of salary increase (long term)	14.00%	14.00%
Retirement assumption	60 years	60 years
Mortality rate	SLIC with 1 year set back for males and Age based (per appendix)	SLIC 2001-back 1-4 Age based (per
Withdrawal rate		

The estimated charge to profit or loss for the next year is Rs. 36,502 thousand
The average duration of the compensated absences plan as at 30 June 2025 is 12 years.

20.2 Post-retirement medical benefit

Present value of defined benefit obligation	20.2.1	<u>222,826</u>	<u>679,833</u>
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20.2.1 The movement in the present value of defined benefit obligation is as follows:

Balance as at beginning of the year		679,833	650,014
Current service cost		6,844	5,404
Interest cost		27,542	99,993
Remeasurement due to:			
-Experience adjustments		(460,533)	(45,297)
Benefits paid during the year		(30,860)	(30,281)
		<u>222,826</u>	<u>679,833</u>

20.2.2 Expense recognized in the Statement of profit or loss:

Current service cost		6,844	5,404
Interest cost		27,542	99,993
Expense charge in Statement of profit or loss		<u>34,386</u>	<u>105,397</u>

20.2.3 Expense recognized in the Statement of comprehensive income:

Remeasurement due to experience on obligation		<u>(460,533)</u>	<u>(45,297)</u>
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20.2.4 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:

	2025		2024	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
	Rupees in '000'		Rupees in '000'	
Discount rate	212,423	234,373	621,476	748,037
Medical allowance increase rate	-	-	751,934	617,286

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

	2025	2024
Discount rate used for year end obligation	12.50%	15.75%
Discount rate used for interest cost in profit or loss	14%	14.00%
Rate of salary increase (long term)	0%	12.00%
Retirement assumption	60 years SLIC with 1 year set back for males and SLIC with 4 years set back for females	60 years SLIC 2001-2005 set back 1-4 year
Mortality rate		
Withdrawal rate	Age based (per appendix)	Age based (per appendix)

The estimated charge to profit or loss for the next year is Rs. 28,462 thousand.
The average duration of the post retirement medical benefit as at 30 June 2025 is 5 years.

Note	2025 ----Pak Rupees in '000'----	2024
20.3 Pension		
Net liability/(asset) of defined benefit obligation	<u>34,098</u>	<u>(20,142)</u>
The amount recognized in the Statement of financial position is as follows:		
Present value of defined benefit obligation	20.3.1 1,034,570	956,791
Fair value of plan assets	20.3.2 (1,000,472)	(976,933)
Net liability/(asset) at end of the year	<u>34,098</u>	<u>(20,142)</u>
20.3.1 The movement in the present value of defined benefit obligation is as follows:		
Balance as at beginning of the year	956,791	822,031
Current service cost	53,186	35,565
Interest cost	128,050	127,181
Remeasurement due to:		
-Experience adjustments	(19,161)	1,073
Benefits paid during the year	<u>(84,296)</u>	<u>(29,059)</u>
	<u>1,034,570</u>	<u>956,791</u>
20.3.2 The movement in the fair value of plan assets is as follows:		
Fair value of plan assets at beginning of the year	976,933	821,722
Interest income on plan assets	134,387	127,264
Remeasurement due to:		
-Investment return	(76,801)	55,336
Contributions	50,249	1,670
Benefits paid during the year	<u>(84,296)</u>	<u>(29,059)</u>
	<u>1,000,472</u>	<u>976,933</u>
20.3.3 Expense recognized in the statement of profit or loss:		
Service cost		
-Current service cost	53,186	35,565
Net interest	<u>(6,337)</u>	<u>(83)</u>
Expense charge in Statement of profit or loss	<u>46,848</u>	<u>35,482</u>
20.3.4 Expense recognized in the Statement of Comprehensive Income:		
Remeasurement due to:		
-Experience adjustment on obligation	19,161	1,073
-Investment return	<u>(76,801)</u>	<u>(55,336)</u>
Expense charge in Statement of comprehensive income	<u>(57,640)</u>	<u>(54,263)</u>
20.3.5 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:

	2025		2024	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
	Rupees in '000'		Rupees in '000'	
Discount rate	876,903	1,237,588	830,219	1,115,831
Salary increase	1,154,364	929,437	1,060,803	865,654

