

ANNUAL REPORT 2026

SAINDAK METALS LIMITED

MINISTRY OF ENERGY
(PETROLEUM DIVISION)

www.saindak.com.pk



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COMPANY INFORMATION

Company Name:

Saindak Metals Limited

Date of Incorporation:

April 15, 1974

Business:

Mining, Extraction and manufacture of metals and minerals

Authorized Capital:

100 Million PKR consisting of 1,000,000 ordinary shares with nominal value of Rs.100 per share

Paid-Up Capital:

Rs. 1,300 consisting of 13 shares with nominal value of Rs.100 per share

Board of Directors:

Dr. Rehanul Haq Siddiqui
(Chairman, Independent Director)

Mr. Muhammad Raziq Sanjrani
(Chief Executive Officer)

Mr. Qumar Sarwar Abbasi
(Ex-officio Director)

Mr. Jahanzaib Durrani
(Independent Director)

Mr. Waqas Ahmed Barlas
(Ex-officio Director)

Mr. Saidal Khan Luni
(Ex-officio Director)

Mr. Abid S. Mustikhan
(Independent Director)

Mr. Asfandyar Khan
(Ex-officio Director)

Col. Khalid Rafique Shah (Retd)
(Independent Director)

Mr. Muhammad Zia ul Haq
(Ex-officio Director)

Mr. Masood Nabi
(Ex-officio Director)



Company Secretary

Mr. Abdul Haleem

Chief Financial Officer

Mr. Abdul Haleem

Registered Office

SML Head Office,
Gul Bagh Samungli Road,
Quetta, Balochistan (Pakistan).
Tel: +92819201475
Fax: +92819204067

Islamabad Office:

4th Floor, Petroleum House,
Ataturk Avenue, Sector G-5/2,
Islamabad
Tel: +92519214433
Fax: +92519217089

Field Location:

Saindak Copper Gold Project
District Chagai, Balochistan

Registration Number:

0004413

Auditors

M/s BDO Ebrahim & Co.
Chartered Accountants

Website

www.saindak.com.pk

Key Matters Requiring Attention

Certain matters concerning the Company remain under consideration, including the renewal of the lease of 1,203 acres of land with the Government of Balochistan, which expired on April 28, 2025, and whose renewal is under process; the outstanding amount payable to the Government of Pakistan; and the recovery of sales tax amounting to Rs. 407.07 million from the Balochistan Revenue Authority (BRA), relating to three Sales Tax References pending before the Balochistan High Court. These matters are being pursued with the respective authorities and are disclosed, where applicable, in the relevant notes to the Financial Statements.



VISION AND MISSION

VISION

To systematically explore, evaluate and develop Saindak Copper-Gold Deposits and other Copper, Mine and Mineral resources in District Chagai, Balochistan.

MISSION

To make Saindak Metals Limited, a vibrant organization, capable of bringing the mineable resources to a stage where investors (local and foreign) are attracted.



ABOUT US

The Company was incorporated as a private limited company in April 15, 1974 under the Companies Act 1913 (now Companies Act 2017) with the name of Resource Development Corporation (pvt.) Limited. The name of the Company was changed as Saindak Metals (Private) Limited on October 3, 1993 and it was converted into a public limited company on January 16, 1996 with equity owned by the Government of Pakistan (GOP) through nominee ex-officio. The Company has been formed for the exploration, mining and metallurgical processing of copper, gold and other minerals at Saindak in District Chagai, Balochistan. The registered office of the Company is situated at Gul Bagh, Samungli Road, Quetta.

SML HISTORY

1961

Discovery of Copper Deposits

In 1961, the Geological Survey of Pakistan (GSP) discovered significant copper deposits at Saindak, located in District Chagai, Balochistan.

1972-1973

Joint Confirmation

GSP and the US Geological Survey confirmed the presence of copper through diamond core drilling.

1974

Establishment of Resource Development Corporation

On April 1974, RDC was established under companies ordinance.

1990

Agreement with MCC China

SML signed an agreement with MCC China for constructing the Saindak Copper-Gold Project.

1995

Trial Production Phase

The project produced 1,500 metric tons of blister copper.

1996-2001

Project Shutdown Period

The Project was shut down due to lack of working capital and low copper prices in International Market.

2001

Revival Strategy

A federal cabinet committee recommended leasing the project to MCC China to revive operations.

OUR SERVICE



Exploration and Surveying

Conducting geological surveys and exploratory activities to identify potential mining sites and assess their viability.



Drilling and Blasting

Drilling boreholes and using explosives for blasting purposes to extract minerals or ores from the ground.



Mine Development and Construction

The planning, design, and construction of mine infrastructure, such as access roads, tunnels, shafts, and processing facilities.



Equipment Rental and Maintenance

Equipment rental options for mining operations, along with maintenance and repair services to ensure the smooth functioning of machinery and equipment.



Mineral Processing and Refining Services related to mineral processing involve extracting valuable minerals or metals from the mined ore through various processes like crushing, grinding, and refining.



Consulting and Technical Support Mining services may provide consulting and technical support to mining companies, offering expertise in areas such as project management, mineral resource estimation, and optimization of mining operations.

CURRENT PROJECTS

SAINDAK COPPER GOLD PROJECT

The Saindak copper-gold deposits, located at a distance of 35 km from Pakistani border town Taftan and 325 km from the city of Dalbandin, was discovered by Geological Survey of Pakistan in 1961. The area was further studied from 1972 to 1973 and the mineralized zones were defined as East, North and South ore bodies. From 1974 to 1977, Resource Development Corporation (RDC), later on called Saindak Metals Limited (SML), carried out the exploratory work through drilling of 135 bore-holes in the targeted areas.A brief of South, North and East ore bodies is as follows:

South Ore-Body (SOB)

Further, in Phase III to establish the continuity of deep seated mineral bearing horizon a detailed exploration of the South Ore Body established the 100% ore intersection rate across 8 drill holes, confirming deep extension beyond 500 meters at a controlled depth of 502.0–540.5 m. The exploration program delineated an average orebody thickness of 234.46 m with an average copper grade of 0.561% Cu, successfully adding 117,524 tons of new copper resources at 0.476% Cu and 122.79 kg at 0.498 g/t of gold (Au).

SOB potentially have traces with further extension of high-grade deep seated ore bodies, which improve ore body control, and could achieve effective addition of deep seated mineral resources. This will establish once the deep drilling program is completed, followed by finalization of Feasibility Study to ascertain the economic viability for the extraction of deep seated ore body.



North Ore-Body (NOB)

In December 2014, the Kunming Prospecting Design Institute of China Nonferrous Metals Industry completed a detailed geological survey of the North Ore-Body for MRDL/MCC and ENFI China, 64 exploratory holes was drilled totaling 18,000 meters. The following year, MRDL submitted an open-pit feasibility study estimating total ore resources at 46.429 million tons, with an average copper grade of 0.37% and an estimated 6,346 kg of associated gold at 0.14 g/t. Subsequent geological modeling and pit design was finalized and defined an indicated and inferred reserve of 10.308 million tons, averaging 0.38% copper and 0.22 g/t gold. Active mining began in 2017, and the ore body was fully depleted by 2020.



East Ore-Body (EOB)

During early historical exploration period, the SML commenced initial geological investigation for resource evaluations by drilling 40 exploratory holes. Subsequently, between 2007 and 2008, Sino Mines Resource Exploration Co., Ltd. (China) completed an additional 16 exploratory drill holes totaling 10,595 meters.

In January 2019, MRDL submitted the Design Scheme of Supplementary Geological Exploration for Saindak East Ore-Body. By May 2019, 46 holes totaling 10,875 meters were drilled, including 7 dedicated to geotechnical studies.

Based on the 2019 exploration findings, the final feasibility study submitted in December 2020 evaluated mineable ore reserves within the ultimate pit boundary at 85.6 million tons. The average resource grades were recorded at 0.374% Copper (Cu), 0.134 g/t Gold (Au), and 2.36 g/t Silver (Ag).

Further exploration in 2021, comprising 23 shallow Reverse Circulation (RC) holes (100 meters each) and 20 deep drill holes (300 to 400 meters each), significantly expanded the estimated mineable ore reserves to 130 million tons at an average grade of 0.374% Cu, alongside a waste rock tonnage of 100.319 million tons.

Operational Expansion & Production Targets

To accommodate the increased reserve capacity, the ultimate pit boundary has been expended. Daily ore processing capacity is set to increase from 12,500 to 22,500 tons per day (t/d) and the raising annual copper concentrate production which is projected to reach 100,000 t/y, with total blister copper production increasing to 24,000 t/y.

BOARD OF DIRECTORS



DR. REHANUL HAQ SIDDIQUI

Chairman SML Board

Dr. Rehanul Haq Siddiqui is currently working as Chairman, Board of Directors, Saindak Metals Ltd (SML) under the Ministry of Energy (Petroleum Division) Government of Pakistan. He also chairs the Technical and Procurement Committee and involves as members of Business Development and Finance committees under the BOD SML. Previously worked as Director Geological Survey of Pakistan and served as Professor in the Balochistan University of Information Technology, Engineering and Management Sciences (BUITEMS), Quetta. He has also qualified as certified Director from the Centre for Executive Education, IBA City Campus, Karachi. Dr. Siddiqui has also worked as visiting Professor in the China University of Geosciences at Wuhan. Currently he is affiliated as visiting Professor with the University of Balochistan at Quetta. Supervised several Ph.D, M.Phil and MS students and evaluated many M.Phil and PhD theses of different Universities of Pakistan. He has also worked as an independent mineral consultant in all over Pakistan.

Dr Siddiqui has vast experience in mineral exploration of porphyry copper, molybdenum, gold and tungsten mineralization in the Chagai magmatic arc and chromite, maghemite, magnesite and manganese mineralization in Muslim Bagh, Zhob and Khanozai areas. He had worked on sedimentary iron ore deposits in Dilband (Balochistan) and Nizampur (KPK) areas as well. He has got vast knowledge of Stratigraphy of Pakistan, particularly Sulaiman and Kirthar Fold Belts, Balochistan Basin and Chagai-Raskoh Magmatic Arc. Dr. Siddiqui has published 153 research Papers/Abstract in various Journals of national and international repute. Presented 57 numbers of scientific papers in various national and international seminars, conferences and symposia. Dr. Siddiqui had been invited as resource person in many in house and National level training workshops at Geoscience Advance research Laboratories, Islamabad and University of Balochistan, Quetta.



Mr. Muhammad Raziq Sanjrani

Managing Director/CEO

Mr. Muhammad Raziq Sanjrani is an experienced corporate and mining-sector executive who has held a long association with the leadership of Saindak Metals Limited (SML), a Government of Pakistan-owned enterprise operating under the administrative control of the Ministry of Energy (Petroleum Division). He initially assumed the position of Managing Director of SML in 2008 and has played a central executive role in the management, continuity and long-term development of the Saindak Copper-Gold Project in District Chagai, Balochistan.

The Saindak Copper-Gold Project is a pioneering large-scale metallic mining project of Pakistan and remains one of the country's most significant operating copper-gold ventures. Commercial production under the present operating arrangement commenced in 2002, following the Lease Contract executed between SML and China Metallurgical Construction (Group) Corporation (MCC) in 2001. Under Mr. Sanjrani's leadership, maintaining continuity and stability of the Project's operations has remained a major management priority, notwithstanding the Project's remote location, complex operating environment and the long-term nature of the Pakistan-China commercial partnership.

A major milestone during his tenure has been the long-term continuation of the Saindak Project through successive contractual arrangements with the Chinese project operator, MCC Resources Development Company (Pvt.) Limited (MRDL). Most notably, the Lease Contract was further extended in 2022 for fifteen years, up to 31 October 2037. This extension provided a long-term framework for continued mining, processing and production at Saindak and represents an important development in securing the operational future of the Project.

Mr. Sanjrani's tenure has also coincided with the progressive expansion and development of the Project's mineral resources and production infrastructure. The Project was originally designed around annual ore production of approximately 4.25 million tonnes and blister copper production of about 15,500 tonnes. Subsequent development and expansion planning for the East Ore Body has provided for mining and mineral processing capacity of approximately 7.0 million tonnes of ore per annum and smelting capacity of approximately 24,276 tonnes of blister copper per annum. The expansion framework also encompasses additional beneficiation facilities, power-generation capacity, water-supply arrangements and tailings management infrastructure required to support the enhanced scale of operations.

Mr. Muhammad Raziq Sanjrani

Managing Director/CEO

Another important aspect of Mr. Sanjrani's leadership has been the management of SML's long-standing relationship with its Chinese partners. The Saindak Project is one of Pakistan's enduring mineral-sector collaborations with China, requiring continuous coordination between SML, MCC/MRDL, the Government of Pakistan, the Government of Balochistan and other stakeholders. Mr. Sanjrani has maintained close engagement with the Chinese project management on operational, commercial, technical and strategic matters, contributing to continuity of the partnership and the long-term development of the Project.

His executive responsibilities have extended beyond routine project administration to strategic oversight of mining operations, mineral-resource development, contractual and commercial matters, stakeholder coordination, government relations and the Company's future development initiatives. He has represented SML in engagements with federal and provincial authorities, project partners and other institutions on matters concerning the operation, expansion and sustainability of the Saindak Copper-Gold Project.

During his leadership period, SML has also pursued further exploration and mineral-development opportunities in District Chagai. Exploration and feasibility work relating to the East Ore Body has significantly enhanced the understanding of the Project's mineral-resource base, while SML has continued to pursue additional mineral prospects and opportunities aimed at strengthening the Company's technical capabilities and expanding its role beyond the existing Saindak operations.

The Project has also played an important socio-economic role in District Chagai and other areas of Balochistan. In coordination with MRDL and relevant stakeholders, SML has remained associated with initiatives in education, technical training, health, water supply, infrastructure, employment and other community-development activities. The establishment and support of technical training facilities for local youth and continued emphasis on local employment and skills development form part of the Project's broader contribution to the surrounding communities.

With extensive institutional knowledge of the Saindak Project and long-standing engagement with its principal stakeholders, Mr. Sanjrani's leadership profile is closely associated with operational continuity, the extension of the Project's contractual life, expansion of its production framework, development of its mineral resource base and maintenance of the strategic partnership with the Chinese project operator. His experience reflects sustained involvement in one of Pakistan's most important and longest-running large-scale coppergold mining ventures.



Mr. Abid S. Mastikhan

Independent Director

Mr. Abid S. Mustikhan is basically a graduate in Electric Engineering from Michigan and he is from Balochistan. He opted to join the Management Cadre in 1982 to be selected as the youngest Managing Director of Chiltan Ghee Mills at Quetta, Ghee Corporation of Pakistan, Ministry of Industries, Government of Pakistan and he managed this Industrial Unit as its Managing Director till 1986. After that he joined the Thatta Sugar Mills as its CEO and operated the mills with its best performance in years. In 1991, he joined the Resource Development Corporation (Ministry of Energy and Natural Resources, Government of Pakistan) as its Project Director of the Saindak Copper Gold project for its construction phase.

By virtue of an Agreement with the MCC, RDC (Government of Pakistan) had its own obligations to meet and Mr. Mustikhan was responsible as Project Director to ensure this. Having led RDC to meet its obligations in time, the pre-stripping of the South Ore Body and the construction of the project was completed within record time. This was the turning point for Mr. Mustikhan to become involved in Mining and exploration of Minerals in Balochistan.

Mr. Abid S. Mustikhan possesses extensive experience in the mining and extractive sector, encompassing both small-scale and large-scale mining operations. His notable article, “Why Revisit the Mineral Policies,” was published in a magazine associated with the Pakistan Armed Forces. As a freelance writer, he has also contributed numerous articles to leading newspapers in Pakistan. Being a native of Balochistan, he is well acquainted with the province’s mineral reserves, their geographical locations, and the key individuals associated with areas of mineral potential. He possesses in-depth knowledge of Balochistan’s mineral resources.



Mr. Jahanzaib Durrani

Independent Director

Mr. Jahanzaib Durrani is a practicing High Court lawyer and an Accredited Civil/Commercial Mediator from ADR ODR International, United Kingdom. He holds LLMs in Oil, Gas, and Mining Law from Nottingham Law School and International Financial Law from King's College London. Additionally, he has completed executive qualifications in Environmental, Social, and Governance (ESG) and Business Sustainability from Judge Business School, University of Cambridge.

Upon returning to Pakistan, Mr. Durrani established his legal practice in Islamabad, specializing in civil and corporate commercial law. His expertise in the financial and extractive sectors, along with his advisory services on corporate governance and regulatory compliance, has attracted a diverse clientele, including financial and corporate institutions and state-owned enterprises.

The Government of Pakistan appointed Mr. Durrani as an Independent Director on the Board of Saindak Metals Limited (SML), a national mining company, and subsequently on the Board of Oil & Gas Development Company Limited (OGDCL). He serves as the Chairman of the Audit Committee and is also a member of the Human Resource Committee and ESG Committee of OGDCL. Additionally, he chairs the Audit and Risk Management Committee of SML and is a member of SML's Procurement and Technical Committee, and HR Committee.

One of the significant milestones of Mr. Durrani's career is his involvement in a notable ICSID and ICC arbitration case between the Government of Balochistan and an Australian mining company, one of the most significant mining disputes in recent history.

In addition to his legal practice, Mr. Durrani has been instrumental in the Research Society of International Law (RSIL), Pakistan's premier international law think tank. He has made substantial contributions to the development of important International Humanitarian Law (IHL) documents and policy briefs for the Government of Pakistan and the Pakistan Armed Forces.

Mr. Durrani has also served as a visiting faculty member at the National Defence University and gained international experience as a legal assistant in the House of Lords, United Kingdom.

He belongs to Quetta, Balochistan, and actively contributes his insights as an opinion writer for leading national newspapers. He holds a Director's Training Programme certification from IBA, Karachi, per SECP guidelines, and training in driving ESG from the boardroom by PICG.



Lt. Col. Khalid Rafique Shah (Retd.)

Independent Director

Lt. Col. Khalid Rafique Shah (Retd.) is a distinguished leader with over 26 years of military experience and 24 years in the corporate sector, specializing in operations management, security, logistics, and human resource management. Currently serving as a Director on the Board of SML and Chairman of the HR Committee, he has played a pivotal role in the company's transformation. Under his leadership, SML has introduced and implemented new HR policies for the first time in decades, modernizing the company's approach to staff development, recruitment, and employee performance management.

In his role as Managing Director and CEO of Kissan Support Services (Pvt.) Ltd., Lt. Col. Shah has been instrumental in driving business growth and profitability. He has overseen security, procurement, and HR operations nationwide for ZTBL, achieving a significant increase in company profitability through strategic planning and business development. His leadership has enhanced operational efficiency and streamlined HR practices, contributing to the organization's overall success.

As Chief Operating Officer of Parwest Pacific Security (Pvt.) Ltd., Lt. Col. Shah managed comprehensive security services for major organizations, including 13 leading banks across Pakistan. His expertise in tailoring security solutions to meet client needs and improving operational protocols helped solidify the company's position as a leader in the security sector.

Lt. Col. Shah also served 12 years with the NIMAR Group of Chemical Industries (USA), where he was involved in supply chain operations, including procurement, import, logistics, customs, banking, production, and industrial activities. He managed HR functions, collaborated with CBA-directed initiatives, and oversaw risk management. His role included developing and implementing policies, optimizing logistics, and enhancing human resource capabilities through effective staff training and policy development.

His distinguished military career spanned 26 years in the Pakistan Army, from which he retired as a Lieutenant Colonel. He completed the Officers Petroleum Course, providing him with specialized knowledge in petroleum logistics—an area he has continued to excel in both military and civilian roles. He commanded logistics operations for sensitive military installations and played a key role in the security of vital military assets.

Lt. Col. Shah's core competencies include strategic business development, revenue growth, human resource management, operational leadership, and security management. His educational qualifications include MBA with a specialization in Human Resources from Preston University, Lahore, and a Bachelor of Arts from the University of Karachi. He is also a member of the Chartered Institute of Transport, London (U.K.), demonstrating his commitment to excellence in logistics and transportation.

With extensive experience and leadership in HR, operations, and security, Lt. Col. Khalid Rafique Shah continues to be a valuable asset to the SML Board, contributing to the company's long-term strategic growth and success.



Mr. Qumar Sarwar Abbasi

Ex-Officio Director

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

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



Mr. Muhammad Zia ul Haq

Ex-Officio Director

Deputy Secretary (Corporate Affairs). Ministry of Energy (Petroleum Division) GoP

Mr. Muhammad Zia Ul Haq is a civil servant currently serving as Deputy Secretary (Corporate Affairs), Ministry of Energy (Petroleum Division). He has over 15 years of diverse experience in administration, financial management and legal affairs, having served in various federal ministries and organizations. He has also held important positions, including Deputy Secretary (FIA) in the Ministry of Interior and Director, Lahore Region, National Explosives & Petroleum Safety Agency (NEPSA).

Mr. Muhammad Zia Ul Haq holds a Master's degree in Business Administration (MBA) and has professional experience in the Marketing and Human Resources Departments of Crescent Group of Industries, Faisalabad.

He has been serving as an ex-officio member of the Board of Directors of Saindak Metals Limited since February 2026.



Mr. Waqas Ahmed Barlas

Ex-Officio Director

Deputy Secretary (Admin). Ministry of Energy (Petroleum Division) GoP

Mr. Waqas Ahmed Barlas is a civil servant from the 37th CTP. He is presently serving as the Deputy Secretary (Admin) and Director to the Federal Minister in the Ministry of Energy (Petroleum Division). He has diverse experience spanning more than 14 years and has worked both at the federal and on provincial assignments.

Mr. Barlas holds an MSc in Public Policy and Management from the University of Glasgow (UK) and an MA in Politics from Government College University, Lahore. He has received two academic gold medals, a roll of honour and several distinctions during his academic years. He is also a Chevening Scholar.

Mr. Barlas is an ex-officio member of the Board of Directors of Saindak Metals Limited since 2024.



Mr. Saidal Khan Luni

Ex-Officio Director

Saidal Khan Loni is currently serving as a senior member of the Pakistan Civil Service and is posted as Secretary of the Mines & Mineral Development Department. In this role, he oversees the development of the province's mineral sector and promotes large-scale mining. He has extensive expertise in joint venture management, contract negotiation, mining regulations, and the financial and technical aspects of mineral exploration and exploitation.

He has pursued education and conducted research at multiple prestigious international institutions, specializing in public management, environmental management, policy planning and leadership, program evaluation, development, and governance.



Mr. Asfandyar Khan

Ex-Officio Director

Mr. Asfand Yar Khan is a senior officer of the Civil Service, serving in BS-20 as Secretary, Energy Department, Government of Balochistan. With over two decades of distinguished public service, he has built an exceptional reputation in strategic governance, public sector reforms, energy policy, infrastructure development and institutional transformation.

Throughout his illustrious civil service career, Mr. Khan has held several key leadership positions at both the Federal and Provincial Government. His assignments have included Principal Secretary to the Chief Minister Balochistan, Secretary Environment & Climate Change, Secretary Planning & Development, Commissioner Quetta Division, Joint Secretary in the Economic Affairs Division, and senior district administration appointments including Deputy Commissioner and District Coordination Officer. These diverse assignments have equipped him with extensive experience in policy formulation, public financial management, institutional governance, intergovernmental coordination, and implementation of complex public sector initiatives.

Mr. Khan has also served previously as Joint Secretary, Prime Minister Office and Joint Secretary, Economic Affairs.

As Secretary, Energy Department, Government of Balochistan, Mr. Khan is spearheading the province's energy sector reforms with a strategic focus on expanding access to affordable, reliable and sustainable energy. He is leading initiatives aimed at accelerating renewable energy deployment, promoting distributed generation, improving energy governance, strengthening coordination with federal entities and public sector utilities, and facilitating investment in energy infrastructure to support socio-economic development across Balochistan.

As a member of the SSGC Board, Mr. Khan brings valuable insight into national energy policy, provincial energy planning, infrastructure development, regulatory affairs and public sector governance. His experience supports the Board in advancing sound corporate governance practices, strengthening institutional performance, promoting sustainable energy solutions and ensuring alignment between federal and provincial priorities in Pakistan's energy sector.

Academically, Mr. Khan holds a Master's Degree in Education Management from King's College London, and an LL.B. (Hons.) degree. He has also successfully completed the prestigious Senior Management Course at the National School of Public Policy (NSPP), Lahore, further strengthening leadership and executive management credentials.

BOARD COMMITTEES

The Board has constituted five Committees to discharge its responsibilities in effective manner:

1. Board Audit & Risk Management Committee
2. Board Technical & Procurement Committee
3. Board HR/ Nomination Committee
4. Board Finance and CSR Committee
5. Business Development Committee

Board Audit & Risk Management Committee

Composition

The Board Audit & Risk Management Committee is comprised of:

• Mr. Jahanzaib Durrani.	Chairman
• Mr. Saidal Khan Loni	Member
• Mr. Abid S. Mustikhan	Member
• Mr. Waqas Ahmed Barlas	Member
• Head of Internal Audit	Secretary

Terms of Reference

The term of reference of Board Audit & Risk Management Committee include:

- Monitoring the integrity of the financial statements and reviewing the effectiveness of the internal audit functions and financial control.
- Making recommendation to the Board in relation to the appointments, re-appointments and removal of the external auditors and approve the remuneration and terms of engagement of the auditors.
- The committee shall meet as the committee deems necessary to carry out its duties and responsibilities, but the committee shall meet at least once in a year.

Seven meetings of the Board Audit & Risk Management Committee were held during the year.

Board Technical & Procurement Committee

Composition

The Board Technical & Procurement Committee is comprised of:

- Dr. Rehanul Haq Siddiqui — Chairman
- Mr. Masood Nabi — Member
- Mr. Saidal Khan Loni — Member
- Mr. Waqas Ahmed Barlas — Member
- Mr. Jahanzaib Durrani — Member
- Mr. Abdul Haleem — Secretary

Terms of Reference

The term of reference of Board Technical & Procurement Committee include:

- To open forum for professional discussions of issues and items related to development or evaluation and approval of the specifications that provide the ability to build and deploy enter into operatable geospatial (ground realities) solutions etc.
- To monitor the operational and production activities of the Saindak Copper Gold Project as well.

Four meetings of the Board Technical & Procurement Committee were held during the year.

Board Business Development Committee

Composition

The Board Business Development Committee is comprised of:

- Mr. Abid S. Mustikhan — Chairman
- Dr. Rehanul Haq Siddiqui — Member
- Mr. Qumar Sarwer Abbasi — Member
- Lt. Col. Khalid Rafique Shah (Retd.) — Member
- Mr. Waqas Ahmed Barlas — Member
- Mr. Abdul Haleem — Secretary

Six meetings of the Board Business Development Committee were held during the year.

Board Finance and CSR Committee

Composition

The Board Finance and CSR Committee is comprised of:

- Mr. Qumar Sarwar Abbasi — Chairman
- Lt. Col. Khalid Rafique Shah (Retd.) — Member
- Mr. Masood Nabi — Member
- Mr. Asfand Yar Khan — Member
- Dr. Rehanul Haq Siddiqui — Member
- Mr. Abdul Haleem — Secretary

Terms of Reference

The term of reference of Board Finance and CSR Committee include:

- To maintain and supervise efficient and effective internal and external financial issues of SML.

Two meetings of the Board Finance and CSR Committee were held during the year.

Board HR/ Nomination committee

Composition

The Board HR/ Nomination Committee is comprised of:

- Lt. Col. Khalid Rafique Shah (Retd.) — Chairman
- Mr. Jahanzaib Durrani — Member
- Mr. Asfand Yar Khan — Member
- Mr. Abid S. Mustikhan — Member
- Mr. Muhammad Raziq Sanjrani — MD SML
- Mr. Abdul Haleem — Secretary

Terms of Reference

The term of reference of Board HR/ Nomination Committee include:

- To deal with all employees related matters including recruitment, training, remuneration, performance evaluation, succession planning and measures for effective utilization of employees.

Nine meetings of the Board Human Resource Committee were held during the year.

ATTENDANCE OF BOARD & COMMITTEE MEETINGS

	Board of Directors			Audit/ Risk Management Committee			Technical/ Procurement Committee		
	Member	Meetings	Attendance	Member	Meetings	Attendance	Member	Meetings	Attendance
Dr. Rehanul Haq Siddiqui	✓	12	12	-	-	-	✓	4	4
Mr. Jahanzaib Durrani	✓	12	12	✓	7	7	✓	4	4
Lt. Col. (Retd.) Khalid Rafique Shah	✓	12	12	-	7	7	-	-	-
Mr. Abid S. Mustikhan	✓	12	12	✓	7	7		-	-
Mr. Masood Nabi	✓	12	12	-	-	-	✓	4	4
Mr. Muhammad Raziq Sanjrani	✓	6	6	-	-	-	-	-	-
Mr. Qamar Sarwar Abbasi	✓	12	9	-	-	-	-	-	-
Mr. Muhammad Dawood Bazai *	✓	10	10	-	-	-	-	-	-
Mr. Asfandyar Khan *	✓	2	2	-	-	-	-	-	-
Mr. Saidal Khan Lumi	✓	7	7	✓	7	7	✓	4	3
Mr. Waqas Ahmed Barlas	✓	12	12	✓	7	7	✓	4	4
Mr. Umer Saeed Khan **	✓	9	9	✓	7	7	-	-	-
Mr. Muhammad Zia ul Haq **	✓	3	3	-	-	-	-	-	-

	Business Development Committee			Finance/ CSR Committee			HR/ Nomination Committee		
	Member	Meetings	Attendance	Member	Meetings	Attendance	Member	Meetings	Attendance
Dr. Rehanul Haq Siddiqui	✓	6	6	✓	2	2	-	9	9
Mr. Jahanzaib Durrani		2	2	-	-	-	✓	9	9
Lt. Col. (Retd.) Khalid Rafique Shah	✓	6	6	✓	2	2	✓	9	9
Mr. Abid S. Mustikhan	✓	6	6	-	-	-	✓	9	9
Mr. Masood Nabi	-	-	-	✓	2	2	-	9	9
Mr. Muhammad Raziq Sanjrani	-	-	-	-	-	-	✓	7	7
Mr. Qamar Sarwar Abbasi	✓	6	5	✓	2	2	-	-	-
Mr. Muhammad Dawood Bazai *	-	-	-	-	1	1	-	6	6
Mr. Asfandyar Khan *	-	-	-	✓	1	1	✓	3	3
Mr. Saidal Khan Lumi	-	-	-	-	-	-	-	-	-
Mr. Waqas Ahmed Barlas	✓	6	5	-	-	-	-	6	6
Mr. Umer Saeed Khan **	-	6	5	-	-	-	✓	5	5
Mr. Muhammad Zia ul Haq **	-	-	-	-	-	-	-	-	-

* Mr. Muhammad Dawood Bazai was replaced by Mr. Asfandyar Khan
** Mr. Umer Saeed Khan was replaced by Mr. Muhammad Zia Ul Haq

FIVE YEARS SUMMARY

PRODUCTION		2021	2022	2023	2024	2025
Blister copper production	M.tons	18,805.71	16,346.46	17,041.86	23,871.00	25,027.00
Copper	M.tons	18,707.46	16,263.59	16,975.97	23,746.46	24,905.67
Gold	Oz	27,445.66	16,698.62	13,077.61	19,000.85	17,417.80
Silver	Oz	90,562.38	86,673.98	78,804.10	146,138.70	129,832.43

FINANCIAL RESULTS		2022	2023	2024	2025	2026
Income	Rs. million	6,593.24	4,751.54	3,349.46	13,657.43	10,504.57
Share of Government of Balochistan	Rs. million	2,597.76	1,528.54	973.35	3,890.25	3,056.00
Gross profit	Rs. million	**3,995.48**	**3,223.00**	**2,376.11**	**9,767.18**	**7,448.57**
Expenditure	Rs. million	410.88	889.29	879.13	1,793.42	1,958.31
Other income	Rs. million	1,075.91	2,622.71	4,101.53	4,443.95	3,966.97
Profit before levy and taxation	Rs. million	**4,660.51**	**4,956.43**	**5,598.51**	**12,417.71**	**9,456.23**
Levy	Rs. million	–	–	–	164.22	405.95
Profit before taxation	Rs. million	**4,660.51**	**4,956.43**	**5,598.51**	**12,253.49**	**9,050.28**
Taxation	Rs. million	2,223.84	562.77	2,131.20	3,777.12	4,423.96
Profit after taxation	Rs. million	**2,436.67**	**4,393.66**	**3,467.31**	**8,476.37**	**4,626.33**

FINANCIAL POSITION		2022	2023	2024	2025	2026
Share capital and reserves	Rs. million	(504.99)	3,841.22	7,321.65	21,925.14	26,567.91
Non-current liabilities	Rs. million	305.11	483.19	348.61	3,820.35	3,426.44
Current liabilities	Rs. million	20,788.50	18,872.80	19,813.57	21,323.66	21,418.34
Total equity and liabilities	Rs. million	**20,588.62**	**23,197.21**	**27,483.83**	**47,069.15**	**51,412.69**
Property, plant and equipment and intangible assets	Rs. million	2,160.57	1,956.85	1,812.97	10,309.80	9,229.01
Long term advances and deposits	Rs. million	10.75	7.35	91.90	82.34	72.68
Sales tax recoverable from Balochistan Revenue Authority	Rs. million	407.07	407.07	407.07	407.07	407.07
Defined benefit plan asset	Rs. million	16.89	–	–	–	–
Advances and prepayments	Rs. million	4.75	8.61	21.27	20.69	13.54
Receivable from MRDL	Rs. million	–	129.81	126.53	2,966.66	–
Short term investments (including accrued markup)	Rs. million	17,799.89	20,645.44	23,134.92	32,711.11	40,809.63
Bank balances	Rs. million	198.70	42.08	1,889.17	571.49	881.76
Total assets	Rs. million	**20,588.62**	**23,197.21**	**27,483.83**	**47,069.15**	**51,412.69**

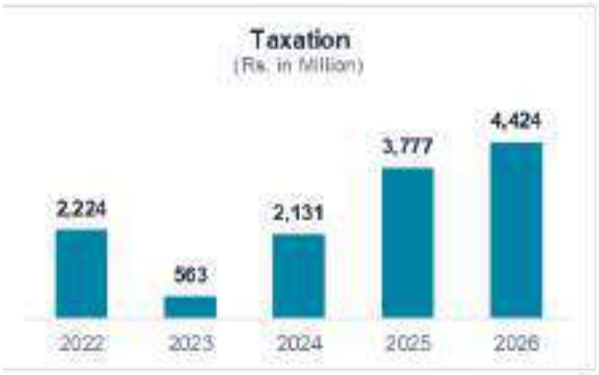
CASH FLOWS		2022	2023	2024	2025	2026
Operating activities	Rs. million	5,331.21	84.98	367.20	3,292.51	4,449.19
Investing activities	Rs. million	4,559.12	(378.01)	(2,840.10)	(8,194.52)	(7,138.92)
Financing activities	Rs. million	–	–	–	–	–
Change in cash and cash equivalents	Rs. million	**9,890.33**	**(293.03)**	**(2,472.90)**	**(4,902.01)**	**(2,689.73)**
Cash and cash equivalents at year end	Rs. million	**11,239.43**	**10,946.41**	**8,473.50**	**3,571.49**	**881.76**

KEY RATIOS		2022	2023	2024	2025	2026
Profitability						
Gross profit margin	%	60.6%	67.8%	70.9%	71.5%	70.9%
Net profit margin	%	37.0%	92.5%	103.5%	62.1%	44.0%
Liquidity						
Current ratio	Times	0.89	1.13	1.29	1.72	1.97
Cash ratio	Times	0.54	0.58	0.43	0.17	0.04

GRAPHICAL PRESENTATION

















VERTICAL ANALYSIS

	2022	2023	2024	2025	2026
			----------%----------		
STATEMENT OF FINANCIAL POSITION					
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	10.49	8.43	6.45	21.90	17.92
Capital work-in-progress	-	-	0.15	-	0.02
Capital advance	-	-	-	-	0.01
Intangible assets	-	-	-	-	-
Long term advances and deposits	0.05	0.03	0.33	0.17	0.14
	10.55	8.47	6.93	22.08	18.09
CURRENT ASSETS					
Sales tax recoverable from Balochistan Revenue Authority	1.98	1.75	1.48	0.86	0.79
Advances and prepayments	0.02	0.04	0.08	0.04	0.03
Receivable from MRDL	-	0.56	0.46	6.30	-
Defined benefit plan asset	0.08	-	-	-	-
Short term investments	84.21	81.60	77.48	68.10	79.37
Accrued markup	2.19	7.40	6.70	1.39	-
Bank balances	0.97	0.18	6.87	1.21	1.72
	89.45	91.53	93.07	77.92	81.91
TOTAL ASSETS	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Issued, subscribed and paid up capital	-	-	-	-	-
Capital reserve - Surplus on revaluation	-	-	-	11.63	9.54
Accumulated profit / (loss)	(2.45)	16.56	26.64	34.95	42.13
	(2.45)	16.56	26.64	46.58	51.68
NON-CURRENT LIABILITIES					
Grant and assistance	0.02	-	-	-	-
Defined benefit plan obligation / Pension payable	-	1.22	0.35	0.12	0.15
Deferred tax liability	1.46	0.87	0.91	7.99	6.51
	1.48	2.08	1.27	8.12	6.66
CURRENT LIABILITIES					
Payable to Government of Pakistan	76.42	67.83	57.25	33.43	30.60
Payable to Government of Balochistan	12.62	6.59	9.10	8.26	5.94
Trade and other payables	0.21	0.36	0.38	0.24	0.17
Advance rental income	0.08	0.33	0.27	0.16	0.14
Provision for taxation	11.65	6.26	5.10	3.22	4.80
	100.97	81.36	72.09	45.30	41.66
TOTAL EQUITY AND LIABILITIES	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
STATEMENT OF PROFIT OR LOSS					
Income	100.00	100.00	100.00	100.00	100.00
Share of Government of Balochistan	39.40	32.17	29.06	28.48	29.09
Gross profit	60.60	67.83	70.94	71.52	70.91
Administrative expenses	6.23	18.71	26.24	13.13	18.64
Other income	16.32	55.20	122.45	32.54	37.75
Operating profit	70.69	104.31	167.15	90.92	90.02
Finance cost	-	-	-	-	-
Profit before levy and taxation	70.69	104.31	167.15	90.92	90.02
Levy	-	-	-	1.20	3.86
Profit before taxation	70.69	104.31	167.15	89.72	86.16
Taxation	33.73	11.84	63.63	27.66	42.11
Profit after taxation	**36.96**	**92.47**	**103.52**	**62.06**	**44.04**