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

	2025	2024
Discount rate used for year end obligation	13%	14.00%
Discount rate used for interest cost in profit or loss	14.00%	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 with 4 years set back for females	SLIC 2001-2005 set back 1-4 year
Withdrawal rate	Age based (per appendix)	Age based (per appendix)

20.3.7 Expected benefit payments

Year 1
Year 2
Year 3
Year 4
Year 5
Year 6 to 10

Note	2025	2024
	-----Pak Rupees in '000'-----	
	57,894	35,834
	12,677	92,017
	5,368	23,831
	36,277	16,396
	12,954	38,048
	<u>481,635</u>	<u>239,948</u>

The estimated charge to profit or loss for the next year is Rs. 60,125 thousand.
The average duration of the pension plan as at 30 June 2025 is 17 years.

20.3.8 Composition of plan assets

Investment in TDR
Accrued Interest on Investment
Investment Receivable
Cash at Bank
Payables

	2025	2024
20.3.8.1	930,000	700,000
	37,696	56,833
	-	-
	57,579	274,404
	<u>(24,803)</u>	<u>(54,304)</u>
	<u>1,000,472</u>	<u>976,933</u>

20.3.8.1 The Company maintains its Pension Fund as a separate and independent trust in accordance with the requirements of the Companies Act, 2017. All contributions from employees and the Company are kept in a separate bank account operated by the Fund's trustees, ensuring that the Fund's investments remain segregated from the Company's own assets as required under Companies Act, 2017. All investments of the Pension Fund are made in accordance with applicable laws, the trust deed, and Fund rules, and no part of the Fund's assets has been used for operations of the Company during the year.

20.4 Gratuity

Net liability/(asset) of defined benefit obligation

(13,167) (47,217)

The amount recognized in the Statement of financial position is as follows:

Present value of defined benefit obligation
Fair value of plan assets
Net liability/(asset) at end of the year

20.4.1	516,271	489,638
20.4.2	<u>(529,438)</u>	<u>(536,855)</u>
	<u>(13,167)</u>	<u>(47,217)</u>

20.4.1 The movement in the present value of defined benefit obligation is as follows:

Balance as at beginning of the year	489,638	456,784
Current service cost	30,591	26,456
Interest cost	63,781	68,808
Remeasurement due to:		
-Experience adjustments	376	(22,589)
Benefits paid during the year	<u>(68,115)</u>	<u>(39,821)</u>
	<u>516,271</u>	<u>489,638</u>

20.4.2 The movement in the fair value of plan assets is as follows:

Fair value of plan assets at beginning of the year	536,855	422,178
Interest income on plan assets	71,738	68,695
Remeasurement due to:		
-Investment return	<u>(30,276)</u>	18,018
Contributions	19,236	67,785
Benefits paid during the year	<u>(68,115)</u>	<u>(39,821)</u>
	<u>529,438</u>	<u>536,855</u>

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	2025	2024
	----Pak Rupees in '000'----	
20.4.3 Expense recognized in the Statement of profit or loss:		
Service cost		
-Current service cost	30,591	26,456
Net interest	(7,956)	113
Expense charge in Statement of profit or loss	<u>22,635</u>	<u>26,569</u>

20.4.4 Expense recognized in the Statement of other comprehensive income:		
Remeasurement due to:		
-Experience adjustments on obligation	376	(22,589)
-Investment return	30,276	(18,018)
Expense charge in Statement of comprehensive income	<u>30,652</u>	<u>(40,607)</u>

20.4.5 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:

	2025		2024	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
	Rupees in '000'		Rupees in '000'	
Discount rate	471,745	569,637	448,317	536,514
Salary increase	<u>569,252</u>	<u>471,090</u>	<u>535,809</u>	<u>449,188</u>

	2025	2024
20.4.6 The principal actuarial assumptions used in the actuarial valuation are as follows:		
Discount rate used for year end obligation	12.50%	15.75%
Discount rate used for interest cost in profit or loss	14.00%	14.00%
Rate of salary increase (long term)	14.00%	14.00%
Retirement assumption	60 years	60 years
Mortality rate	SLIC 2001-2005 set back 1-4 year Age based (per appendix)	SLIC 2001-2005 set back 1-4 year Age based (per appendix)
Withdrawal rate		

	2025	2024
20.4.7 Expected benefit payments		
Year 1	43,157	30,854
Year 2	35,802	50,715
Year 3	58,638	34,776
Year 4	49,656	74,225
Year 5	28,970	51,757
Year 6 to 10	<u>284,249</u>	<u>250,642</u>

The estimated charge to profit or loss for the next year is Rs. 19,236 thousand.
The average duration of the gratuity plan obligation as at 30 June 2025 is 9 years.