HORIZONTAL ANALYSIS

	---------- % (2022 = 100) ----------				
STATEMENT OF FINANCIAL POSITION					
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	100	91	82	477	426
Capital work-in-progress	n/m	n/m	n/m	n/m	n/m
Capital advance	n/m	n/m	n/m	n/m	n/m
Intangible assets	100	165	57	36	14
Long term advances and deposits	100	68	855	766	676
	100	90	88	479	428
CURRENT ASSETS					
Sales tax recoverable from Balochistan Revenue Authority	100	100	100	100	100
Advances and prepayments	100	181	447	435	285
Receivable from MRDL	n/m	n/m	n/m	n/m	n/m
Defined benefit plan asset	100	-	-	-	-
Short term investments	100	109	123	185	235
Accrued markup	100	380	408	145	-
Bank balances	100	21	951	288	444
	100	115	139	199	229
TOTAL ASSETS	**100**	**113**	**133**	**229**	**250**
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Issued, subscribed and paid up capital	100	100	100	100	100
Capital reserve - Surplus on revaluation	n/m	n/m	n/m	n/m	n/m
Accumulated profit / (loss)	n/m	n/m	n/m	n/m	n/m
	n/m	n/m	n/m	n/m	n/m
NON-CURRENT LIABILITIES					
Grant and assistance	100	-	-	-	-
Defined benefit plan obligation / Pension payable	n/m	n/m	n/m	n/m	n/m
Deferred tax liability	100	67	83	1,248	1,110
	100	158	114	1,252	1,123
CURRENT LIABILITIES					
Payable to Government of Pakistan	100	100	100	100	100
Payable to Government of Balochistan	100	59	96	150	118
Trade and other payables	100	190	237	255	196
Advance rental income	100	489	469	475	470
Provision for taxation	100	61	58	63	103
	100	91	95	103	103
TOTAL EQUITY AND LIABILITIES	**100**	**113**	**133**	**229**	**250**
STATEMENT OF PROFIT OR LOSS					
Income	100	72	51	207	159
Share of Government of Balochistan	100	59	37	150	118
Gross profit	100	81	59	244	186
Administrative expenses	100	216	214	437	477
Other income	100	244	381	413	369
Operating profit	100	106	120	266	203
Finance cost	100	122	143	205	194
Profit before levy and taxation	100	106	120	266	203
Levy	n/m	n/m	n/m	n/m	n/m
Profit before taxation	100	106	120	263	194
Taxation	100	25	96	170	199
Profit after taxation	**100**	**180**	**142**	**348**	**190**

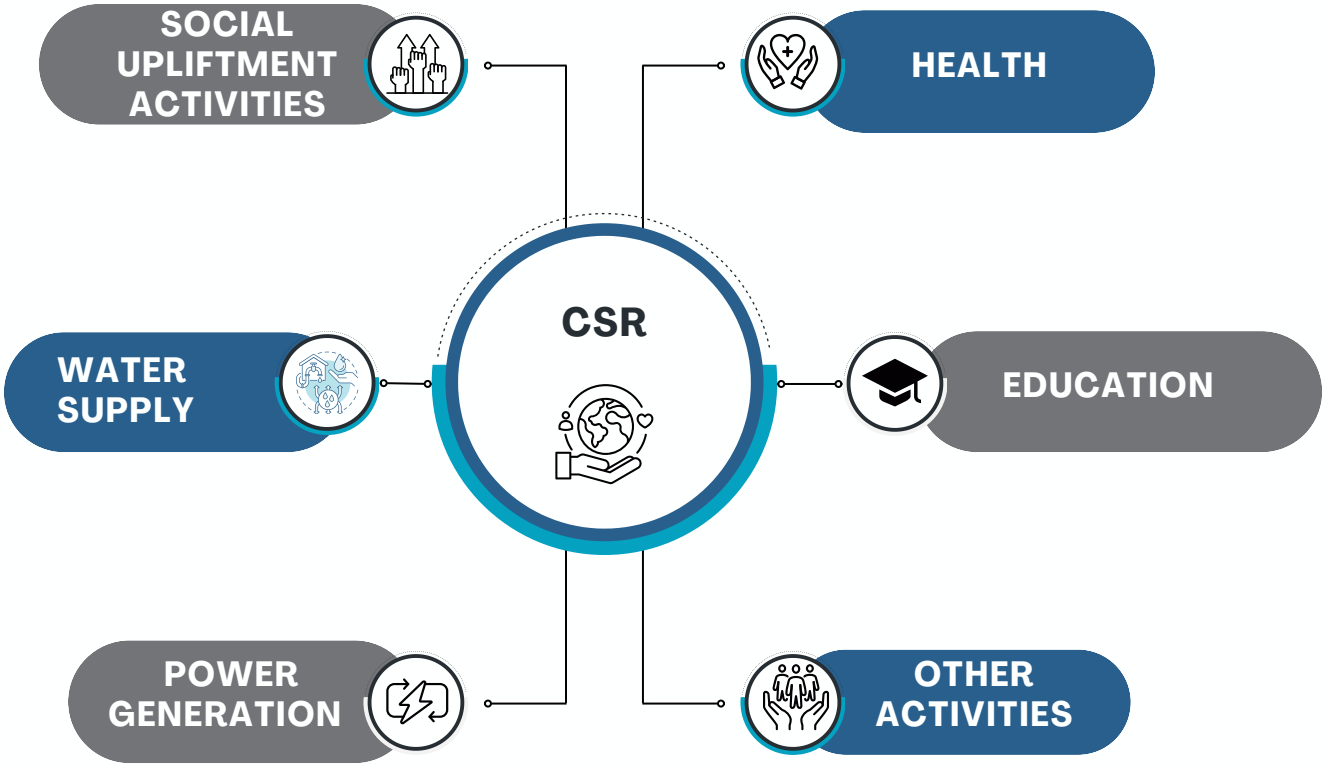
n/m - not meaningful: the 2022 base-year balance is nil or negative

QUARTERLY ANALYSIS

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
			Rupees		
Income	**1,807,516,666**	**1,800,146,709**	**2,118,534,535**	**4,778,372,189**	**10,504,570,099**
Share of Government of Balochistan	-	-	-	3,056,001,368	3,056,001,368
Gross profit	**1,807,516,666**	**1,800,146,709**	**2,118,534,535**	**1,722,370,821**	**7,448,568,731**
Less: Administrative and general expenses	118,345,430	216,108,527	139,450,622	386,307,033	860,211,612
Depreciation	274,446,112	274,446,111	274,446,112	274,597,162	1,097,935,497
	392,791,542	490,554,638	413,896,734	660,904,195	1,958,147,109
Operating profit	1,414,725,124	1,309,592,071	1,704,637,801	1,061,466,626	5,490,421,622
Less: Financial charges	11,259	20,478	48,443	86,422	166,602
Add: Other income	949,707,657	858,738,658	784,217,198	1,373,308,546	3,965,972,059
Profit before taxation and levy	**2,364,421,522**	**2,168,310,251**	**2,488,806,556**	**2,434,688,750**	**9,456,227,079**
Levy	-	-	47,782,718	358,163,172	405,945,890
Profit before tax	**2,364,421,522**	**2,168,310,251**	**2,441,023,838**	**2,076,525,578**	**9,050,281,189**
Provision for taxation	765,865,735	609,969,714	1,039,001,503	2,009,118,612	4,423,955,564
Profit after tax	**1,598,555,787**	**1,558,340,537**	**1,402,022,335**	**67,406,966**	**4,626,325,625**

SML's Commitment to Sustainable Development & Social Responsibility

Saindak Metals Limited (SML) is dedicated to making a positive difference and maximizing societal value. In collaboration with MCC Resources Development Limited (MRDL) since 2002, SML has undertaken significant Corporate Social Responsibility (CSR) initiatives, aligned with national priorities, focusing on health, education, power generation, communication, water supply, infrastructure, and employment.



Social Upliftment Activities

According to Article 2 of Addendum No. 2 to the lease contract between SML and MRDL, 5% of the project's net profit is allocated to support social upliftment activities in the mining areas of Balochistan province. This allocation was later increased to 6.5% under Addendum No. 4, Clause 6. From 2013 to 2023, a total of USD 15,420,137.71 has been contributed to these efforts.

Water Supply

- The project supplies water daily to neighboring villages (Killi Saindak, Killi Sarwar, Killi Amalaf, Killi Noor Ahmed, and Killi Samad) via tankers, delivering 100 tons of purified water daily.
- Basic necessities of life, such as access to clean drinking water, are lacking in the Chagai district. In response, SML, in close collaboration with the Government of Balochistan, initiated a Clean Drinking Water Supply Project to serve the local community. Together with the Public Health Engineering (PHE) Department of the Government of Balochistan, SML successfully completed the project to supply drinking water from Gath Baroth, located approximately 64 kilometers from Nokkundi, for Rs. 453 million.
- Underground tube wells have been dug in six nearby villages to enhance water accessibility.
- A solar-powered system was installed by the project in Arena Killi, a village located 30 km from the project site, to ensure a continuous water supply.



Power Generation & Supply

SML, in collaboration with MRDL, has installed power supply facilities and constructed 20 kilometers of transmission lines to provide uninterrupted electricity to five neighboring villages. This initiative supplies 2 million kWh of electricity per year, free of cost.

Health Initiatives







- A 20-bed hospital equipped with modern diagnostic equipment has been established in Saindak, staffed by both Chinese and Pakistani doctors. Free and discounted medical services including CT scans, chemical tests, ECG, ultrasound, and X-ray fluoroscopy are available to local residents, benefiting around 9,000 patients annually.

- In coordination with the Balochistan Welfare Agency (BWA), SML organized a free eye camp for disadvantaged communities in District Chagai, providing free eye treatments, lenses, glasses, and medications to those in need.

- In collaboration with MRDL, SML established a Basic Health Unit (BHU) in Taftan. This BHU was later handed over to the Government of Balochistan.

- SML has also made substantial donations to support the health needs of underserved communities in Balochistan, providing financial assistance to those in need.

Education

- In collaboration with MRDL, SML offers free education to students in the local vicinity. The school is fully equipped with furniture, books, workbooks, and computers.

- Providing scholarships to talented students across Balochistan, particularly District Chagai, to various reputable schools and cadet colleges nationwide. Initiated in 2010, this scheme aims to boost education quality and encourage education in the district. Most students come from Balochistan, with approximately 90% from District Chagai.

- SML and MRDL jointly established a well-equipped Technical Training Center in Dalbandin, aimed at enhancing the technical skills of local youth in exploring and utilizing the region's mineral resources. This initiative not only creates job opportunities but also strengthens the local economy and attracts foreign investment in the mining sector.

- SML has also made substantial donations to support the educational needs of underserved communities in Balochistan, providing financial assistance to those in need.







Other CSR Activities

- Additionally, during the holy month of Ramadan and throughout 2022–23 to 2025-26, SML extended support by providing rations worth Rs. 220 million to underprivileged communities in District Chagai. These efforts underscore SML's commitment to supporting vulnerable populations during critical times.
- In collaboration with the MCC Resources Development Co Ltd (MRDL), SML supplies daily necessities—including rice, flour, dry rations, oil, and goats—to six surrounding villages during Eid-ul-Fitr and Eid-ul-Adha, supporting local communities during these significant festivals.

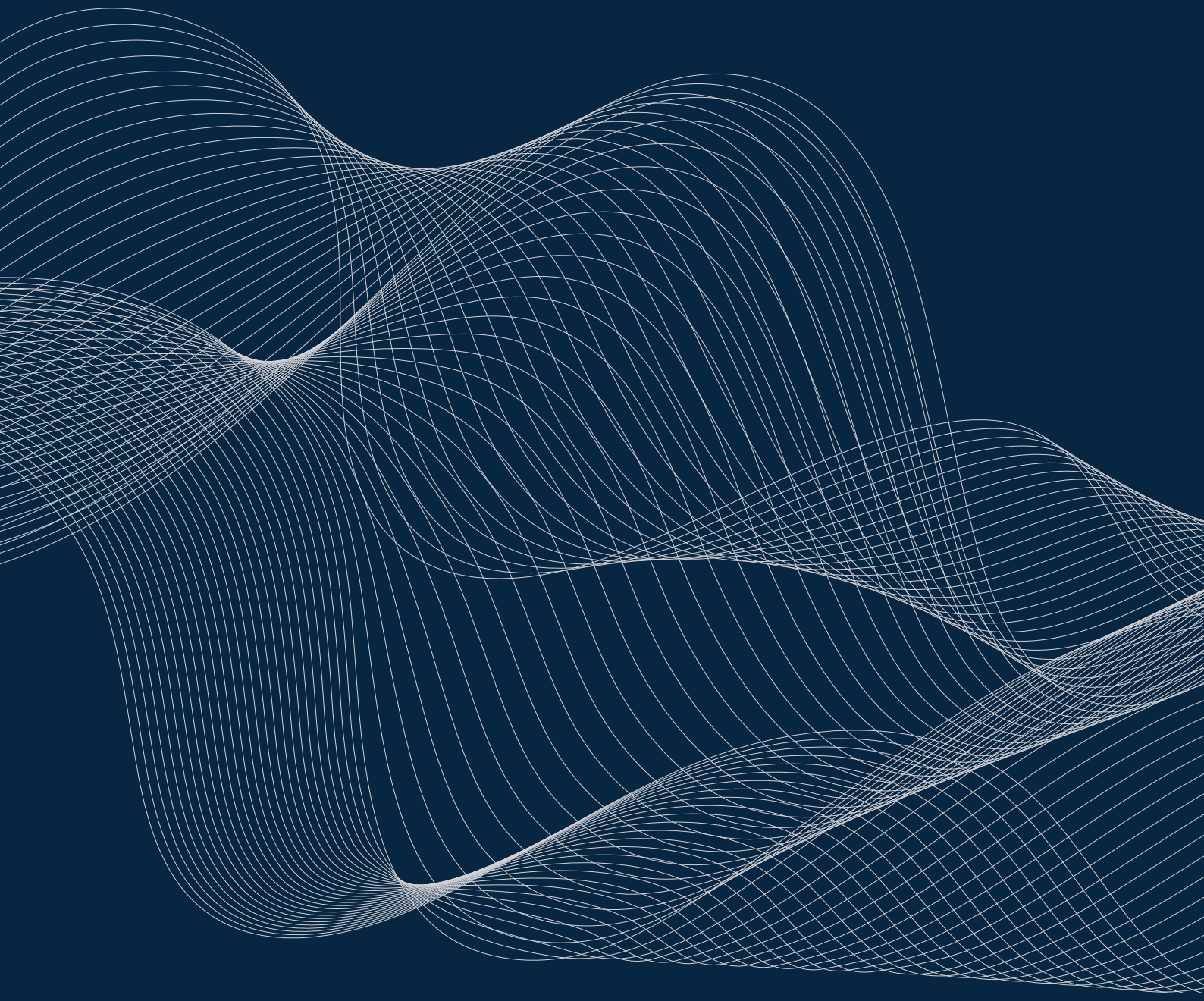








CHECKLIST ON THE KEY REQUIREMENTS OF THE SOEs ACT, 2023 & SOEs POLICY, 2023



Preamble

The Federal Government has enacted the State-Owned Enterprises (Governance and Operations) Act, 2023 (hereafter "Act"), effective from February 2, 2023. This legislation establishes principles for the operations, governance and accountability requirements of State-Owned Enterprises (SOEs). Under Sections 2 and 3 of the Act, SOEs are broadly defined to include public sector companies as specified in Section 2(54) of the Companies Act 2017, as well as other corporate bodies owned and controlled by the Federal Government. However, certain entities, such as regulatory bodies, health and educational services, and SOEs listed under the Pakistan Sovereign Wealth Fund Act, 2023, are excluded from this definition (Section 3 of Act; Schedule – I of the Pakistan Sovereign Wealth Fund Act, 2023).

In alignment with the SOE Ownership and Management Policy, 2023 (hereafter "Policy"), listed SOEs, in addition to requirements of Act, must also comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019, with more stringent provisions of the two taking precedence in case of any conflict (Para 7, Policy).

SOEs under the Act are not required to comply with the Public Sector Companies (Corporate Governance) Rules, 2013, unless otherwise stated in the Policy. In the absence of specific provisions in the Act, the Companies Act, 2017 shall apply. For SOEs under Section 505(2) of the Companies Act, 2017, the relevant provisions of the Companies Act shall apply except as otherwise provided in the SOE Act. The sectoral regulatory regime under which the SOE operates will also apply concurrently with the provisions of the SOE Act and the Policy (Para 8, Policy).

Each Division of the Federal Government is required to categorize the SOEs under its control, in consultation with their respective Boards, and submit recommendations to the Cabinet Committee on SOEs within six months of the Policy's implementation. The categories include: (i) Strategic or Essential SOEs, (ii) Commercial SOEs to be privatized, (iii) SOEs to be restructured/reformed and retained in the medium term, and (iv) SOEs to be restructured/reformed before privatization (Para 11, Policy).

Line Ministries/Divisions must develop a transformation plan for non-strategic/non-essential SOEs, in consultation with their respective Boards and, where applicable, the Privatization Commission. Options for transformation may include corporate restructuring, management contracts, joint ventures, public-private partnerships, listing on the Stock Exchange, and outsourcing, in accordance with applicable laws (Para 12, Policy 2023).

Key provisions of the Act ensure that actions taken by SOEs before its commencement remain valid, with orders, rules, and appointments continuing as if made under this Act unless specifically withdrawn (Section 36(1) & 36(2), Act). Appointments made prior to the Act are deemed under its provisions without retroactive modifications to service conditions (Section 36(3), Act).

This document provides a comprehensive checklist of the key points and requirements from the SOE Act, 2023, and the SOE Policy, 2023, to facilitate the members. While the checklist aims to summarize key provisions and requirements, it is not exhaustive and does not cover all aspects of the Act and Policy particularly those relating to actions / responsibilities of the Federal Government under the Act. Members are advised to conduct their own due diligence and seek professional advice to ensure full compliance with all relevant legal and regulatory obligations.