20.4.8 Composition of plan assets		
Investment in TDR	430,000	100,000
Accrued Interest on Investment	72,860	19,100
Cash at Bank	26,577	417,754
	<u>529,437</u>	<u>536,854</u>

20.4.8.1 The Company maintains its Gratuity Fund as a separate and independent trust in accordance with the requirements of the Companies Act, 2017. All contributions from employees and the Company are kept in a separate bank account operated by the Fund's trustees, ensuring that the Fund's investments remain segregated from the Company's own assets as required under Section 226 of the Companies Act, 2017. All investments of the Gratuity Fund are made in accordance with applicable laws, the trust deed and Fund rules, and no part of the Fund's assets has been used for operations of the Company during the year.

20.5 Medical Leaves Plan		
	<u>6,512</u>	<u>6,422</u>

20.5.1 The movement in the present value of defined benefit obligation is as follows:		
Balance as at beginning of the year	6,422	4,931
Current service cost	307	229
Interest cost	899	777
Remeasurement due to:		
-Experience adjustments	(1,116)	485
	<u>6,512</u>	<u>6,422</u>

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	Note	2025	2024
-----Pak Rupees in '000'-----			
20.5.2 Expense recognized in the Statement of profit or loss:			
Current service cost		307	229
Interest cost		899	777
Remeasurement of other long term benefits		(1,116)	485
Expense charge in Statement of profit or loss		<u>90</u>	<u>1,491</u>
20.5.3 Expense recognized in the Statement of comprehensive income:			
Remeasurement due to experience on obligation		-	-

20.5.4 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:

	2025		2024	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
	Rupees in '000'		Rupees in '000'	
Discount rate	5,761	7,471	6,676	7,362
Salary increase rate	7,493	5,746	7,398	5,648

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

	2025	2024
Discount rate used for interest cost in profit or loss	12.50%	15.75%
Discount rate used for year end obligation	14.00%	14.00%
Rate of salary increase (long term)	14.00%	13.00%
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)

The estimated charge to profit or loss for the next year is Rs. 963 thousand.
The average duration of the medical leaves plan as at 30 June 2025 is 13 years.

20.6 Remeasurement Gain/ (Loss) on Employees Benefits

20.6.1 Remeasurement Gain/ (Loss) recognized statement of comprehensive income:

Pension	20.3	(57,640)	54,263
Gratuity	20.4	(30,652)	40,607
Post Retirement Medical	20.2	460,533	45,297
		<u>372,241</u>	<u>140,167</u>

21 DEFERRED TAX LIABILITIES - NET

21.1 Deferred taxation - net

Deferred tax assets	175,739	257,873
Deferred tax liabilities	(432,043)	(353,404)
	<u>(256,304)</u>	<u>(95,531)</u>

21.1.1 Movement in deferred taxation

Deferred tax assets/ (liabilities)	As at July 01, 2024	Statement of profit or loss - Income/ (Expense)	Other comprehensive income - Income/ (Expense)	As at 30 June, 2025
-----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	47,403	20,416	-	67,819
Post-retirement medical benefits	210,470	29,780	(145,175)	95,065
Work profit participation fund	-	12,854	-	12,854
	<u>257,873</u>	<u>63,050</u>	<u>(145,175)</u>	<u>175,739</u>

Effect of taxable temporary differences

Accelerated depreciation/amortization allowance	(6,508)	(35,561)	-	(42,069)
Short term investments	-	(544)	-	(544)
Reserve for depletion	(346,896)	(42,533)	-	(389,429)
	<u>(353,404)</u>	<u>(78,638)</u>	-	<u>(432,043)</u>
	<u>(95,531)</u>	<u>(15,588)</u>	<u>(145,175)</u>	<u>(256,304)</u>

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Deferred tax assets/ (liabilities)	As at July 01, 2023	Statement of profit or loss - Income/ (Expense)	Other comprehensive income - Income/ (Expense)	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	(68,358)	-	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)
	691,832	(83,566)	(54,665)	(95,531)

Deferred tax assets and liabilities on temporary differences are measured at the rate of 39% (2024: 39%).

	Note	2025 -----Pak Rupees in '000'-----	2024
22 CONTRACT LIABILITIES			
Advances from customers	22.1	115,143	96,245
22.1 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.			
23 INSURANCE FUND			
Insurance Fund	23.1	111,376	106,102
23.1 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. The insurance fund is being deducted at from Rs. 8 to 10 from salt region and Rs. 20 from coal region.			
24 TRADE AND OTHER PAYABLES			
Trade creditors		79,024	93,404
Accrued liabilities	24.1	395,195	1,189,713
Withholding income tax payable		40,210	29,538
Royalty, excise duty and other taxes		113,180	53,717
Contractors current account	24.2	31,875	213,605
Other liabilities		11,416	7,771
Payable to Balochistan Development Authority (BDA)	24.3	-	5,023,539
Provision for workers' profit participation fund	24.4	198,661	231,621
		869,561	6,861,516
24.1 Accrued liabilities			
Salaries, wages and other benefits	24.1.1	236,695	277,045
Employee old age benefit contribution (EOBI)		8,225	18,418
Accrual for other operational expenses	24.1.2	150,275	894,250
		395,195	1,189,713
24.1.1 This includes an amount of Rs. 194,931 thousand (2024:197,210 thousand) which represents bonus payable to employees, miners and coal cutters.			
24.1.2 This included interest earned of Rs. 792,619 thousands relating to funds retained under the Agreement dated January 19, 2007 between PMDC and Balochistan Development Authority (BDA) for the Duddar Lead Zinc Project. The funds were placed in term deposits pending execution of a Novation Agreement in favour of Balochistan Mineral Resources Ltd. (BMRL), which was finalized on October 4, 2024. The principal amount has since been released to BMRL, and the related interest income, previously recorded under accrued liabilities, has now been recognized as other income refer to note 32.1.			
24.2 During the year, the amount appearing in the contractors current account relating to receivables from raising contractors has been reclassified from contractors' current accounts to provision for receivables from raising contractors in Other Receivables as per note 13.			
24.3 During the year, the Company released the entire amount pending to Balochistan Mineral Resources Limited (BMRL) pursuant to the Novation Agreement executed on October 4, 2024 among PMDC, Balochistan Development Authority (BDA), and BMRL. This amount represents the principal share of BDA under the Agreement dated January 19, 2007, which provided for a 50:50 sharing of profits from the Duddar Lead Zinc Project. The settlement was deferred in prior years pending execution of the Novation Agreement. Following execution of the agreement, the Company discharged its obligation by releasing the principal amount to BMRL during the current year.			

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	Note	2025	2024
-----Pak Rupees in '000'-----			
24.4 Provision for workers' profit participation fund			
Opening balance		231,621	192,134
Charge for the year		198,420	231,177
Transfer to the fund		(231,380)	(191,690)
		<u>198,661</u>	<u>231,621</u>
25 SECURITY DEPOSITS			
Security deposits		148,289	134,001
		<u>148,289</u>	<u>134,001</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 and maintained in separate bank account in accordance with the requirements of Companies Act 2017.			
26 PROVISION FOR TAXATION - NET			
Provision for taxation		1,406,839	1,712,089
Less: Advance tax adjusted		(1,070,428)	(1,419,302)
		<u>336,411</u>	<u>292,787</u>

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 The Company is currently involved in litigation regarding the ownership rights of land measuring 18,636 Kanals and 17 Marlas in village Rakh Dandot (Khehra 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.

27.1.2 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 (WPIIC) 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.

27.1.3 Income Tax

27.1.3.1 A notice under section 177(1) of the income tax ordinance, 2001 for the tax year 2020, was issued to the Company on June 20, 2022, with a reply submitted on the June 21, 2022. Subsequently, a notice under section 177(6) to conclude the audit proceedings was issued on the April 15, 2025, and the Company responded on April 15, 2025. Following the audit closure, a notice under section 122(9) seeking clarification on miscellaneous expenses Rs. 59.4 million and remeasurement loss Rs. 67.7 million was issued on April 23, 2025, to which taxpayer replied on April 28, 2025. No further correspondence has been made in the case thereafter.