S.NO.	Requirement	Reference	Complied with *Tick the relevant box*			Remarks
			Yes	No	N/A	

PRUDENT AND EFFICIENT MANAGEMENT

1.	The SOE ensured sound and prudent management by: a. conducting operations with integrity, objectivity, due care, and professional skills b. ensuring independent directors and the CEO meet the fit and proper criteria c. composing management of individuals who were fit and proper for their positions d. maintaining adequate accounting and business records	Section 6 (1) of Act	✓			
2.	The accounting and other records meet the following criteria: a. enable prudent management of the SOE's business b. ensure compliance with the obligations imposed by the Act c. comply with all professional standards and pronouncements applicable in Pakistan	Section 6 (2) of Act	✓			
3.	The SOE ensured that its primary objective is met by: a. operating efficiently and in accordance with its respective Acts or articles and memorandum of association. b. generating sufficient revenues to cover costs and maintain financial stability	Section 7 (1), (3) of Act	✓			
4.	Following factors have been considered in achieving SOE's primary objectives: a. the long-term economic consequences of decisions b. business relationships with suppliers, customers, and other stakeholders c. the impact of operations on the community and the environment d. maintaining a reputation for high standards of business conduct. e. acting fairly among members of the SOE	Section 7(2) of Act	✓			

S.NO.	Requirement	Reference	Compliedwith *Tick the relevant box*			Remarks
			Yes	No	N/A	
5.	During the reporting period, the SOE entered into a Public Service Obligation (PSO) and the PSO has been carried out in accordance with the guidelines given in the Act and Policy.	Section 7(4) of Act, Policy Para 17, 32 Annex- 5 of the Policy			✓	

MEASURABLE PERFORMANCE

6.	The Board has adopted a business plan for the next three financial years, prepared in line with the provisions contained in the Act and Policy.	Section 8 (1) (2) (3) of Act, Annex- 1 of the Policy	✓			
7.	The Board has adopted and published a statement of corporate intent for the SOE or the group comprising the SOE and its subsidiaries (if any) at the start of financial year while covering the reporting year and the following two financial years, in the manner and form set out in Schedule-III of the Act and Annexure I of the Policy.	Section 8 (4) of Act, Schedule-III of the Act Annex-1 of the Policy	✓			

RESPONSIBLE MANAGEMENT

8.	During the year the Board has submitted the terms of reference, skill-gap details, and explanations to the Board Nominations Committee (BNC) for selecting independent directors.	Policy Annex - 7			✓	
9.	Proper induction training has been provided for new directors.	Policy Annex - 7	✓			
10.	The SOE has maintained a register of declared director interests.	Policy Annex - 7	✓			
11.	The SOE has clarified the selection and appointment process of the directors.	Policy Annex - 7			✓	

S.No.	Requirement	Reference	Complied with *Tick the relevant box*			Remarks
			Yes	No	N/A	
12.	During the reporting year the SOE remained compliant with the following guidelines for Board of composition and appointments:	Section 12 (1), (2), (3), (4) Act				
	a. The Board composed of 5 to 11 members		✓			
	b. There was a majority of independent directors) (non-ex-officio and non-executive)	Section 15 (1) (2) of Act,	✓			
	c. The Board consisted of independent directors, ex-officio directors and the chief executive officer of the SOE where required by law and had diverse skills and competence	Policy Para 24	✓			
	d. The Board had adequate gender representation		✓			
	e. At least one member on the Board was a young private sector individual, preferably below the age of 40 years		✓			
	f. The representation of academia, trade & industry and civil society had been considered		✓			
	g. The independent director nominations were based on the nominee's ability to devote the required time		✓			
	h. The tenure of independent directors was three years, or as per respective statutes		✓			
	i. Any independent director was not appointed to the same Board after two consecutive terms unless the period of three years had lapsed		✓			
	j. No Independent Director served for more than nine years on the Board.		✓			
	k. The Chairman of the Board was appointed by the Federal Government from one of the independent directors. The CEO was responsible for leading the board and ensuring its effective functioning and continuous development, and was not involved in the day-to-day operations of the SOE.		✓			
	l. The offices of Chairman and CEO were kept separate		✓			

S.No.	Requirement	Reference	Complied with *Tick the relevant box*			Remarks
			Yes	No	N/A	
	m. The representation from the administrative Ministry/ Division on the Boards of SOEs was restricted to one member n. The representation of any other Ministries/ Divisions (other than Ministry of Finance) and any other public sector agency was discouraged o. The ex-officio Board nominees had the necessary skills and experience. p. Directors received a fee for attending meetings, with compensation reflecting their responsibility and expertise. No additional perks were allowed, and remuneration was not at a level that could compromise the Board's independence q. Appointment of an individual to more than five SOEs simultaneously, including their subsidiaries was prohibited		✓ ✓ ✓ ✓ ✓			
13.	Following individuals were not appointed or did not continue as independent directors: a. Under eighteen years of age, b. An unnatural person, c. Undischarged bankrupt in any jurisdiction, d. Convicted of an offence, e. Prohibited by statute or court order, f. Declared mentally unfit, g. In the service of Pakistan, h. Member of Majlis-e-Shoora or Provincial Assembly, i. Holder of political office, j. Employee of an SOE.	Section 11 of Act	✓			
14.	Every director held office for the period specified under the applicable law, unless the director resigned in writing or was removed earlier in accordance with the SOE Act.	Section 13 (1) of Act	✓			

S.No.	Requirement	Reference	Complied with *Tick the relevant box*			Remarks
			Yes	No	N/A	
15.	The removal of any independent director appointed by the Federal Government was based on an inquiry that established one or more of the following: a. the director was in non-compliance with applicable laws, b. failed to fulfill duties, c. acted detrimentally to the enterprise, or d. was guilty of misconduct. whereby Misconduct included: (i) conflicts of interest, (ii) misuse of funds, assets and resources of the SOE (iii) disrespect or harassment to colleagues and staff, (iv) making unauthorized public statements, (v) non-compliance with code of conduct or conflict of interest requirements, (vi) accepting gifts or benefits from sources external to the SOE offered in connection with his duties on the Board, (vii) misuse of position	Section 13 (2) of Act			✓	
16.	Any act, proceeding, or decision of the board was not deemed invalid solely due to a vacancy, defect, or irregularity in the constitution of the board.	Section 14			✓	
17.	The CEO: a. managed the SOE and its financial and procedural matters under board delegation and oversight, b. implemented strategies and policies approved by the Board, and c. established arrangements to safeguard funds and resources, ensuring their economic, efficient, and effective use according to the business plan, primary objectives, and statutory obligations.	Section 15 (3) of Act	✓ ✓ ✓			

S.No.	Requirement	Reference	Complied with *Tick the relevant box*			Remarks
			Yes	No	N/A	
18.	The fit and proper criteria, as prescribed in Schedule IV, has been applied to independent directors, the Chief Executive Officer, the Company Secretary, and all other senior management officers of the SOE. The SOE also ensured compliance with any additional requirements issued by sector regulators or authorities governing specific sectors	Section 16 (1) (2) of Act, Schedule IV of the Act	✓			
19.	The HR policies have been established to enhance the quality of its human resources and organizational structure, with approval from the Board of Directors.	Policy Para 29	✓			
20.	Following guidelines have been considered for developing HR policies: a. Approval, amendment, or supersession of HR policies has been made by the Board unless otherwise provided in the primary legislation of the statutory SOEs. The Policies/ rules/ regulations were based on the principles of fairness, transparency and equity. b. Regular HR review mechanism has been implemented to rationalize the workforce. c. New appointments were made preferably on a contract basis with a one-month notice termination clause. d. Annual performance evaluations for HR were conducted, and continuation/termination decisions were based on these evaluations. e. Fit and proper criterion for the appointment of CEO, CFO, CIA, Company Secretary, and other senior management officers complied with Section 16 and Schedule IV of the SOEs Act, 2023.	Policy Para 30	✓ ✓ ✓ ✓ ✓			
21.	Every newly appointed independent director: a. submitted a declaration, along with consent to act as Director, confirming qualification under the Fit and Proper criteria as notified under the Act?	Policy Para 35	✓			

S.No.	Requirement	Reference	Complied with *Tick the relevant box*			Remarks
			Yes	No	N/A	
	b. provided a declaration to both the SOE and SECP if there is any change affecting his/her independence post-appointment?		✓			

RESPONSIBILITIES, POWERS AND FUNCTIONS OF THE BOARD

22.	It has been ensured that: a. the Board operated with autonomy and independence in discharging its functions under this Act or any other applicable law, according to the adopted business plan. b. No administrative or standing instructions by any Division of the Federal Government were applied to the SOE without prior approval from the Federal Government c. Any existing instructions already in field at the time of coming into effect of this Act were ratified by the Federal Government within a period of six months, else was deemed rescinded.	Section 17 (1) of Act	✓ ✓ ✓			
23.	The SOE maintained independent procurement policies approved by the Federal Government, ensuring compliance with the Chartered Institute of Procurement and Supply's Global Standards. These policies adhered to the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002) as directed by the Federal Government, until the procurement policy of SOEs is prepared and approved by the Federal Government.	Section 17 (2) of Act	✓			
24.	The Board or concerned authority has appointed a chief executive officer under a performance-based contract for a specified period, and aligned existing arrangements with the appointment of chief executive officers in line with this provision within one year of coming into effect of this law.	Section 18(1) of Act	✓			
25.	Regular monitoring of the CEO's performance against agreed performance measures was ensured, along with oversight of the CEO's development and succession planning.	Section 18(2) of Act	✓			

S.No.	Requirement	Reference	Complied with *Tick the relevant box*			Remarks
			Yes	No	N/A	
26.	The CEO was selected and appointed under a performance-based contract, adhering to the criteria set by the Board, with a 3/4 majority resolution required for both appointment and removal, including ex-officio nominee directors. The Board also determined the financial compensation for the CEO.	Policy Para 26	✓			
27.	The appointments of CEO, CFO, CIA, and Company Secretary were made in compliance with the guidelines issued by the CMU. [Note: CMU issued "State-Owned Enterprises (C-Level Appointments) Guidelines 2024 on August 15, 2024. Until new guidelines were issued, the provisions under Public Sector Companies (Corporate Governance Rules), 2013 were applicable subject to compliance with the Act and the Policy – Reference Para 26 of the policy.]	Policy Para 26	✓			
28.	The Board fulfilled its obligations to shareholders, ensuring that they were informed in a timely manner of all material events through meetings and other necessary communications	Section 19(1) of Act	✓			
29.	The Board developed and implemented a code of conduct for Board members and employees as outlined in Schedule-V of the SOE Act. The code included establishing systems and controls for identifying and addressing grievances related to unethical practices, and ensuring that the code and supporting policies were effectively communicated within the organization.	Section 19(2) of Act, Schedule V	✓			
30.	A Code of Conduct for Directors and employees has been developed, including matters from Schedule V of the SOEs Act and conflict of interest regulations as at Annexure 8 of the Policy. The Code included procedures for disciplinary action against those who violate it, with specific procedures for addressing violations by Directors in accordance with the relevant provisions of the Companies Act, 2017	Section 20 of Act, Schedule V, Policy Para 34 Annex - 8	✓			

S.No.	Requirement	Reference	Complied with *Tick the relevant box*			Remarks
			Yes	No	N/A	
31.	An audit committee in line with the provisions contained in the Act and Policy has been established, ensuring that a. the majority, including the chairman, were independent directors, and b. that neither the Chairman of the Board nor the Chief Executive Officer were members. c. The committee met quarterly, with meeting minutes submitted to the Board at the next scheduled meeting, and convened before Board approval of interim results and post-external audit completion. d. The SOE's annual report detailed the committee's work and performance evaluation, which is conducted by the Board. Besides, SOEs conducted comprehensive risk assessments to manage potential threats The SOE also considered establishing further committees as needed.	Section 21(1) of Act, Annex-6 of the Policy	✓ ✓ ✓ ✓			
32.	The audit committee is responsible for: 1 Recommending appointment of external auditors, considering resignation/removal, audit fees, and additional services. 2. Determining measures to safeguard assets. 3. Managing all reports and communications with external auditors. 4. Reviewing half-yearly and annual financial statements before Board approval. 5. Ensuring coordination between internal and external auditors. 6. Investigating deviations from code of conduct or internal controls confidentially.	Section 21 (2) of Act	✓			
33.	Internal audit procedures have been established as required under sections 19 and 20 of the Act and in line with the Annexure 6 of the SOE Policy.	Policy Para 31 Annex - 6 of the Policy	✓			

S.No.	Requirement	Reference	Complied with *Tick the relevant box*			Remarks
			Yes	No	N/A	
34.	The Board met at least once every two months. The Board also met at other times as necessary for efficient management.	Section 22 (1) of Act	✓			
35.	Decisions of the Board have been taken by a majority vote. However, the following decisions were made with a three-fourth majority, including the vote of the Federal or Provincial Government nominee director: a. Appointment and removal of the CEO b. Approval of the statement of corporate intent and business plan c. Proposals for the sale of sizeable assets d. Annual budget statement approval e. Sale of assets of the company	Section 22 (2) of Act	✓			
36.	In the case of an equal number of votes during Board decisions, the Chairman of the Board had a casting vote.	Section 22 (3) of Act	✓			
37.	The directors, the CEO, or other employees of the SOE were protected from legal proceedings if their actions or omissions were made in good faith and with due care.	Section 23 of Act	✓			
38.	Each SOE director completed the Director Training Program within six months of his/her appointment.	Policy Para 25	✓			

TRANSPARENT PERFORMANCE

39.	The SOE and its subsidiaries kept written financial records that: a. Correctly recorded and explained its transactions, financial position, and performance; b. Enabled financial statements to be prepared and audited in accordance with this Act;	Section 24 (1) of Act	✓ ✓			

S.No.	Requirement	Reference	Complied with *Tick the relevant box*			Remarks
			Yes	No	N/A	
	c. Clearly identified any transactions involving directors or their close relatives, directly or indirectly, including pecuniary or non-pecuniary benefits; d. Enabled the preparation of other reports required by this Act.		✓		✓	
40.	The records required by 24 (1) are ensured to be kept: a. for at least ten years after the dates of the transactions to which they relate; b. at the principal place of business or the registered office address of the SOE; c. in electronic form if they are readily retrievable and convertible into hard copy form.	Section 24 (2) of Act	✓			
41.	The audited financial statements were prepared for the financial year for the SOE and consolidated financial statements for the group consisting of the SOE and its subsidiaries. *Note: For the purposes of this section, a subsidiary does not include a joint venture.*	Section 25 (1) of Act	✓			
42.	The financial statements have been prepared in accordance with IFRS. The statements, together with the notes, included all necessary information to ensure they give a true and fair view of the financial position of the SOE and the group, including its subsidiaries. Note: If the SOE is not following IFRS at the time this Act comes into effect, the Board must ensure compliance within three years.	Section 25 (2) of Act	✓			
43.	The financial statements have been accompanied by a declaration of the Board stating whether, in their opinion: a. There are reasonable grounds for believing that the SOE and its subsidiaries shall be able to pay their debts as they become due and payable.	Section 25 (3) of Act	✓			

S.No.	Requirement	Reference	Complied with *Tick the relevant box*			Remarks
			Yes	No	N/A	
	b. The financial statements and the notes to them complied with the requirements of this Act and international accounting standards.		✓			
44.	A report has been submitted on SOE's operations and its subsidiaries for the financial year to which it relates not later than four months after the ends of that financial year, in the form prescribed in Schedule-VI.	Section 26 (1) of Act, Schedule VI	✓			
45.	The annual report omitted any information that could seriously harm the business interests if disclosed.	Section 26 (2) of Act			✓	
46.	A confidential report to the Federal Government has been submitted detailing the information omitted from the annual report and reasons for the omission *(if the case be)*.	Section 26 (3) of Act			✓	
47.	A summary of the annual report has been published on SOE's website, or if not available, on the website of the relevant Division or in newspapers circulating in Pakistan	Section 27 (1) of Act	✓			
48.	The SOE published a summary of the annual report within one month after submission to the Federal Government, comparing actual performance with the targets or benchmarks set in the statement of corporate intent for that financial year.	Section 27 (2) of Act	✓			
49.	A half-yearly report of operations has been submitted to the Federal Government for the first half of the financial year within two months after the end of that period.	Section 28 (1) of Act	✓			
50.	The half yearly report contained: a. The half-yearly financial reports of the SOE b. A statement on the extent the SOE and its subsidiaries have achieved the business goals specified in its statement of corporate intent for the financial year. c. Any other matter that the Federal Government may have directed to include	Section 28 (2) of Act	✓			

S.No.	Requirement	Reference	Complied with *Tick the relevant box*			Remarks
			Yes	No	N/A	
51.	The SOE clearly stated and published in its annual report all contingent liabilities, guarantees provided by the Federal Government or third parties on behalf of the Federal Government, payables to other SOEs, and any loans or other financial support provided by the Federal Government or other SOEs.	Policy Para 28	✓			

SHAREHOLDING RIGHTS OF THE FEDERAL GOVERNMENT

52.	Directors and senior management officers submitted their annual declarations of assets and beneficially held investments and properties to the Board, reporting any changes within two weeks. Public disclosure is in line with the Board's conflict management policy.	Section 30 (1) of Act			✓	
53.	The SOE disclosed the specified documents relating to its affairs or those of its subsidiaries as directed by the Federal Government.	Section 30 (2) of Act			✓	
54.	The SOE proposed reasonable conditions to the Federal Government regarding the public disclosure of information, including any restrictions on further disclosure, when applicable.	Section 30 (4) of Act			✓	

MONITORING PERFORMANCE

55.	The SOE submitted the required information to the CMU as mandated by the Act and has promptly updated or corrected any changes or errors within fifteen days of such change or knowledge of error.	Section 32 (1) of Act	✓			
56.	The SOE complied with the CMU's written notices for disclosure within ten working days to assist the CMU in discharging its functions under the Act.	Section 32 (2) (3) of Act	✓			
57.	The bi-annual reports have been disclosed on SOE's website following the CMU's publication of the summary of financial and economic performance reports, which were reviewed by CCoSOEs and the Federal Government.	Policy Para 36	✓			

Saindak Metals Limited

Ministry of Energy (Petroleum Division)
Government of Pakistan

Directors' Report to the Shareholders

Financial Year 2025-26

October 27, 2026

Saindak Metals Limited

4th Floor, Petroleum House
Sector G-5/2, Islamabad

Dear Shareholders,

On behalf of the Board of Directors of Saindak Metals Limited (SML or the Company), we are pleased to present the Directors' Report for the year ended June 30, 2026, together with the Annual Report, audited financial statements and the Auditors' Report thereon.

1. PERFORMANCE OF THE SAINDAK COPPER-GOLD PROJECT

1.1 Production and Sales

The financial results of SML depend largely on the financial performance of its lessee, MCC Resources Development Company (Private) Limited (MRDL), which is solely responsible for operating the Project and for marketing and managing its output. MRDL reported the following production and sales for its financial year 2025 (January 1 to December 31, 2025):

Particulars	2025		2024	
	Production	Sales	Production	Sales
Blister copper (metric tons)	25,027.00	23,287.36	23,871.00	22,759.65
Copper (metric tons)	24,905.67	23,171.56	23,746.46	22,647.09
Gold (ounces)	17,417.80	19,550.46	19,000.85	12,858.53
Silver (ounces)	129,832.43	93,840.81	146,138.70	74,400.49
Total sales revenue	**US$ 289,634,119**		**US$ 244,972,494**	

1.2 Taxes and Levies of MRDL for the Year 2025

The taxes and levies recognized by MRDL in its audited financial statements for the year ended December 31, 2025 were as follows:

Nature	Basis	US$	Rs. in million
Government of Balochistan			
Social uplift activities	6.5% of net profit	6,320,286	1,776.860
Royalty	6.5% of sales revenue	18,826,218	5,292.728
Government of Pakistan			
Levies – final tax	1% of sales revenue	2,896,341	814.266
Development surcharge (EPZ)	0.5% of sales revenue	1,448,171	407.133
Total		29,491,016	8,290.987

2. FINANCIAL PERFORMANCE OF SML

2.1 Revenue and Results

SML has three streams of revenue:

(i) Production rent, representing 53% of MRDL's net income;

(ii) Annual rental income of US$ 0.7 million; and

(iii) Profit earned on short-term investments.

SML's income is taxed under the normal tax regime, currently at 29% corporate tax 10% super tax. During the financial year, the Company recognized production rent of Rs. 10,308.044 million (US$ 37,052,800) and rental income of Rs. 196.526 million (US$ 700,000), giving total project income of Rs. 10,504,570 million. It also earned other income of Rs. 3,965.972 million, principally profit on short-term investments.

The Company reported profit after tax of Rs. 4,626.326 million, which is 45.4% lower than the previous year (2024-25: Rs. 8,476.382 million). The previous year's income included one-off items, namely SML's share of the provision reversed by MRDL (Rs. 4,458.683 million) and rent for the use of Project assets (Rs. 1,040.187 million).

2.2 Comparative Financial Summary

A summary of the Company's financial results, compared with the previous year, is given below:

Description	2025-26 Rupees	2024-25 Rupees	Change %
Income	10,504,570,099	13,657,432,924	(23%)
Other income	3,965,972,059	4,443,949,672	(11%)
Total revenue	14,470,542,158	18,101,382,596	(20%)
Administrative and general expenses, including depreciation	1,958,147,109	1,793,246,044	9%
Share of Government of Balochistan	3,056,001,368	3,890,246,361	(21%)
Finance cost	166,602	176,320	(6%)
Levy	405,945,890	164,215,259	147%
Taxation	4,423,955,564	3,777,116,283	17%
Profit after tax	4,626,325,625	8,476,382,329	(45%)

2.3 Financial Position

As at June 30, 2026, the Company's equity stood at Rs. 26,567.908 million (2025: Rs. 21,925.141 million), including accumulated profit of Rs. 21,662.619 million and surplus on revaluation of Rs. 4,905.288 million. Current assets exceeded current liabilities by Rs. 20,693 million (2025: Rs. 15,353 million).

The Lease Contract has been extended for a further fifteen years with effect from November 1, 2022 and, under Addendum No. 4, SML's share of profit has been increased from 50% to 53%. The Company's economic and business prospects therefore remain favorable.

2.4 Liquidity Management and Cash Flows

In line with its investment policy, the Company places surplus funds in term deposit receipts (TDRs), mutual funds and Treasury bills with Banks and Asset Management Companies. Short-term investments stood at Rs. 40,808.630 million as at June 30, 2026, and other income for the year, earned mainly on these investments, amounted to Rs. 3,965.972 million.

The Company places strong emphasis on liquidity management. Financial projections are prepared regularly so that funds are available at all times, while liquid funds are placed in a secure and well-diversified investment portfolio to generate optimum returns.