27.1.3.2 A case for the tax year 2025 is currently pending before the Alternate Dispute Resolution Committee (ADRC) concerning a notice issued under Section 147 of the Income Tax Ordinance, 2001 to the Company on June 5, 2025, requiring the advance payment of tax. The Company paid Rs. 200 million against an order issued under Sections 147/205, which required the payment of Rs. 504 million as advance tax. However, on June 26, 2025, the assessing officer issued a notice under Section 140 read with Rule 69, attaching the Company's accounts and arbitrarily recovering an amount of Rs. 43 million. Aggrieved by this action, the Company filed an appeal before the ADRC on June 27, 2025. Additionally, the Company filed a writ petition against the recovery proceedings in the Honorable Islamabad High Court. The Court passed a judgment on September 15, 2025, dismissing the notice issued by the FBR and referring the matter to the ADRC. The case remains pending before the ADRC, and no further hearing has taken place.

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- 27.1.3.3 The Company has received and responded to notices under Rule 44(4) of the Income Tax Rules, 2002 for the following tax years:
- A notice was received on April 12, 2022 for the tax year 2020, and the Company submitted its reply on April 27, 2022. No further correspondence has been received from the assessing officer regarding this matter.
- A notice was received on March 6, 2025 for the tax year 2021. The reply is currently pending, however, an adjournment request has been filed by the Company.
- A notice was received on March 6, 2025 for the tax year 2022, and the Company submitted its reply on June 27, 2025. No further correspondence has been received from the assessing officer regarding this matter.

27.1.4 Sales Tax

- 27.1.4.1 Sales tax audit case for tax year 2020 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. The decision regarding appeal is being contested by FBR before ATIR however, no hearing is fixed yet.
- 27.1.4.2 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 for tax year 2019. The Company had deposited Rs. 0.227 million for auto-stay of recovery in this case.
- 27.1.4.3 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.
- 27.1.4.4 A case pertaining to tax year 2017 involving Rs. 0.356 million regarding non-realization of sales tax on disposal of spares/scrap is also under remand proceedings following Commissioner (Appeals) order dated August 31, 2023.

27.1.5 Sales Tax - Sindh Revenue Board

Regarding Sindh sales tax matters, two significant appeals are pending. The first case (SRA No. 393/2019) involves recovery of Rs. 257.67 million pertaining to tax periods 2011 to 2017, arising from Order dated May 20, 2019, issued by Assistant Commissioner -SRB Hyderabad.

The second case (SRA No. 776/2019) relates to recovery of Rs. 8.86 million for the period July 2017 to June 2018, stemming from Order dated November 21, 2019. Against the aforementioned order, the Company has filed an appeal before the commissioner Appeals -SRB Karachi, last hearing date was November, 2024. No further correspondence has been made by the commissioner Appeals on the Subject matter.

27.1.6 Sales Tax - Punjab Revenue Authority

A sales tax matter is pending with Commissioner Punjab Revenue Authority, Lahore. A Show Cause Notice (PRA/Public Sector/2588) dated May 02, 2017, was issued regarding charging of sales tax (PRA) amounting to Rs. 126.916 million on payment of services worth Rs. 793,226 million. A reply was submitted on May 24, 2017, and a hearing was fixed for October 16, 2019, during which the required details were provided. To date, no fresh notice has been received by PMDC.

27.2 Commitments

There is no commitment as of reporting date (2024: Nil).

	Note	2025 -----Pak Rupees in '000'-----	2024
28 REVENUE - Net			
Gross sales		6,142,445	5,207,736
Sales tax		(871,480)	(733,348)
Net sales	28.1	<u>5,270,965</u>	<u>4,474,388</u>
28.1 Product wise breakup of net sales is as follows:			
- Sales of Salt		<u>3,563,720</u>	3,144,575
- Sales of Coal		<u>1,707,246</u>	1,226,105
		5,169,558	4,370,680
Income from tourism resort		<u>101,407</u>	103,708
		<u>5,270,965</u>	<u>4,474,388</u>
29 COST OF SALES			
Salary, wages and other benefits	29.1	1,184,201	1,087,617
Excavation charges		709,270	746,036
Development cost		26,363	20,132
Material and stores		250,286	224,009
Depreciation		51,717	36,597
Mine visiting and tourist resort cost		89,643	83,961
Other overhead		222,191	231,602
Carriage expense		432,324	408,363
Changes in stock		(27,746)	(229,359)
		<u>2,938,249</u>	<u>2,608,958</u>

- 29.1 Salary, wages and other benefits includes charge of Rs. 77,690,159 (2024: Rs 54,372,520) pertaining to in respect of leave salary expenses and also includes the expense pertaining to Gratuity, Pension plan, post retirement medical plan and medical leaves plan.