2.5 Contribution to the National Economy

The Company is a significant contributor to both the national and the provincial economy. During the year, SML contributed Rs. 3,056.001 million to the Government of Balochistan as its share of profit and Rs. 4,423.956 million to the national exchequer as corporate tax.

3. AUDITORS' REPORT

The auditors have expressed an unqualified opinion on the financial statements for the year ended June 30, 2026. Without modifying their opinion, the auditors have drawn attention to Note 1.2 to the financial statements, regarding the lease of 1,203 acres of land from the Government of Balochistan, which expired on April 28, 2025 and is under renewal, and to Note 25.1.2, regarding the amount payable to the Government of Pakistan, which is pending decision by the Federal Cabinet / ECC.

4. CORPORATE GOVERNANCE

The Board of Directors is committed to maintaining high standards of corporate governance to ensure business integrity and transparency. In compliance with the requirements of corporate governance, the Board states that:

i. The Board has complied with the relevant principles of corporate governance.

ii. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, its cash flows and changes in equity.

iii. Proper books of account have been maintained by the Company.

iv. Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgement.

v. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.

vi. There is no doubt about the Company's ability to continue as a going concern.

vii. The Board recognises its responsibility to establish and maintain a sound system of internal control, which is regularly reviewed and monitored.

viii. The remuneration of the Chief Executive, Executives and the Board of Directors is disclosed in Note 33 to the audited financial statements for the year ended June 30, 2026.

ix. Directors receive fees for attending meetings of the Board and its Committees, as set out in Note 33 to the financial statements.

x. No subsidy or financial support was taken from the Government during the year.

xi. The number of meetings of the Board and its Committees held during the year, and the attendance of each Director, are disclosed in this report.

5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES

The Company does not have any subsidiary, joint venture or associated company.

6. BOARD OF DIRECTORS

6.1 CHANGE OF BOARD OF DIRECTORS

During the year, the following changes occurred in the composition of the Board: Mr. Asfand Yar Khan, Secretary, Energy Department, Government of Balochistan, replaced Mr. Muhammad Dawood Bazai as an ex-officio Director. Similarly, Mr. Muhammad Zia-ul-Haq, Deputy Secretary (CA), Ministry of Energy (Petroleum Division), Government of Pakistan, replaced Mr. Umer Saeed Khan. Furthermore, Mr. Muhammad Raziq Sanjrani was reinstated as Managing Director of Saindak Metals Limited (SML) and joined the Board in his capacity as Managing Director.

6.2 APPOINTMENT OF INDEPENDENT DIRECTORS:

During the year, the Board of Directors of Saindak Metals Limited comprised both ex-officio and independent directors. The Board included four Independent Directors, namely Dr. Rehanul Haq Siddiqui, Mr. Jahanzaib Durrani, Lt. Col. Khalid Rafique Shah Retd, and Mr. Abid S. Mustikhan.

6.3 MEETING OF BOARD OF DIRECTORS

During the year, twelve (12) meetings of the Board of Directors were held. The attendance of the Directors in the meetings of the Board and its Committees is summarized below:

S. No.	Name of Director	Number of Meetings Attended/Total Meetings Held
1.	Dr. Rehanul Haq Siddiqui	12/12
2.	Mr. Jahanzaib Durrani	12/12
3.	Lt. Col. Khalid Rafique Shah Retd.	12/12
4.	Mr. Abid S. Mustikhan	12/12
5.	Mr. Masood Nabi (As MD SML & Director)	12/12
5/1	Mr. Muhammad Raziq Sanjrani (MD SML)	6/6

6.	Mr. Qumar Sarwar Abbasi	9/12
7	Mr. Muhammad Dawood Bazai	10/10
7/1	Mr. Asfand Yar Khan	2/2
8	Mr. Saidal Khan Luni	12/12
9	Mr. Waqas Ahmed Barlas	12/12
10	Mr. Umer Saeed Khan	9/9
10/1	Mr. Muhammad Zia ul Haq	3/3

Note: Directors at S. Nos. 5, 7, and 10 were replaced during the year; accordingly, their respective attendance reflects their tenure on the Board.

6.4 AUDIT & RISK MANAGEMENT COMMITTEE

S. No.	Name of Director	Number of Meetings Attended/ Total Meetings Held
1	Mr. Jahanzaib Durrani	07/07
2	Mr. Saidal Khan Luni	07/07
3	Mr. Waqas Ahmed Barlas	07/07
4	Mr. Abid S. Mustikhan	07/07
5	Mr. Umer Saeed Khan	07/07
6	Lt. Col. Khalid Rafique Shah Retd. (on special invitation)	07/07

6.5 TECHNICAL & PROCUREMENT COMMITTEE

S. No.	Name of Director	Number of Meetings Attended/ Total Meetings Held
1	Dr. Rehanul Haq Siddiqui	4/4
2	Mr. Jahanzaib Durrani	4/4
3	Mr. Saidal Khan Loni	3/4
4	Mr. Waqas Ahmed Barlas	4/4
5	Mr. Masood Nabi	4/4
6	Mr. Abid S. Mustikhan (on invitation)	1
7	Lt. Col. Khalid Rafique Shah Retd. (on invitation)	1

6.6 BUSINESS DEVELOPMENT COMMITTEE

S. No.	Name of Director	Number of Meetings Attended/ Total Meetings held
1	Mr. Abid S. Mustikhan	6/6
2	Dr. Rehanul Haq Siddiqui	6/6
3	Lt. Col. Khalid Rafique Shah Retd.	6/6
4	Mr. Qumar Sarwar Abbasi	5/6
5	Mr. Waqas Ahmed Barlas	6/6
6	Mr. Masood Nabi	5/6
7	Mr. Umer Saeed Khan	3
8	Mr. Jahanzaib Durrani (on invitation)	2
9	Mr. Muhammad Zia ul Haq	1

Note: Mr. Muhammad Zia-ul-Haq replaced Mr. Umer Saeed Khan during the year.

6.7 FINANCE & CSR COMMITTEE

S. No.	Name of Director	Number of Meetings Attended/ Total Meetings Held
1.	Mr. Qumar Sarwar Abbasi	2/2
2.	Lt. Col. Khalid Rafique Shah Retd.	2/2
3.	Mr. Masood Nabi	2/2
4.	Mr. Muhammad Dawood Bazai	1/1
5.	Mr. Asfandyar Khan	1/1
6.	Dr. Rehanul Haq Siddiqui (Co-opted Member)	2/2

Note: Mr. Asfandyar Khan replaced Mr. Muhammad Dawood Bazai during the year.

6.8 HR/ NOMINATION COMMITTEE

S. No.	Name of Director	Number of Meetings Attended/Total Meetings Held
1.	Lt. Col. Khalid Rafiue Shah Retd.	9/9
2.	Mr. Jahanzaib Durrani	9/9
3.	Mr. Abid S. Mustikhan	9/9
4.	Mr. Muhammad Dawood Bazai	6/6
4/1	Mr. Asfandyar Khan	3/3
5.	Mr. Umer Saeed Khan	4
6.	Mr. Waqas Ahmed Barlas (on Invitation)	7
7.	Mr. Masood Nabi	9/9
7/1	Mr. Muhammad Raziq Sanjrani	7
8.	Dr. Rehanul Haq Siddiqui (Co-opted Member)	9/9

Note: Mr. Asfandyar Khan replaced Mr. Muhammad Dawood Bazai during the year.

7. RETIREMENT AND APPOINTMENT OF AUDITORS

As per Section 246 of the Companies Act 2017, the statutory external Auditors, M/S BDO Ebrahim & Co, Chartered Accountants, retired on the conclusion of the present Annual General Meeting. On the recommendation of the Audit Committee and the SML Board of Directors, M/s Ilyas Saeed & Co., Chartered Accountant, has been appointed as Auditors of the company for the year to be concluded on 30.6.2027.

8. RELATED PARTY TRANSACTIONS

As disclosed in Note 35 to the Financial Statements, related parties comprise shareholders, key management personnel, and directors. The company, in the normal course of business, carries out transactions with related parties at agreed terms.

9. SAFE AND CONDUCIVE WORKPLACE

The Company is committed to providing a safe and conducive working environment for all its employees.

10. DECLARATION BY THE BOARD OF DIRECTORS UNDER THE SOE ACT, 2023

As required by Section 25(3) of the SOE Act, 2023, we, the Board of Directors of the Company, hereby confirm that:

(a) there are reasonable grounds to believe that the Company will be able to meet its debt obligations as they become due and payable; and

(b) the financial statements and notes to them comply with the requirements of this act and international accounting standards.

11. ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the contribution made by the management and staff of the Company throughout the year. Their loyalty and hard work have been instrumental in the success and growth of the Company.

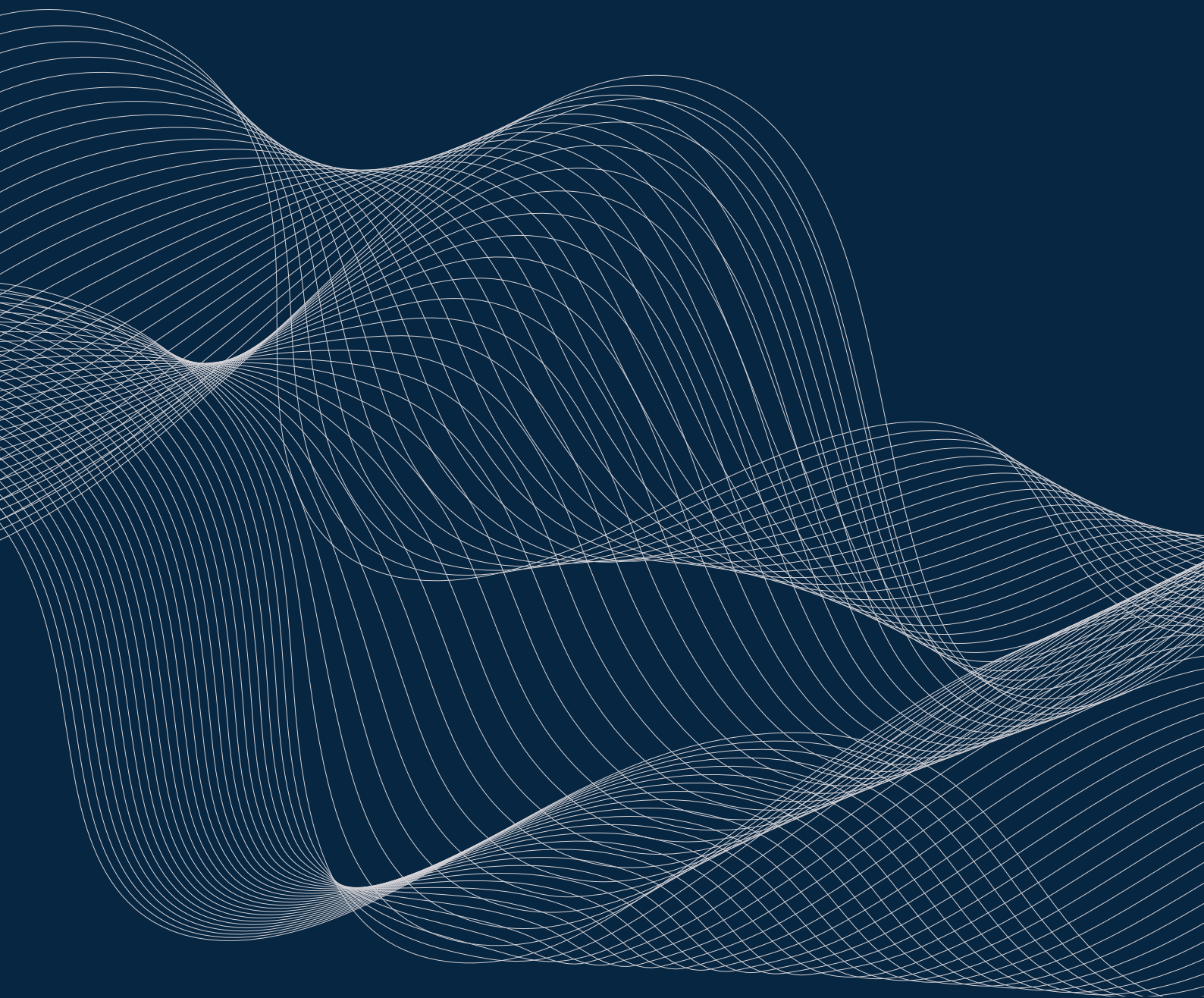
The Directors also express their sincere appreciation for the assistance and cooperation received from banks, government authorities and the members during the year under review.

For and on behalf of the Board of Directors

Chief Executive Officer

Director

AUDITED FINANCIAL STATEMENTS 2025-26



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SAINDAK METALS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

BDO Ebrahim & Co. Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAINDAK METALS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the annexed financial statements of **SAINDAK METALS LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2026, 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, 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, 2026 and of the profit and other comprehensive income, its changes in equity and 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 (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

1. We draw your attention to Note 1.2 of the financial statements, which describes that the lease agreement and Government of Balochistan (GoB) lease of 1,203 Acres of land has expired on April 28, 2025. The renewal process of the lease term is in process as at year end.

2. We draw attention to Note 25.1.2, which describes the uncertainty over amounts paid by the Government of Pakistan (GoP) Finance Division. The Ministry of Energy (Petroleum Division)

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decided to take the matter to the Federal Cabinet/ECC, the revised terms of the agreement are contingent till final approval from Federal Cabinet/ECC.

Our opinion is not modified in respect of these matters.

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

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our Auditor's 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 appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the 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 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 is 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.

- 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.

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, the statement of comprehensive income, the statement of changes in equity, 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 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 deductible 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 Atif Riaz.

ISLAMABAD

DATED: NOVEMBER 04, 2026
UDIN: AR202610060sVZ8LRz1t

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants
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SAINDAK METALS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	9,213,408,382	10,309,687,720
Capital work in progress	6	9,045,000	-
Capital advance	7	6,510,044	-
Intangible assets	8	44,267	110,667
Long term advances and deposits	9	72,680,711	82,337,759
		9,301,688,404	10,392,136,146
CURRENT ASSETS			
Sales tax recoverable	10	407,069,116	407,069,116
Advances and prepayments	11	13,535,279	20,693,509
Trade debtors	12	-	2,966,661,009
Short term investments	13	40,808,629,594	32,692,309,622
Accrued markup	14	-	18,798,425
Bank balances	15	881,764,357	571,486,856
		42,110,998,346	36,677,018,537
TOTAL ASSETS		51,412,686,750	47,069,154,683
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
SHARE CAPITAL			
Issued, subscribed and paid up capital	16	1,300	1,300
Capital reserve - surplus on revaluation	17	4,905,288,334	5,475,890,226
Accumulated profit		21,662,618,668	16,449,249,917
		26,567,908,302	21,925,141,443
NON CURRENT LIABILITIES			
Defined benefit plan obligation	18	79,227,417	57,741,562
Deferred tax liability	19	3,347,215,717	3,762,609,564
		3,426,443,134	3,820,351,126
CURRENT LIABILITIES			
Payable to Government of Pakistan	20	15,733,533,874	15,733,533,874
Payable to Government of Balochistan	21	3,056,001,368	3,890,246,361
Trade and other payables	22	85,939,860	111,935,940
Advance rental income	23	73,145,625	73,899,000
Provision for taxation	24	2,469,714,587	1,514,046,939
		21,418,335,314	21,323,662,114
TOTAL EQUITY AND LIABILITIES		51,412,686,750	47,069,154,683
CONTINGENCIES & COMMITMENTS	25		

The annexed notes from 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

SAINDAK METALS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Income	26	10,504,570,099	13,657,432,924
Share of Government of Balochistan	27	(3,056,001,368)	(3,890,246,361)
Gross profit		7,448,568,731	9,767,186,563
Administrative expenses	28	(1,958,147,109)	(1,793,246,044)
Other income	29	3,965,972,059	4,443,949,672
Operating profit		9,456,393,681	12,417,890,191
Finance cost		(166,602)	(176,320)
Profit before taxation and levy		9,456,227,079	12,417,713,871
Levy	30	(405,945,890)	(164,215,259)
Profit before taxation		9,050,281,189	12,253,498,612
Taxation	31	(4,423,955,564)	(3,777,116,283)
Profit for the year		4,626,325,625	8,476,382,329

The annexed notes from 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

SAINDAK METALS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Profit for the year		4,626,325,625	8,476,382,329
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss:			
Surplus on revaluation of property, plant and equipment		-	9,746,799,400
Related deferred tax		-	(3,617,144,578)
		-	6,129,654,822
Remeasurement gain / (loss) on defined benefit obligation	18.2.4	26,952,843	(4,179,252)
Related deferred tax (liability) / asset	19.1	(10,511,609)	1,629,908
		16,441,234	(2,549,344)
Total comprehensive income		4,642,766,859	14,603,487,807

The annexed notes from 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

SAINDAK METALS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	Issued, subscribed and paid-up capital	Capital reserve - surplus on revaluation	Accumulated profit	Total
	----------	Rupees	----------	
Balance as at July 01, 2024	1,300	-	7,321,652,336	7,321,653,636
Total comprehensive income				
Profit for the year	-	-	8,476,382,329	8,476,382,329
Other comprehensive income:	-	6,129,654,822	(2,549,344)	6,127,105,478
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year - net of deferred taxation	-	(653,764,596)	653,764,596	-
	-	5,475,890,226	9,127,597,581	14,603,487,807
Balance as at June 30, 2025	1,300	5,475,890,226	16,449,249,917	21,925,141,443
Total comprehensive income				
Profit for the year	-	-	4,626,325,625	4,626,325,625
Other comprehensive income:	-	-	16,441,234	16,441,234
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year - net of deferred taxation	-	(570,601,892)	570,601,892	-
	-	(570,601,892)	5,213,368,751	4,642,766,859
Balance as at June 30, 2026	1,300	4,905,288,334	21,662,618,568	26,567,908,302

The annexed notes from 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE

BDO & Co.

DIRECTOR

SAINDAK METALS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levy and taxation		9,456,227,079	12,417,713,871
Adjustments for non cash items:			
Depreciation	5	1,097,935,497	1,251,145,334
Amortisation	8	66,400	66,400
Interest income	29	(3,965,965,559)	(4,435,938,306)
Provision for defined benefits obligation	18.2.3	48,438,698	53,562,310
Provision for leave encashment	22.2	25,146,352	30,334,547
Gain on disposal		-	(176,208)
Fair value gain of mutual funds		-	(520,584,642)
Exchange loss / (gain)	28	53,326,432	(55,621,914)
Provision for share of Government of Balochistan	27	3,056,001,368	3,890,246,361
		314,949,188	213,033,882
Advances and prepayments		6,964,280	(404,277)
Trade debtors		2,913,334,577	(2,784,507,573)
Payment to Government of Balochistan		(3,890,246,361)	(2,501,892,084)
Trade and other payables		(35,385,534)	(4,950,375)
Advance rental income		(753,375)	991,418
Working capital changes		(1,006,086,413)	(5,290,762,891)
Cash flows from operating activities		8,765,089,854	7,339,984,862
Tax paid		(4,300,139,262)	(3,932,321,821)
Contribution paid during the year for defined benefit plan	18.2.2	-	(97,475,024)
Leave encashment paid	22.2	(15,756,898)	(17,679,465)
		(4,315,896,160)	(4,047,476,310)
Net cash generated from operating activities		4,449,193,694	3,292,508,552
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	5	(1,656,159)	(1,287,619)
Addition to work in progress	6	(9,045,000)	-
Addition to capital advance	7	(6,510,044)	-
Disposal of assets	5	-	222,000
Long term advances to employees	9	9,850,998	10,838,942
Long term deposits		-	(300,000)
Short term investments made during the year - net	13	(11,116,319,972)	(13,824,806,731)
Interest received	29	3,984,763,984	5,620,814,535
Net cash used in investing activities		(7,138,916,193)	(8,194,518,873)
Net decrease in cash and cash equivalents		(2,689,722,499)	(4,902,010,321)
Cash and cash equivalents at beginning of the year		3,571,486,856	8,473,497,177
Cash and cash equivalents at end of the year	32	881,764,357	3,571,486,856

The annexed notes from 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

SAINDAK METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1. THE COMPANY AND ITS OPERATIONS

1.1 The Company was incorporated as a private limited company in April 15, 1974 under the Companies Act 1913 (now Companies Act 2017) with the name of Resource Development Corporation. The name of the Company was changed as Saindak Metals (Private) Limited on October 3, 1993 and it was converted into a public limited company on January 16, 1996 with equity owned by the Government of Pakistan (GoP) through nominee ex-officio. The Company has been formed for the exploration, mining and metallurgical processing of copper, gold and other minerals at Saindak in District Chagai, Balochistan. The registered office of the Company is situated at Gul Bagh, Samungli Road, Quetta.