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	Note	2025 ----Pak Rupees in '000'----	2024
30 OPERATING EXPENSES			
Salary, wages and other benefits	30.1	686,798	635,283
Repair and maintenance		34,870	20,608
Auditor Remuneration	30.2	1,650	1,650
Safety Auditor Fee		2,050	812
Depreciation		14,788	6,986
Miscellaneous		122,365	71,379
		<u>862,521</u>	<u>736,718</u>
30.1			
Salary, wages and other benefits includes charge of Rs. 71,914,395 (2024: Rs 42,693,323) in respect of leave salary expenses and also includes the expense pertaining to Gratuity, Pension plan, post retirement medical plan and medical leaves plan. The amount is inclusive of the amounts paid to Key Management Personnel as mentioned in note 38.			
30.2			
Auditor Remuneration			
Annual audit fee		1,650	1,650
Out of pocket expenses		-	-
		<u>1,650</u>	<u>1,650</u>
31 DISTRIBUTION COST			
Salary, wages and other benefits		69,354	58,874
Loading and transportation		50,994	63,008
Depreciation		5,205	5,471
Royalty and other taxes		422,242	171,519
Miscellaneous expenses		29,114	17,271
		<u>576,909</u>	<u>316,143</u>

	Note	2025 ----Pak Rupees in '000'----	2024
32 OTHER INCOME			
Income from financial assets			
Interest income	32.1	2,184,420	1,373,174
Dividend Income	32.2	201,649	-
Unwinding of discount		56,495	49,164
Gain and fair value change on financial assets		29,941	-
		<u>2,472,504</u>	<u>1,422,338</u>
Income from non-financial assets			
Rental Income		24,160	15,998
Miscellaneous	32.3	94,470	99,692
Adjustment and reversal	32.4	4,933	32,756
Income from Duddar Lead Zinc	32.5	750,876	2,479,225
		<u>874,438</u>	<u>2,627,671</u>
		<u>3,346,943</u>	<u>4,050,009</u>

- 32.1** This balance includes interest income relating to the share of the Balochistan Development Authority (BDA) under the Agreement dated January 19, 2007 between PMDC and BDA, which provided for a 50:50 sharing of profits from the Duddar Lead Zinc Project. At the request of BDA, settlement of its share of funds received from the project was deferred pending execution of a Novation Agreement in favour of Balochistan Mineral Resources Ltd. (BMRL), a company established by BDA to manage mineral development. During this period, the funds remained with PMDC and were placed in term deposits, generating interest income of Rs. 1,098 million. The Novation Agreement was executed by PMDC, BDA and BMRL on October 4, 2024, following which the principal amount was released to BMRL in accordance with the agreement. The related interest income, which had previously been carried under accrued liabilities, has now been recognized in the income statement.
- 32.2** This amount represents the dividend income earned by PMDC from investment in mutual funds.
- 32.3** This includes 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.
- 32.4** This represent the reversals of provisions against gratuity, pension and medical expenses recognized by the entity in prior year.
- 32.5** The Company has accrued USD 2.69 million (equivalent to Rs. 750,876 thousand) (2024: USD 2 million equivalent to Rs. 673,093 thousand) as its share of profit for the period January 1, 2024, to December 31, 2024 USD 26 million or Rs. 7,319,170 thousand). 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. The outstanding disputed amount of Rs. 1,806,132 thousand has been received in the year 2024 from MCC and 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, 2024.