1.2 The Government of Balochistan (GoB) leased 1,203 Acres of land (here-in-after referred as "North, South and East Ore Bodies") to the Company, situated at District Chagai, Balochistan under the terms of lease contract dated April 28, 2005 for the purpose of exploration, mining and metallurgical processing of copper, gold and other minerals. The said land has been leased to the Company for a period of 20 years which expired on April 28, 2025, The renewal process of the lease term is in process.

1.3 The Company initially leased out its main plant to MCC Resources Development (Private) Limited (MRDL) of China for a period of ten years under the terms of lease contract dated November 30, 2001. The plant was handed over to MRDL along with all property, plant and equipment as mentioned in note 5 of these financial statements on October 2, 2002 as per the terms of the lease contract.

Further by virtue of second addendum, MRDL was allowed to exploit East Ore Body if determined feasible, while through third addendum in 2017, the term of original lease contract was extended till October 31, 2022. During the financial year 2022, through 4th addendum, the lease term with MRDL has been further extended by 15 years till October 31, 2037.

1.4 In December 2009 Cabinet Committee (Establishment Division) has approved Aghaz-e-Haqooq-e-Balochistan Package, wherein, among other matters the GoP has agreed to pay 20% of the share out of 50% share of profit from Saindak Project (the Company) to GoB. Later on, Saindak Metals Limited sought clarification, through letter No. SML/29(1) MP&NR-2011 dated May 28, 2012 from GoP, on commencement of period and percentage of profit sharing with GoB, through letter No DGM-2(14)/2012 dated June 21, 2012. GoP clarified that Saindak Metals Limited is required to pay 30% out of 50% share in Saindak Copper-Gold project and period of payment shall commence from January 01, 2010. In year 2021, the Company sought another clarification from GoP, through letter no.SML-29(1) MP&NR 2011/5150 dated January 28, 2021 to confirm if share of GoB is to be calculated net amount of 53% profit received from MRDL, as in previous years payment had been made based on calculation of share on net basis. GoP clarified, through letter No.DGM-2(14)/2021-AHBP dated April 23, 2021, that Company is required to calculate and pay 60% of the share on net basis i.e. after deduction of expenses from 53% share received from MRDL.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The approved 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;

- Provisions of and directives issued under the Companies Act, 2017; and

- The State-Owned Enterprise (Governance and Operations) Act, 2023.

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 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupee, unless otherwise stated.

2.4 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to consider industry practices and exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant estimates ;

- Useful lives, residual values and depreciation method of property, plant and equipment – note 4.1 & 5
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) - note 4.13

Other estimates ;

- Useful lives, residual values and amortisation method of intangible assets – note 4.2 & 8
- Estimation of contingent liabilities- note 4.8
- Provision for expected credit losses- note 4.16.4
- Obligation of defined benefit plans- note 4.17

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3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

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

	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

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

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027

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Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation / disaggregation and labelling of information, and disclosure of management-defined performance measures.

4 MATERIAL ACCOUNTING POLICY AND INFORMATION

4.1 Property, plant and equipment

a) Operating fixed assets

These are stated at revalued cost less accumulated depreciation and accumulated impairment losses except for capital work in progress which is stated at cost.

Depreciation is charged on the basis of written down value method whereby cost or revalued amount of an asset is written off over its useful life. Full month's depreciation is charged on addition, while no depreciation is charged in the month of disposal or deletion of assets.

Amount equivalent to incremental depreciation charged on revalued assets is transferred from surplus on revaluation of property, plant and equipment net of deferred taxation to retained earnings (unappropriated profit).

b) Revaluation surplus

Any revaluation increase arising on the revaluation is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in statement of profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of property, plant and equipment is charged to statement of profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation on property, plant and equipment to the extent of incremental depreciation charged (net of deferred tax) is transferred to accumulated profit.

4.2 Intangible assets

These are stated at cost less accumulated amortisation and impairment. Amortisation is charged to the statement of profit or loss using the straight-line method over their estimated useful lives.

4.3 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognised as expense in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognised, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Impaired assets are reviewed for possible reversal of the impairment at each reporting date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognised. A reversal of impairment loss is recognised in the statement of profit or loss.

4.4 Trade debtors

Trade debts are initially recognised at fair value which is the invoice value, thereafter, stated at amortised cost net off Expected Credit Losses, if any. Bad debts are written off when identified.

4.5 Cash and cash equivalents

Cash and cash equivalents comprises of bank balances.

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4.6 Trade and other payables

Liabilities for trade and other payable are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.7 Provisions

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

4.8 Contingent liabilities

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

The management exercises judgment in measuring and recognising provisions and exposures to contingent liabilities related to pending litigations or other outstanding claims. Judgment is, necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

4.9 Payable to Government of Balochistan (GoB)

Provision against share of GoB is recognised based on approval of Aghaz-e-Haqooq-e-Balochistan by Cabinet Committee in December 2009. Provision is calculated on 60% of share of profit of Company received from MRDL after deduction of administrative and tax expenses, as approved by Government of Pakistan (GoP).

4.10 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include holding Company, associated companies with or without common directors, directors, major shareholders and their close family members, key management personnel and staff.

4.11 Income

Lease rental from MRDL of China is recorded on accrual basis.

Share of profit / loss from MRDL is recorded based on the latest audited financial statements of MRDL at each year end.

4.12 Other Income

Other income consist mainly interest income, dividend income, fair-value gains and gains / (losses) on disposal of assets which are recognised in statement of profit or loss. Interest on interest-bearing instruments is recognised using principal outstanding and the applicable interest rate. Fair-value gains / (losses) are recognised as changes in fair value occur, and gains / (losses) on disposal are measured as the difference between the consideration received and the carrying amount of the underlying asset.

4.13 Taxation

a) Current

Provision for current taxation is based on taxable income at current tax rates after taking into account applicable tax rebates and credits, if any.

b) Deferred

Deferred tax is recognised using statement of financial position liability method for all major temporary differences arising between tax basis of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits and taxable temporary differences will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits and taxable temporary differences will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of profit or loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

4.14 Levy

The amount calculated on taxable income using the notified tax rate is recognised as current income tax expense for the year in statement of profit or loss under the scope of IAS 12. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognised as a levy falling under the scope of IFRIC 21 / IAS 37.

4.15 Foreign currency transactions and translations

Transactions in foreign currencies are translated into Pakistani Rupee (PKR) at the rates of exchange approximating those prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupee at the exchange rates prevailing at the statement of financial position date. Exchange differences are included in statement of profit or loss currently.

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4.16 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.16.1 Financial assets

Financial assets are recognised initially at fair value, normally being the transaction price. In the case of financial assets not at fair value through profit or loss, directly attributable transaction costs are also included. The subsequent measurement of financial assets depends on their classification, as set out below. The Company derecognises financial assets when the contractual rights to the cash flows expire.

The Company classifies its financial asset as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) Financial assets measured at amortised cost

Financial assets are classified as measured at amortised cost when they are held in a business model, the objective of which is to collect contractual cash flows and the contractual cash flows represent solely payments of principal and interest. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in statement of profit or loss when the assets are derecognised or impaired and when interest is recognised using the effective interest method. This category of financial assets includes Long term deposits, Trade debts, Loans and advances, Interest accrued, Short term investments and Cash and bank balances in the statement of financial position.

(ii) Financial assets measured at fair value through other comprehensive income

These assets are initially recognised at cost. Subsequently, these are measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in statement of profit or loss. These assets are initially measured at cost plus transaction cost that are directly attributable to its acquisition. Subsequently, these are measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss.

(iii) Financial assets measured at fair value through profit or loss

These assets are initially recognised at cost. Subsequently, these are measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in statement of profit or loss.

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4.16.2 Financial liabilities

The measurement of financial liabilities depends on their classification, as follows:

(i) Financial liabilities measured at fair value through profit or loss

A financial liability is classified at fair value through profit and loss if it is held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit and loss are measured at fair value and net gain or loss, including any interest expense, are recognised in the statement of profit or loss.

(ii) Financial liabilities measured at amortised cost

All other financial liabilities are initially recognised at fair value, net of directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. This category of financial liabilities includes trade and other payables, unclaimed dividend and unpaid dividend.

4.16.3 Fair value measurement

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants. The Company categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

4.16.4 Impairment of financial assets measured at amortised cost

The Company assesses on a forward looking basis the expected credit losses associated with financial assets classified as measured at amortised cost at each statement of financial position date.

Expected credit losses are measured based on the maximum contractual period over which the Company is exposed to credit risk. Since this is typically less than 12 months there is no significant difference between the measurement of 12-month and lifetime expected credit losses for the Company's in-scope financial assets. The measurement of expected credit losses is a function of the probability of default, loss given default and exposure at default.

The expected credit loss is estimated as the difference between the asset's carrying amount and the present value of the future cash flows the Company expects to receive discounted at the financial asset's original effective interest rate. The carrying amount of the asset is adjusted, with the amount of the impairment gain or loss recognised in the statement of profit or loss.

A financial asset or group of financial assets classified as measured at amortised cost is considered to be credit-impaired if there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset (or group of financial assets) have occurred. Financial assets are written off where the Company has no reasonable expectation of recovering amounts due.

4.17 Employees retirement benefits and other obligations

The main features of the schemes operated by the Company for its employees are as follows:

Defined benefit plan - Pension and gratuity

The Company operates a funded defined benefit pension and gratuity scheme for all its eligible employees. Contributions under this scheme are made to this fund on the basis of projected unit credit (PUC) method and actuarial recommendations. The latest actuarial valuation for the scheme was carried out as at June 30, 2026. The amount recognised in the statement of financial position represents the present value of the planned assets reduced by the value of defined benefit obligation.

4.18 Leases

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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5 PROPERTY, PLANT AND EQUIPMENT

Description	Leasehold land	Owned												Total
		Building on leasehold land		Plant and machinery	Generators and fittings	Water Supply	Railway Track	*Blister Copper	Office and other equipments	Furniture and fixtures	Computers and printers	Vehicles	Sub total	
		Main Plant	Auxiliary											
	Rupees													
Year ended June 30, 2026														
Net carrying value basis														
Opening net book amount	500,905,000	1,334,823,494	151,522,324	6,849,727,706	24,600,000	136,624,500	180,000,000	153,881	145,392,927	3,448,715	15,009,173	967,480,000	9,808,782,720	10,309,687,720
Additions	-	-	67,850	-	-	-	-	-	836,500	63,130	650,679	-	1,616,159	1,616,159
Transferred from CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals - at NBV									-					
Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charges	-	(133,482,349)	(15,157,885)	(684,972,771)	(4,920,000)	(13,662,450)	(18,000,000)	-	(29,186,255)	(522,162)	(4,526,623)	(193,496,000)	(1,097,935,497)	(1,097,935,497)
Closing net book amount	500,905,000	1,201,341,145	136,432,287	6,164,754,935	19,680,000	122,962,050	162,000,000	153,881	117,081,172	2,989,683	11,124,229	773,984,000	8,712,903,382	9,213,808,382
Gross carrying value basis														
Cost / Revalued Amount	500,905,000	3,771,600,577	218,238,975	16,935,039,397	75,122,485	826,926,043	414,249,467	153,881	211,181,183	17,935,703	27,534,640	1,278,495,875	23,776,516,226	24,277,421,226
Accumulated depreciation	-	(2,570,259,432)	(81,806,688)	(10,770,324,462)	(55,442,485)	(703,963,993)	(252,249,467)	-	(94,100,011)	(14,946,020)	(16,410,411)	(504,509,875)	(15,064,012,844)	(15,064,012,844)
Net book value	500,905,000	1,201,341,145	136,432,287	6,164,754,935	19,680,000	122,962,050	162,000,000	153,881	117,081,172	2,989,683	11,124,229	773,984,000	8,712,903,382	9,213,808,382
Year ended June 30, 2025														
Net carrying value basis														
Opening net book amount	28,835,286	423,266,742	43,957,548	1,145,586,383	59,250	86,467,671	29,193,732	153,881	4,957,394	2,831,426	6,563,236	3,785,854	1,743,823,117	1,772,658,403
Additions	-	-	-	-	-	-	-	-	368,619	803,000	116,000	-	1,287,619	1,287,619
Transferred from CWIP	-	-	40,133,424	-	-	-	-	-	-	-	-	-	40,133,424	40,133,424
Revaluation surplus	472,069,714	1,059,870,474	84,864,452	6,465,222,179	30,600,750	65,337,329	170,806,268	-	176,368,750	1,341,034	14,364,268	1,205,568,146	9,274,729,686	9,746,799,400
Disposals - at NBV									-					
Cost	-	-	-	-	-	-	-	-	(83,300)	(137,211)	(278,214)	-	(498,725)	(498,725)
Accumulated depreciation	-	-	-	-	-	-	-	-	63,550	121,377	257,963	-	452,933	452,933
	-	-	-	-	-	-	-	-	(19,750)	(5,834)	(20,251)	-	(45,792)	(45,792)
Depreciation charges	-	(148,313,722)	(15,333,100)	(761,080,856)	(6,150,000)	(15,380,500)	(20,000,000)	-	(36,282,129)	(520,951)	(6,418,076)	(241,870,000)	(1,251,145,334)	(1,251,145,334)
Closing net book amount	500,905,000	1,334,823,494	151,522,324	6,849,727,706	24,600,000	136,624,500	180,000,000	153,881	145,392,927	3,448,715	15,009,173	967,480,000	9,808,782,720	10,309,687,720
Gross carrying value basis														
Cost / Revalued amount	500,905,000	3,771,600,577	218,171,125	16,935,079,397	75,122,485	826,926,043	414,249,467	153,881	210,308,683	17,872,573	26,883,901	1,278,495,875	23,774,860,067	24,275,765,067
Accumulated depreciation	-	(2,436,777,083)	(66,648,801)	(10,085,351,691)	(50,522,485)	(690,301,543)	(234,249,467)	-	(64,913,756)	(14,423,858)	(11,874,788)	(311,013,875)	(13,966,077,347)	(13,966,077,347)
Net book value	500,905,000	1,334,823,494	151,522,324	6,849,727,706	24,600,000	136,624,500	180,000,000	153,881	145,392,927	3,448,715	15,009,173	967,480,000	9,808,782,720	10,309,687,720
Rate of depreciation (%)	-	10	10	10	20	10	10	-	20	15	30	20		

* Blister Copper; a showpiece extracted initially at the project site, therefore, no depreciation is charged on it.

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5.1 Had there been no revaluation, the net book value of the specific classes of operating assets would have been as follows:

	2026 Rupees	2025 Rupees
Leasehold land	28,835,286	28,835,286
Building on leasehold land:		
- Plant	342,846,061	380,940,068
- Auxiliary	67,611,081	75,054,317
Plant and machinery	927,924,970	1,031,027,745
Generators and fittings	37,920	47,400
Water supply	70,038,814	77,820,904
Railway track	23,646,923	26,274,359
Office and other equipments	4,220,937	4,317,634
Furniture and fixtures	2,170,216	2,484,636
Computers and printers	3,903,915	4,694,439
Vehicles	2,422,947	3,028,683
	1,473,659,070	1,634,525,471

5.2 The total depreciation expense on property, plant and equipment is allocated in administration expenses.

6 CAPITAL WORK IN PROGRESS	Note	2026 Rupees	2025 Rupees
Work in progress - Mian Ghundi	6.1	6,522,000	-
Work in progress - Dalbandin	6.2	2,523,000	-
		9,045,000	-

6.1 This represents expenditure incurred under a contract with Haji Abdul Rauf and Brothers for construction of a road, culvert and tubewell, which remained incomplete as at reporting date.

6.2 This represents expenditure incurred under a contract with GM Baloch and Brothers for construction of a tubewell, raising of boundary wall and parapet wall, which remained incomplete as at reporting date.

7 CAPITAL ADVANCE	Note	2026 Rupees	2025 Rupees
Capital advance for ERP software	7.1	6,510,044	-

7.1 This represents expenditure incurred in respect of Odoo accounting software acquired from XNREL (Private) Limited. The software has been retained under capital advance pending completion of the implementation and receipt of the 100% completion certificate from the vendor.

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8	INTANGIBLE ASSETS	Note	2026 Rupees	2025 Rupees
	Cost:			
	Balance as at July 01,		332,000	332,000
	Additions		-	-
	Balance as at June 30,		332,000	332,000
	Accumulated amortisation:			
	Balance as at July 01,		(221,333)	(154,933)
	Amortisation charged for the year		(66,400)	(66,400)
	Balance as at June 30,		(287,733)	(221,333)
	Closing balance	8.1	44,267	110,667
	Rate of amortisation (%)		20	20

8.1 This represents the accounting software GBMS used by the company.

8.2 The total amortisation expense on intangibles is allocated to administration expenses.

9	LONG TERM ADVANCES AND DEPOSITS	Note	2026 Rupees	2025 Rupees
	Advances to employees (secured-considered good)	9.1	71,880,711	81,537,759
	Security deposits		800,000	800,000
			72,680,711	82,337,759

9.1 Advances to employees

Advances		81,537,759	91,388,757
Less: current maturity of advances		(9,657,048)	(9,850,998)
	9.1.1	71,880,711	81,537,759

9.1.1 It includes advances made to the employees in respect of house building and motor car / motor cycle amounting to Rs. 71,835,711 (2025: Rs. 81,288,759) and Rs. 45,000 (2025: Rs. 249,000). House building advances are recoverable in 150 equal monthly installments while motor car and motor cycle advances are recoverable in 60 and 36 equal monthly installments respectively. These are interest free bearing and management believes that the impact of discount on the advances is not material in respect of the financial statements. These advances are secured, as any unrecovered balance is adjustable against the dues / benefits payable to the employee at the time of retirement / separation.

10	SALES TAX RECOVERABLE	2026 Rupees	2025 Rupees
	Sales tax recoverable	407,069,116	407,069,116

This represents amount of sales tax on services withdrawn from bank account of the Company by Balochistan Revenue Authority (BRA) via sales tax demand No. BRA/STA & A/2019/238-239, 240-241 and 242-243 dated March 28, 2019, for the financial year 2016, 2017 and 2018 amounting to Rs. 116.561 million, Rs. 171.561 million, and Rs. 118.945 million respectively,

in accordance with section 52(3) of the Balochistan Sales Tax on Services Act, 2015 (the Act).

The Company challenged the said levy on various grounds including the legal objection that renting of immovable property itself does not involve any element of provision of services and also considers that consideration received from MRDL against annual rent is exempt from taxable services under clause 137 of section 2 of the Act.

The commissioner appeal ordered in favor of the Company as per order no. 63, 64 and 65. The BRA appealed to the Appellate Tribunal Court. On March 31, 2023 Appellate Tribunal Court sustained the order passed by Commissioner Appeal. The BRA appealed further to the High Court of Balochistan, where the matter is pending adjudication.