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	Note	2025 -----Pak Rupees in '000'-----	2024
33 SHARE OF PROFIT/(LOSS) FROM ASSOCIATES			
FATA joint venture		-	1,255
34 OTHER EXPENSES			
Amortization loss of employees long term loans		173,894	121,546
Workers profit participation fund		198,420	231,177
Interest cost on employee benefit		30,861	118,757
Donation expense	34.1	67,041	-
		<u>470,216</u>	<u>471,480</u>

34.1 This amount includes the donation made to educational institutes operating in Khewra and Warcha as follows:

Name of the Donee	Nature	Transactions type	2025 -----Pak Rupees in '000'-----	2024
PMDC Survey Institute	Educational	Donation in respect of salaries of institute employees	55,649	-
PMDC Model High School	Educational	Donation in respect of salaries of institute employees	2,302	-
PMDC Girls College Khewra	Educational	Donation in respect of salaries of institute employees	9,090	-
			<u>67,041</u>	<u>-</u>

	2025	2024
35 TAXATION		
Current tax		
- Current year	1,406,997	1,712,089
- Prior year	-	(43,545)
	<u>1,406,997</u>	<u>1,668,544</u>
Deferred tax	15,588	83,566
	<u>1,422,586</u>	<u>1,752,110</u>

	Note	2025 -----Pak Rupees in '000'-----	2024
Reconciliation of tax charge			
Profit for the year		3,770,013	4,392,353
Tax at applicable tax rates of 39% (2024: 39%)		1,470,305	1,713,018
Tax effect of depletion allowance		(41,960)	(38,299)
Long term loans to employees - discounting and interest income		45,786	28,229
Accelerated tax depreciation and gain on disposal		(17,170)	(1,240)
Staff retirement benefits		(4,705)	11,629
Allowance for rental income		(1,884)	(1,248)
Effect of prior year taxation		-	(43,545)
Effect of temporary differences		15,588	83,566
Workers' profit participation fund		(12,854)	-
Tax effect of income subject to final tax and separate block incomes		(32,227)	-
Others		1,707	-
		<u>1,422,586</u>	<u>1,752,110</u>

36 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	
			2025 -----Pak Rupees in '000'-----	2024
FATA joint venture	Share of profit/(Loss) of associate	30% Joint venture	-	1,255
Sarhad Mineral (Private) Limited	-	49% Associate	-	-
LCDCL	Salaries of employees paid	50% Joint Venture	3,767	4,867
LCDCL	Refund of payment against	50% Joint Venture	-	-
BMEC	Equity investment	10% Associate	-	-
Utility store	Amount received sale of salt	Government Entity	2,042	9,640
Utility store	Sale of salt	Government Entity	1,127	7,080

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Name of the related party	Nature of balance	Relationship and percentage shareholding	Balance as at	
			2025	2024
			----Pak Rupees in '000'----	
FATA joint venture	Equity Investment	30% Joint venture	-	1,500
LCDCL	Receivable against salary to	50% Joint Venture	12,703	8,935
BMEC	Equity Investment	10% Associate	160,000	160,000
BMEC	Receivable	10% Associate	641	641
Utility store	Receivable against sales	Government Entity	3,063	3,978

37 NUMBER OF EMPLOYEES

	----Number----	
	2025	2024
Officers	107	92
Supervisors	31	31
Staff and workers	941	1,013
Apprentices / management trainees	-	-
	<u>1,079</u>	<u>1,136</u>

37.1 The average number of officers, supervisors, and staff/workers during the year ended 2025 was 100, 31, and 977 respectively.

38 NUMBER OF MINERS

	----Number----	
	2025	2024
Salt cutters	1,233	1,233
Coal cutters	385	385
	<u>1,618</u>	<u>1,618</u>

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:

	2025			2024		
	----Pak Rupees in '000'----					
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Managerial remuneration	21,600	28,250	71,718	18,350	34,550	50,794
Boarding/Lodging Reimbursement	-	5,558	-	-	7,571	-
Rent, Utilities and conveyance	-	3,654	41,256	-	7,037	29,801
Bonus and incentives	2,973	-	17,244	-	-	71,573
Other Allowances	3,221	481	47,599	-	2,191	2,335
Cooperation fee	-	300	-	-	300	-
Pension Plan	-	-	7,379	-	-	7,313
Leave Encashment	739	-	4,214	-	-	3,713
Total	<u>27,791</u>	<u>38,243</u>	<u>177,817</u>	<u>18,360</u>	<u>51,649</u>	<u>165,530</u>
Number of persons	1	9	23	1	11	25

39.1 The Chief Executive, Deputy General Managers except 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	2025 -----Pak Rupees in '000'-----	2024
Financial assets measured at amortized cost			
Loans and advances	7 & 11	224,074	276,445
Long term deposits		43,353	24,192
Trade debts	11	314,962	250,409
Other receivables	13	1,577,331	1,664,783
Short term investment in Term deposits	14	4,201,678	11,163,705
Cash and bank balances	16	746,541	640,055
		<u>7,107,939</u>	<u>14,019,589</u>
Financial assets measured at fair value profit or loss / Level II			
Short term investment in Mutual fund units	14	<u>2,652,632</u>	-
Financial assets measured at amortized cost			
Trade and other payables	24	517,510	6,546,641
Security deposits	25	148,289	134,001
		<u>665,799</u>	<u>6,680,642</u>

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

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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.