	Note	2026 Rupees	2025 Rupees
11 ADVANCES AND PREPAYMENTS			
Current maturity of advances to employees	9	9,657,048	9,850,998
Other advances :		3,661,049	10,623,351
Advances against salary		-	7,091,578
Others		3,661,049	3,531,773
Prepaid insurance		217,182	219,160
		13,535,279	20,693,509
12 TRADE DEBTORS			
Receivable from MRDL - unsecured		-	2,966,661,009
The movement is as follow:			
Opening balance	12.1	2,966,661,009	126,531,522
Additions during the year	12.2	-	4,458,683,000
Exchange (loss) / gain		(49,640,211)	55,446,487
Receipts during the year		(2,790,552,290)	(1,674,000,000)
Write off during the year	12.3	(126,468,508)	-
		-	2,966,661,009

12.1 It represents the remaining US Dollars amounting to 10 million with an annual interest rate of 13% applicable to the amount accruing until the date of full payment, which is received on March 05, 2026 shown as receipts during the year. Further includes a shortage of US Dollars 0.454 (2025: 0.454) million in payment of share of profit for the year ended December 31, 2022, arising from divergent interpretations of addendum 4, which revised the profit-sharing ratio from 50:50 to 53:47 in favour of the Company for the last two months of that year. The Company's entitlement, computed by apportioning the full year's profit on a time basis, amounted to US Dollars 16.137 million, whereas MRDL remitted US Dollars 15.682 million based on actual profit / (loss) arising in each period discretely, and has declined to settle the shortfall.

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12.2 This represents share of Company amounting to US Dollars 16 million arising on savings of reversal of provision by MRDL, the provision for replacement, restoration and maintenance was created by MRDL in the year 2005 amounting to US dollars 12 million under clause 2.2.8 of the lease contract with Company which was subsequently increased from US Dollars 12 million to US Dollars 20 million and finally to US Dollars amounting 32 million by 2016. The Sub-committe of board of directors of Company considered the use this provision inconsistent with the requirement of IAS-37, which sets out the criteria for recognising provisions as discussed in the meeting with MRDL Chairman and Vice President held on December 27, 2024. After detailed discussions and deliberations, Chairman of MRDL understood the concerns raised by Company and agree to abolish and reverse the provision amounting to US Dollars 32 million in total. In line with the profit sharing ratio, both the Company and MRDL are entitled to US Dollars 16 million from such reversal of provision. It was agreed by MRDL in the meeting that US Dollars 6 million will be paid out of total US Dollars 16 million to Company in the year 2025 after receipt of formal letter from Company and was received accordingly.

12.3 As explained in note 12.1, MRDL has declined to settle the shortfall, maintaining in writing that its computation, which applies Addendum No. 4 separately to the last two months of 2022, is consistent with the lease contract and recognised by the external auditors appointed by its parent, the MCC Group. In accordance with IFRS 9 Financial Instruments, a financial asset is derecognised when there is no reasonable expectation of recovering it. Management has assessed that this condition is met and accordingly, the receivable of US Dollars 0.454 (2025: 0.454) million has been written off during the year.

13	SHORT TERM INVESTMENTS	Note	2026 Rupees	2025 Rupees
	Short term investments	13.1	40,808,629,594	32,692,309,622
13.1	Fair value through profit or loss :			
	Mutual funds	13.1.1	22,024,732,113	17,220,584,642
	Amortised cost :			
	Term deposits receipts (TDRs)	13.1.2	15,855,000,000	12,834,532,000
	Mark up accrued		571,288,083	548,987,985
	T-Bills	13.1.3	2,299,636,507	1,999,999,537
	Mark up accrued		57,972,891	88,205,458
			18,783,897,481	15,471,724,980
			40,808,629,594	32,692,309,622

13.1.1 Mutual funds

The movement of the investment in mutual funds is as follow:		
Opening balance	17,220,584,642	-
Investment made during the year	40,794,954,393	18,200,000,000
Funds redeemed during the year	(36,958,455,767)	(1,518,905,237)
Dividend income - reinvested	57,727,430	478,466,851
Fair value gain	909,921,415	61,023,028
Closing balance	22,024,732,113	17,220,584,642

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This represents the investments in Alfalah Stable Return Plan 20, 28 and 30, Faysal Islamic Mehdood Muddat Plan-XXI, HBL Mehfooz Munafa Fund Plan-XIV and Pakistan Income Fund in MCB Bank having NAV (Net Asset Value) of Rs. 100.0911, 102.1995, 100, 101.3960, 100.0338 and 55.3828 respectively as at June 30, 2026.

13.1.2 The local currency term deposits with banks have a maximum maturity of one year, carrying profit rates ranging from 11.25% to 12.65% (2025: 11.25% to 23.45%) per annum.

13.1.3 This represents amount invested in T-Bills at Habib bank limited which carries interest at the rate of 11.95% (2025: 11.75%) per annum.

14 ACCRUED MARKUP	Note	2026 Rupees	2025 Rupees
Accrued markup:			
Opening balance		18,798,425	-
Markup charged	14.1	396,260,720	18,798,425
Markup received		(415,059,145)	-
Closing balance		-	18,798,425

14.1 This represents markup accrued on trade debt resulting from reversal of provision by MRDL as disclosed in note 12.1 amounting to US Dollars 10 million carries interest at the rate of 13% per annum.

15 BANK BALANCES	Note	2026 Rupees	2025 Rupees
Cash at banks			
Current account - Conventional		5,035,532	1,218,535
Saving accounts - Conventional	15.1	774,075,212	86,532,872
Saving accounts - Islamic		102,653,613	483,735,449
		881,764,357	571,486,856

15.1 Saving accounts are in local currency and carry profit at rates ranging from 11.00% to 11.50% (2025:11.00% to 20.50%) per annum.

16 SHARE CAPITAL	Note	2026 Rupees	2025 Rupees
16.1 Authorized share capital			
1,000,000 (2025: 1,000,000) ordinary shares of Rs. 100/- each		100,000,000	100,000,000

16.2 Issued, subscribed and paid up capital

2026	2025				
13	13	Ordinary shares of Rs. 100 each, fully paid in cash	16.2.1	1,300	1,300

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16.2.1 The Government of Pakistan holds 13 shares of Rs. 100 as at the reporting date (2025: 13 shares) through nominees.

16.2.2 All the shares carry equal voting rights.

17 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT	Note	2026 Rupees	2025 Rupees
Balance as at July 01,		8,675,054,160	-
Add: Revaluation surplus during the year		-	9,746,799,400
Less:			
Transfer to equity in respect of incremental depreciation charged during the year		(570,601,892)	(653,764,596)
Transfer to accumulated profit in respect of incremental depreciation charged during the year	19.2	(364,811,046)	(417,980,643)
		(935,412,938)	(1,071,745,240)
Balance as at June 30,		7,739,641,222	8,675,054,160
Deferred tax liability on revaluation surplus			
Balance as at July 01,		3,199,163,934	-
Tax effect of surplus on revaluation of fixed assets		-	3,617,144,578
Transferred to accumulated profit in respect of incremental depreciation charged during the year		(364,811,046)	(417,980,643)
Balance as at June 30,		(2,834,352,888)	(3,199,163,934)
		4,905,288,334	5,475,890,226

17.1 The Company has revalued its property, plant and equipment on July 01, 2024 by independent valuer M/s Medallion Services (Private) Limited on the basis of construction quality in case of buildings and current market price in case of land replacement cost in case of plant and machinery.

17.2 The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

18 DEFINED BENEFIT PLAN OBLIGATION	Note	2026 Rupees	2025 Rupees
Pension and gratuity payable	18.1	79,227,417	57,741,562

18.1 The Company operates a funded defined benefit pension and gratuity scheme for its eligible employees. Contributions under this scheme are made to this fund on the basis of actuarial recommendations.

18.2 Defined benefit pension plan (funded)	Note	2026 Rupees	2025 Rupees
Reconciliation of payable to defined benefit plan			
Present value of defined benefit obligations	18.2.1	586,464,506	541,240,760
Fair value of plan assets	18.2.2	(507,237,089)	(483,499,198)
Obligation / (asset) recognised in statement of financial position		79,227,417	57,741,562

The actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at June 30, 2026 by M/s Nauman Associates . The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

18.2.1 Movement in payable to defined benefit plan	2026 Rupees	2025 Rupees
Balance as at beginning of year	541,240,760	632,143,098
Current service cost	41,654,064	42,248,251
Past service cost	-	4,125,276
Interest cost on defined benefit obligation	62,623,440	77,301,339
Benefits paid	(16,550,633)	(216,132,447)
Actuarial (gains) / losses from changes in financial assumptions	-	(852,295)
Experience adjustments	(42,503,125)	2,407,538
Present value of defined benefit obligations	586,464,506	541,240,760

18.2.2 Movement in fair value of plan assets		
Balance as at beginning of year	483,499,198	534,668,074
Contributions during the year	-	97,475,024
Interest income on plan assets	55,838,806	70,112,556
Benefits paid	(16,550,633)	(216,132,447)
Return on plan assets, excluding interest income	(15,550,282)	(2,624,009)
Balance as at end of year	507,237,089	483,499,198
Plan assets comprise of:		
Cash and / or deposits	7.87%	7.87%
Equity	25.50%	25.50%
Bond	66.63%	66.63%

18.2.3 Recognised in statement of profit or loss		
Current service cost	41,654,064	42,248,251
Past service cost	-	4,125,276
Interest cost on defined benefit obligation	62,623,440	77,301,339
Interest income on plan assets	(55,838,806)	(70,112,556)
	48,438,698	53,562,310

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18.2.4 Recognised in statement of comprehensive income	2026 Rupees	2025 Rupees
Remeasurements		
Actuarial (gains) / losses from changes in financial assumptions	-	(852,295)
Experience adjustments	(42,503,125)	2,407,538
Total (income) / expense for the year	(42,503,125)	1,555,243
Return on plan assets, excluding interest income	15,550,282	2,624,009
Total remeasurements chargeable in other comprehensive income	(26,952,843)	4,179,252

18.2.5 Changes in net liability

Opening balance	57,741,562	97,475,024
Expense charge to statement of profit or loss	48,438,698	53,562,310
Remeasurements chargeable in other comprehensive income	(26,952,843)	4,179,252
Contributions	-	(97,475,024)
Closing balance	79,227,417	57,741,562

18.2.6 Significant actuarial assumptions	2026	2025
Discount rate used for interest cost in profit or loss charge	11.75%	14.75%
Discount rate used for year end obligation	11.75%	11.75%
Salary increase used for year end obligation		
Salary increase FY 2025	11.75%	11.75%
Salary increase FY 2026	N/A	11.75%
Salary increase FY 2027	11.75%	11.75%
Salary increase FY 2028	11.75%	11.75%
Salary increase FY 2029	11.75%	11.75%
Salary increase FY 2030	11.75%	11.75%
Salary increase FY 2031 onwards	11.75%	11.75%
Next salary is increased at	**1-Jul-26**	**1-Jul-25**
Mortality rates	SLIC 2001-2005	
Withdrawal rates	Age based	
Retirement assumptions	Age 60	

18.2.7 Estimated expense to be charged to statement of profit or loss in year 2027	Rupees
Current service cost	41,845,102
Interest cost on defined benefit obligations	68,486,892
Interest income on plan assets	(59,177,670)
	51,154,324

18.2.8 Sensitivity Analysis	Rupees
Discount rate + 100 bps	506,837,227
Discount rate - 100 bps	615,460,489
Salary increase + 100 bps	615,193,558
Salary increase - 100 bps	506,166,575

18.2.9 The average duration of the defined benefit obligation is 9.7 years

	Note	2026 Rupees	2025 Rupees
19 DEFERRED TAX LIABILITY			
Deferred tax liability	19.1	3,347,215,717	3,762,609,564

19.1 Analysis of change in deferred tax:

Deferred tax liability on taxable temporary differences arising in respect of:		
- Accelerated tax depreciation on property, plant and equipment	321,845,743	349,936,228
- Surplus on revaluation of property, plant and equipment	2,834,352,888	3,199,163,934
- Accelerated tax amortisation	17,264	43,160
- Accrued markup	245,411,780	255,836,829
	3,401,627,675	3,804,980,151
Deferred tax asset on deductible temporary differences arising in respect of:		
- Provision for leave encashment payable	(23,513,265)	(19,851,378)
- Provision for defined benefit plan	(30,898,693)	(22,519,209)
	(54,411,958)	(42,370,587)
	3,347,215,717	3,762,609,564

19.2 Movement in deferred tax balances is as follows:

Balance at July 01,	3,762,609,564	251,131,306
Recognised in statement of profit or loss:		
- Accelerated tax depreciation on property, plant and equipment	(28,090,485)	59,516,462
- Surplus on revaluation of property, plant and equipment	(364,811,046)	(417,980,643)
- Accelerated tax amortisation	(25,896)	(27,445)
- Accrued markup	(10,425,049)	255,836,829
- Provision for leave encashment payable	(3,661,887)	(8,760,071)
- Provision for defined benefit plan	(18,891,093)	7,378,456
	(425,905,456)	(104,036,412)

	Note	2026 Rupees	2025 Rupees
Recognised in other comprehensive income:			
- Provision for defined benefit plan		10,511,609	(1,629,908)
Recognised in surplus on revaluation of fixed assets:			
- Surplus on revaluation of property, plant and equipment		-	3,617,144,578
		3,347,215,717	3,762,609,564

20 PAYABLE TO GOVERNMENT OF PAKISTAN

	Note		
Payable to Government of Pakistan	20.1	15,733,533,874	15,733,533,874

20.1 This represents amounts paid by GoP to the Company, treated as a loan repayable on demand. The Company has recognised a liability of Rs. 15,734 million in this respect, against which a contingency has been disclosed in note 25.1.2.

	Note	2026 Rupees	2025 Rupees
Investment by the Government of Pakistan		29,233,535,174	29,233,535,174
Less: Repayments made to date		(13,500,000,000)	(13,500,000,000)
		(1,300)	(1,300)
		(13,500,001,300)	(13,500,001,300)
Payable to Government of Pakistan		15,733,533,874	15,733,533,874

21 PAYABLE TO GOVERNMENT OF BALOCHISTAN

Opening balance		3,890,246,361	2,501,892,084
Provision made during the year	27	3,056,001,368	3,890,246,361
Payments made during the year		(3,890,246,361)	(2,501,892,084)
Closing balance		3,056,001,368	3,890,246,361

22 TRADE AND OTHER PAYABLES

Accrued liabilities	22.1	18,537,674	53,923,578
Leave encashment payable	22.2	60,290,422	50,900,968
Payable - excess profit on TDR		6,723,327	6,723,327
Other payable		388,437	388,067
		85,939,860	111,935,940

22.1 It includes payable to employees against bonus and retirement benefits amounting to Rs. 4.865 million and 3.477 million respectively.

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		Note	2026 Rupees	2025 Rupees
22.2	Opening balance		50,900,968	38,245,886
	Provision made during the year		25,146,352	30,334,547
	Payments made during the year		(15,756,898)	(17,679,465)
	Closing balance	22.2.1	60,290,422	50,900,968

22.2.1 It represents a provision for compensated leave absences amounting to Rs. 60.29 million (2025: 50.90 million) related to employees as per the Company's policy. Leave encashment is recorded based on latest salary of the employees and no actuarial valuation is carried out. The impact of actuarial valuation is not material with respect to these financial statements.

23	ADVANCE RENTAL INCOME	Note	2026 Rupees	2025 Rupees
	Advance rental income	23.1	73,145,625	73,899,000

23.1 It represents advance rent received from MRDL against lease of plant till November 15, 2026.

24	PROVISION FOR TAXATION	2026 Rupees	2025 Rupees
	Opening balance	1,514,046,939	1,401,000,807
	Provision for the year	5,093,607,060	5,718,483,930
	Less: income tax paid / adjusted	(4,137,939,413)	(5,605,437,798)
	Closing balance	2,469,714,587	1,514,046,939

25 CONTINGENCIES & COMMITMENTS

25.1 Contingencies

25.1.1 For tax years 2014 to 2018, the tax authorities issued notices to the Company regarding classification of the Company's income and the allowance of tax depreciation. While the Commissioner Inland Revenue (Appeals) upheld the department's view, the Appellate Tribunal Inland Revenue (ATIR) and the Honorable Supreme Court of Pakistan decided the matter of income classification in favor of the Company. On depreciation, the ATIR has consistently held that the Company is entitled to full claim of tax depreciation, with appeal effect orders passed for all years except 2015. The department's appeal on this matter is pending before the Honorable High Court. Although the ATIR has also ruled in favor of the Company for tax years 2014 to 2018, the corresponding appeal effect and refund orders have not yet been issued. Accordingly, the amount of the refund will be confirmed once order issued by the tax authorities.

25.1.2 Since incorporation of the Company until 2006, the GoP extended financial support through the Public Sector Development Programme (PSDP) aggregating Rs. 9.152 billion. Furthermore, from 2000 to 2008, GoP extended further support of Rs. 20.083 billion in the form of payments made to commercial banks pursuant to its guarantee of debt bonds issued by the Company (Bond Investment). Accordingly, the total financial support extended by GoP to the Company since incorporation to 2008 aggregated Rs. 29.235 billion. Both amounts were consistently

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recorded in the Company's books, prior to 2010, as investment / equity of GoP, with no shares having been issued in respect thereof. During the years 2007 to 2014, the Company made payments aggregating Rs. 13.5 billion to GoP, characterised as dividends.

Pursuant to directives issued by the ministry of finance dated December 30, 2010 and September 30, 2013, the Company was directed to reclassify the aforementioned amounts as a liability payable to GoP. Accordingly, the Company has recorded a liability of Rs. 15.734 billion, being the net of the aggregate amount of Rs. 29.235 billion less dividends of Rs. 13.500 billion already paid. The ministry of finance has since shared an amortisation schedule (starting from 2011 extending to 2036) applying interest at 13.61% per annum from inception, on the basis of which the outstanding liability as of the reporting date would instead amount to Rs. 41.735 billion (2025: Rs. 38.601 billion).

The Company obtained a legal opinion during the year to determine the appropriate characterization and treatment of these amounts. The opinion concludes that the PSDP allocation continues, in law, to constitute equity of GoP and should not validly be reclassified as a loan without a formal capital reduction or court-sanctioned scheme of arrangement, while the bond investment may more defensibly be treated as a loan, though its interest terms remain unagreed and contested. The opinion further concludes that the dividend and Aghaz-e-Haqooq-e-Balochistan Package payments made by the company were not validly payable as dividends and are more appropriately adjustable against the bond investment principal.

The matter remains unresolved: a meeting held with the relevant authorities on June 04, 2024 which did not result in a resolution, and it was communicated that a final decision rests with the ECC / Federal Cabinet, which remains pending as of the reporting date.

In view of the foregoing, and having regard to the legal opinion obtained, the Company is of the view that no additional liability beyond the amount currently recognised is probable at this time. However, as the matter is pending before the ECC / Federal cabinet and its outcome cannot presently be determined with certainty, the possible additional exposure has been disclosed as a contingency. The liability, if any, in excess of the amount currently recognised will be given effect to in the financial statements once the matter is conclusively decided.

25.1.3 During the year, MRDL made deductions from the share of profit of the Company against provisions for Worker's Profits Participation Fund, Worker's Welfare Fund and the related taxes amounting to US Dollars 8.826 million, US Dollars 2.251 million and US Dollars 0.054 million respectively, which MRDL considers recoverable from the Company under clause 5.2.4.2(d) of the lease agreement. The Company disputes the MRDL's application of the said clause to these deductions and has disclosed the amounts as a contingent asset pending resolution.

25.2 Commitments	Note	2026 Rupees	2025 Rupees
Total commitment under contract :			
- Development of land Mianghundi		48,847,628	-
- Technical training center Dalbandin		17,743,323	-
	25.2.1	66,590,951	-
Costs incurred as at reporting date	6	(9,045,000)	-
Remaining commitments		57,545,951	-

25.2.1 The Company has entered into contracts for construction. Amounts incurred as at reporting date under these contract have been recognised as capital work-in-progress, representing first running bills, with the remaining balances constituting capital commitments.