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:

	2025	2024
	-----Pak Rupees in '000'-----	
Counterparties without external credit		
Loans and advances	224,074	276,445
Long term deposits	43,353	24,192
Trade debtors - unsecured considered good	314,962	250,409
Other receivables	961,984	719,065
	<u>1,544,373</u>	<u>1,270,111</u>
Counterparties with external credit ratings		
Short term investment	6,354,310	11,163,705
Bank balances	746,541	640,055
Accrued interest	602,180	878,360
	<u>8,203,031</u>	<u>12,682,120</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:

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Bank	Rating Agency	Short term/ long term rating	2025	2024
			-----Rupees in '000'-----	
Habib Bank Limited	VIS	A-1+/AAA	1,340,741	487,272
The Bank of Punjab	PACRA	A-1+/AA+	3,000,000	3,347,690
Habib Metropolitan Bank Limited	PACRA	A-1+/AA+	-	-
Bank Al-Falah Limited	PACRA	A-1+/AAA	1,502,336	7,531,938
National Bank of Pakistan	PACRA	A-1+/AAA	100,745	331,657
Zarai Taraqati Bank Limited	VIS	A-1+/AAA	-	13
Askari Bank Limited	PACRA	A-1+/AA+	121	15,498
Allied Bank Limited	PACRA	A-1+/AAA	52,908	68,590
Sonari Bank Limited	PACRA	A-1+/AA-	-	107
Sindh Bank Limited	VIS	A-1+/AA-	-	1
United Bank Limited	VIS	A-1+/AAA	1,037,898	7,075
Faysal Bank Limited	PACRA/VIS	A-1+/AA+	-	-
MCB Bank Limited	PACRA	A-1+/AAA	2,306	534
			7,037,054	11,790,374

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, 2025				
Trade and other payables	517,510	-	517,510	-
Security deposits	148,289	-	148,289	-
	665,799	-	-	-
June 30, 2024				
Trade and other payables	6,546,641	-	5,315,098	-
Security deposits	134,001	-	134,001	-
	6,680,642	-	5,449,099	-

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 markup rate risk.

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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:

		2025	2024
	Note	-----Pak Rupees in '000'-----	
Financial assets			
Short term investment	12	6,854,310	11,163,705
Bank balances	14	746,541	640,055
		7,600,851	11,803,760

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.

40.5.3 Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, maintain a strong capital base to support sustainable development of its operations, and meet the expectations of its sole shareholder, the Government of Pakistan.

The Company defines capital as share capital contributed by the Government of Pakistan, retained earnings, and other reserves. The Company is not subject to externally imposed capital requirements other than those arising from financing arrangements, if any. The Company complied with all such requirements during the year.

The Board of Directors monitors capital adequacy and financial performance through measures such as return on equity and gearing ratio, and reviews these metrics periodically. The Company's strategy is to maintain an appropriate capital structure by managing working capital efficiently and, where necessary, seeking additional funding from the Government of Pakistan or financial institutions.

	2025	2024
	-----Pak Rupees in '000'-----	
Debt	-	-
Equity	8,341,915	6,867,421
Total	8,341,915	6,867,421
Gearing Ratio	0%	0%

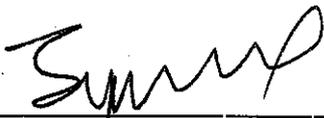
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		2025	2024
		-----Pak Rupees in '000'-----	
41 CASH AND CASH EQUIVALENTS			
Short term highly liquid investments	14	-	7,050,713
Cash and bank balances	16	746,541	640,055
		<u>746,541</u>	<u>7,690,768</u>

42 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 28 NOV 2025.



CHIEF EXECUTIVE OFFICER



CHAIRMAN