26 INCOME	Note	2026 Rupees	2025 Rupees
Lease rentals of plant and equipment	26.1	196,525,875	194,735,582
Share of profit from MRDL	26.2	10,308,044,224	7,963,827,782
Rent of assets usage by MRDL	26.3	-	1,040,186,560
Share of profit - provision reversal by MRDL	26.3	-	4,458,683,000
		10,504,570,099	13,657,432,924

26.1 Maturity analysis of undiscounted lease rental income is as follows:

	2026 Rupees	2025 Rupees
Not later than one year	194,712,980	194,810,000
Later than one year but not later than two years	194,712,980	194,810,000
Later than two years but not later than five years	584,138,940	584,430,000
Later than five year	1,168,277,880	1,384,103,000
	2,141,842,780	2,358,153,000

26.1.1 London Metal Exchange (LME) is assumed to be greater than or equal to US Dollars 6,500 per metric ton and closing exchange rate is taken as Rs. 278.1614/USD.

26.1.2 The Company has leased out its main plant to MCC Resources Development Company (Private) Limited initially for a period of ten years under the terms of lease contract dated November 30, 2001. The terms of the lease agreement has been extended twice in previous years. During the year 2022, the lease term has been further extended for 15 years up to October 31, 2037.

26.2 Share of profit from MRDL is recorded based on the latest audited financial statements of MRDL at each year end.

26.3 As per the minutes of the sub-committee meeting held on December 27, 2024, formed under the lease agreement between the Company and MRDL, it was noted that MRDL had rented out the Project's equipment to its related party without prior authorization from the Company. In the meeting, MRDL agreed to pay USD 3.728 million as rent of the equipment to the Company. Further, it was also noted that MRDL had recorded a provision of USD 32 million against restoration, repair and maintenance activities during the period 2005 to 2023 without obtaining the necessary approvals from the Board of the Company, as required under the lease agreement. MRDL has agreed to reverse the said provision and to pay the Company its 50% share. As per the agreement, USD 6 million will be paid during the current year and the remaining USD 10 million paid during the financial year 2025-26. The said receivable carried interest at the rate of 13% per annum.

	Note	2026 Rupees	2025 Rupees
27 SHARE OF GOVERNMENT OF BALOCHISTAN			
Share of Government of Balochistan	27.1	3,056,001,368	3,890,246,361

27.1 This represents share of Government of Balochistan on account of Aghaz-e-Haqooq-e-Balochistan approved by Cabinet Committee (Establishment Division) in December 2009, as detailed in note 1.4.

	Note	2026 Rupees	2025 Rupees
28 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	28.1	430,720,743	429,646,622
Depreciation on property, plant and equipment	5	1,097,935,497	1,251,145,334
Corporate social responsibility	28.2	59,783,393	55,417,870
Directors' remuneration	33.1	62,954,757	51,389,719
Travelling and conveyance		25,692,623	14,134,581
Office expenses		9,620,332	10,542,792
Fuel, energy and water charges		8,623,001	9,745,516
Seminar, workshop and international events		37,813,026	8,910,541
Legal and professional charges		19,887,499	5,193,950
Office rent		3,748,183	2,938,512
Employees Hajj and Umrah		2,300,000	2,100,000
Auditors' remuneration	28.3	1,366,000	1,242,000
Technical monitoring		3,815,018	1,207,214
Communication		2,320,268	1,160,396
Repairs and maintenance		841,948	1,070,301
Training and development cost		6,953,241	983,467
Insurance		839,488	837,486
Advertisement		1,185,066	519,126
Entertainment		313,246	398,831
Government levies		1,976,000	217,300
Amortisation of intangible asset	8	66,400	66,400
Zamran Project Chaghi		2,418,140	-
Exchange loss / (gain)		53,326,432	(55,621,914)
Trade debt written off	12.3	126,468,508	-
Trade payable written back		(2,821,700)	-
		1,958,147,109	1,793,246,044

28.1 This includes an amount of Rs. 48,438,698 (2025: Rs. 53,562,310) in respect of employees' pension and gratuity fund and Rs. 25,146,352 (2025: Rs. 30,334,547) in respect of provision for compensated leaves.

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28.2 This represents contribution made by the Company for the social welfare of the society which includes payment of Rs. 50 million (2025: 50 million to the Al Hamra Traders) to the Shaheen Mohammad Zai and Brother against rashan distribution in District Chaghi.

28.3 Auditors' remuneration	Note	2026 Rupees	2025 Rupees
Audit fee		1,166,000	1,058,000
Out of pocket expenses		200,000	184,000
		1,366,000	1,242,000

29 OTHER INCOME

Income from financial assets			
Interest income on TDRs		1,632,927,415	3,283,712,398
Income on mutual funds	29.1	1,683,985,019	698,978,828
Interest income on T-bill		162,218,099	88,205,459
Interest income on saving accounts		90,474,435	346,418,623
Interest income on excess provision		396,360,591	18,622,998
		3,965,965,559	4,435,938,306
Income from non-financial assets			
Vehicle usage charges from MRDL		-	7,816,158
Other		6,500	195,208
		6,500	8,011,366
		3,965,972,059	4,443,949,672

29.1 Income on mutual funds

Dividend income	774,063,604	637,955,800
Gain on mutual funds	909,921,415	61,023,028
	1,683,985,019	698,978,828

30 LEVY

Levy	30.1	405,945,890	164,215,259

30.1 Reconciliation between current tax charged under the Income Tax Ordinance, 2001 with current tax recognised in the statement of profit or loss, is as follows:

	Note	2026 Rupees	2025 Rupees
Current tax liability for the year		4,829,901,454	3,941,331,542
Portion of current tax liability as per tax laws, representing income tax under IAS 12	31	(4,423,955,564)	(3,777,116,283)
Minimum tax differential	30.1.1	405,945,890	164,215,259

30.1.1 This represents the final tax paid on capital gain earned from investment in mutual funds.

	Note	2026 Rupees	2025 Rupees
31 TAXATION			
Current			
For the year		5,093,607,060	5,718,483,930
Prior year		(243,746,040)	(1,837,331,235)
		4,849,861,020	3,881,152,695
Deferred tax	19.2	(425,905,456)	(104,036,412)
		4,423,955,564	3,777,116,283

31.1 Numeric reconciliation is as follows:

Tax on profit before taxation and levy at applicable tax rate	2,742,305,853	3,601,137,023
Tax effect of expenses, which are not deductible for tax purposes and are taken to statement of profit or loss	1,516,979,691	2,001,087,351
Tax effect of expenses, which are deductible for tax purposes but are not taken to statement of profit or loss	(717,119,250)	(1,350,018,375)
Impact of super tax @ 10%	1,221,436,653	1,466,277,931
Impact of deferred tax	(425,905,456)	(104,036,412)
Tax effect of income subject to final tax	330,004,113	-
Impact of prior year	(243,746,040)	(1,837,331,235)
	4,423,955,564	3,777,116,283

32 CASH AND CASH EQUIVALENTS			
Short term investments	32.1	-	3,000,000,000
Bank balances	15	881,764,357	571,486,856
		881,764,357	3,571,486,856

32.1 This represented short term investments in TDRs with maturity of three months.

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33 REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVES AND BOARD OF DIRECTORS

The aggregate amount charged in the financial statements for the year for remuneration including certain benefits to Chief Executive (Managing Director), Executives and Board of Directors is as follows:

	2026			2025		
	Chief Executive	Executives	Board of Directors	Chief Executive	Executives	Board of Directors
	----------Rupees----------					
Managerial remuneration	10,926,837	84,948,628	43,300,000	1,883,140	98,805,646	33,800,000
Housing, conveyance and utilities	4,999,833	53,901,195	10,084,578	1,406,573	64,992,161	15,686,084
Medical and other allowances	3,273,912	41,680,217	9,570,179	-	47,872,863	1,903,635
	19,200,582	180,530,040	62,954,757	3,289,713	211,670,670	51,389,719
Number of persons	1	35	10	1	35	10

33.1 The directors are paid meeting fees amounting to Rs. 43 million (2025: Rs. 33.500 million) for attending Board and Committee Meetings and Chairman of the Board of directors is paid a salary amounting to Rs. 25,000 per month as perks and privileges. Furthermore, the Company bears expenses relating to such meetings, including travelling, lodging and participation in international events. There were 10 directors as at the reporting date (2025: 10). The amount paid to directors during the year is disclosed in note 28 to these financial statements.

34 FINANCIAL INSTRUMENTS BY CATEGORIES

Description	Interest / Markup bearing	Non-Interest / Markup bearing		TOTAL
		Maturity		
	Maturity up to one year	up to one year	after one year	2026
	Rupees			
Financial Assets				
Fair Value through profit or loss :				
Mutual funds	-	22,024,732,113	-	22,024,732,113
At amortised cost				
Advances and deposits	-	9,657,048	72,680,711	82,337,759
Trade debtors	-	-	-	-
Accrued markup	-	-	-	-
Short term investments	18,783,897,481	-	-	18,783,897,481
Bank balances	876,728,825	5,035,532	-	881,764,357
	19,660,626,306	22,039,424,693	72,680,711	41,772,731,710
Financial Liabilities				
At amortised cost				
Payable to Government of Pakistan	-	15,733,533,874	-	15,733,533,874
Payable to Government of Balochistan	-	3,056,001,368	-	3,056,001,368
Trade and other payables	-	85,939,860	-	85,939,860
Defined benefit plan obligation	-	-	79,227,417	79,227,417
	-	18,875,475,102	79,227,417	18,954,702,519
	19,660,626,306	3,163,949,591	(6,546,706)	22,818,029,191

Description	Interest / Markup bearing	Non-Interest / Markup bearing		TOTAL
		Maturity		
	Maturity up to one year	up to one year	after one year	2025
	Rupees			
Financial Assets				
Fair Value through profit or loss :				
Mutual funds	-	17,220,584,642	-	17,220,584,642
At amortised cost				
Advances and deposits	-	9,850,998	82,337,759	92,188,757
Trade debtors	2,837,645,000	129,016,009	-	2,966,661,009
Accrued markup	18,798,425	-	-	18,798,425
Short term investments	15,471,724,980	-	-	15,471,724,980
Bank balances	570,268,321	1,218,535	-	571,486,856
	18,898,436,726	17,360,670,184	82,337,759	36,341,444,669
Financial Liabilities				
At amortised cost				
Payable to Government of Pakistan	-	15,733,533,874	-	15,733,533,874
Payable to Government of Balochistan	-	3,890,246,361	-	3,890,246,361
Trade and other payables	-	111,935,940	-	111,935,940
Defined benefit plan obligation	-	-	57,741,562	57,741,562
	-	19,735,716,175	57,741,562	19,793,457,737
	18,898,436,726	(2,375,045,991)	24,596,197	16,547,986,932

35 RELATED PARTY TRANSACTIONS

The related parties comprise of subsidiaries, associates, directors, major shareholders, key management personnel, SML Employees' Pension Fund.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its chief executive officer, chief financial officer, Company secretary, directors and departmental heads to be its key management personnel.

The transactions with related parties are disclosed in note 18, 20, 21 and 33 of the financial statements.

36 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks associated with its financial instruments:

Credit risk
Liquidity risk
Market risk

The Company's management oversees the management of such risks. The senior management under the guidance of Board's Audit and Risk Management Committee ensures that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk appetite. Overall, risks arising from the Company's financial instruments are limited. The Company manages its exposure to financial risk in the following manner:

36.1 Credit Risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for another party by failing to discharge an obligation. The carrying amounts of financial assets represent the maximum credit exposure.

The maximum exposure to credit risk at the reporting date is as follows:

	2026 Rupees	2025 Rupees
Short term investments	40,808,629,594	32,055,116,179
Bank balances	881,764,357	571,486,856
Accrued markup	-	655,991,869
Long term advances and deposits	72,680,711	82,337,759
Short term advances	9,657,048	9,850,998
	41,772,731,710	33,374,783,661

The Company's credit risk is primarily attributable to its short term investments and balances with banks. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The name and credit ratings of major banks where the Company maintains its bank balances and make investments are as follows:

Name of the Bank	Rating Agency	Credit Rating	
		Short Term	Long Term
National Bank of Pakistan	JCR - VIS	A-1+	AAA
United Bank Limited	JCR - VIS	A-1+	AAA
Habib Bank Limited	JCR - VIS	A-1+	AAA
Bank Alfalah Limited	JCR - VIS	A-1+	AA+
Bank Islami Pakistan Limited	PACRA	A-1	A+
Dubai Islamic Bank	JCR - VIS	A-1+	AA
MCB Bank Limited	PACRA	A-1+	AAA
Habib Metropolitan Bank	PACRA	A-1+	AA+
Allied Bank Limited	PACRA	A-1+	AAA
Bank Alfalah Islamic Limited	PACRA	A-1+	A+
AlBaraka Bank Limited	PACRA	A-1+	A+
ZTBL	JCR - VIS	A-1+	AAA
MCB Islamic Banking	PACRA	A-1	A

36.2 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices mainly comprises of interest rate risk and foreign currency risk.

36.2.1 Interest rate risk

Interest Rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. As the Company has fixed interest bearing assets, the Company's income and operating cash flows are substantially independent of market interest rates. At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2026 Rupees	2025 Rupees
Financial assets		
Bank balances	881,764,357	571,486,856
Short term investments	18,783,897,481	15,471,724,980
	19,665,661,838	16,043,211,836

36.2.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. Currency risk arises mainly from receivables and payables that exist due to transactions in foreign currency.

Exposure to foreign currency risk

The Company's exposure to currency risk is as follows:

	2026	2025	2026	2025
	Rupees		USD	
Trade debtors	-	2,966,661,009	-	10,454,659

The following significant exchange rates applied during the year:

Average rate		Closing rate	
2026	2025	2026	2025
Rupees			
279	281	278	284

Foreign currency sensitivity analysis

A 10 percent variation of the Pak Rupee against the US$ at June 30, would have affected profit or loss after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Change in foreign exchange rates	Effect on profit after tax	Effect on equity
	Percentage	Rupees	Rupees
2026			
USD	+10%	-	-
USD	-10%	-	-
2025			
USD	+10%	298,774,140	298,774,140
USD	-10%	(298,774,140)	(298,774,140)

36.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

	2026		
	Carrying amount	Contractual cash flows	Less than 1 year
Trade and other payables	85,939,860	85,939,860	85,939,860
Payable to Government of Balochistan	3,056,001,368	3,056,001,368	3,056,001,368
Payable to Government of Pakistan	15,733,533,874	15,733,533,874	15,733,533,874
	18,875,475,102	18,875,475,102	18,875,475,102

	2025		
	Carrying amount	Contractual cash flows	Less than 1 year
Trade and other payables	111,935,940	111,935,940	111,935,940
Payable to Government of Balochistan	3,890,246,361	3,890,246,361	3,890,246,361
Payable to Government of Pakistan	15,733,533,874	15,733,533,874	15,733,533,874
	19,735,716,175	19,735,716,175	19,735,716,175

36.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1 : Quoted prices (unadjusted) in active markets of identical assets or liabilities.

- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.

- Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

36.5 The details of fair values of financial assets and financial liabilities are as follows:

Description	2026				
	Carrying Value	Fair Value	Level-1	Level-2	Level-3
			Rupees		
Financial Assets					
At amortised cost					
Accrued markup	-	-	-	-	-
Short term investments	18,783,897,481	18,783,897,481	-	-	18,783,897,481
Trade debtors	-	-	-	-	-
Bank balances	876,728,825	876,728,825	-	-	876,728,825
At fair value through profit or loss					
Short term investments	22,024,732,113	22,024,732,113	22,024,732,113	-	-
	41,685,358,419	41,685,358,419	22,024,732,113	-	19,660,626,306
Financial Liabilities					
At amortised cost					
Payable to Government of Pakistan	15,733,533,874	15,733,533,874	-	-	15,733,533,874
Payable to Government of Balochistan	3,056,001,368	3,056,001,368	-	-	3,056,001,368
Trade and other payables	85,939,860	85,939,860	-	-	85,939,860
Defined benefit plan obligation	79,227,417	79,227,417	-	-	79,227,417
	18,954,702,519	18,954,702,519	-	-	18,954,702,519
	22,730,655,900	22,730,655,900	22,024,732,113	-	705,923,787

Description	2025				
	Carrying Value	Fair Value	Level-1	Level-2	Level-3
			Rupees		
Financial Assets					
At amortised cost					
Accrued markup	18,798,425	18,798,425	-	-	18,798,425
Short term investments	15,471,724,980	15,471,724,980	-	-	15,471,724,980
Trade debtors	2,966,661,009	2,966,661,009	-	-	2,966,661,009
Bank balances	483,735,449	483,735,449	-	-	483,735,449
At fair value through profit or loss					
Short term investments	17,220,584,642	17,220,584,642	17,220,584,642	-	-
	36,161,504,505	36,161,504,505	17,220,584,642	-	18,940,919,863
Financial Liabilities					
At amortised cost					
Payable to Government of Pakistan	15,733,533,874	15,733,533,874	-	-	15,733,533,874
Payable to Government of Balochistan	3,890,246,361	3,890,246,361	-	-	3,890,246,361
Trade and other payables	111,935,940	111,935,940	-	-	111,935,940
Defined benefit plan obligation	57,741,562	57,741,562	-	-	57,741,562
	19,793,457,737	19,793,457,737	-	-	19,793,457,737
	16,368,046,768	16,368,046,768	17,220,584,642	-	(852,537,874)

36.6 The latest revaluation of property, plant and equipment was carried out on July 01, 2024, by independent valuer M/s Medallion Services (Private) Limited on the basis of construction quality in case of buildings and current market price in case of land replacement cost in case of plant and machinery.

Judgements and estimates are made for non-financial assets that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels;

Description	2026				
	Carrying Value	Fair Value	Level-1	Level-2	Level-3
	Rupees				
Property, plant and equipment					
Leasehold land	500,905,000	500,905,000	-	500,905,000	-
Building on leasehold land					
- Plant	1,201,341,145	1,201,341,145	-	1,201,341,145	-
- Auxiliary	136,432,287	136,432,287	-	136,432,287	-
Plant and machinery	6,164,754,935	6,164,754,935	-	6,164,754,935	-
Generators and fittings	19,680,000	19,680,000	-	19,680,000	-
Water supply	122,962,050	122,962,050	-	122,962,050	-
Railway track	162,000,000	162,000,000	-	162,000,000	-
Office and other equipments	117,081,172	117,081,172	-	117,081,172	-
Furniture and fixtures	2,989,683	2,989,683	-	2,989,683	-
Computers and printers	11,124,229	11,124,229	-	11,124,229	-
Vehicles	773,984,000	773,984,000	-	773,984,000	-
	9,213,254,501	9,213,254,501	-	9,213,254,501	-

Description	2025				
	Carrying Value	Fair Value	Level-1	Level-2	Level-3
	Rupees				
Property, plant and equipment					
Leasehold land	500,905,000	500,905,000	-	500,905,000	-
Building on leasehold land					
- Plant	1,334,823,494	1,334,823,494	-	1,334,823,494	-
- Auxiliary	151,522,324	151,522,324	-	151,522,324	-
Plant and machinery	6,849,727,706	6,849,727,706	-	6,849,727,706	-
Generators and fittings	24,600,000	24,600,000	-	24,600,000	-
Water supply	136,624,500	136,624,500	-	136,624,500	-
Railway track	180,000,000	180,000,000	-	180,000,000	-
Office and other equipments	145,392,927	145,392,927	-	145,392,927	-
Furniture and fixtures	3,448,715	3,448,715	-	3,448,715	-
Computers and printers	15,009,173	15,009,173	-	15,009,173	-
Vehicles	967,480,000	967,480,000	-	967,480,000	-
	10,309,533,839	10,309,533,839	-	10,309,533,839	-

There were no transfers between level 1 and 2 for recurring fair value measurements during the period. Further, there was no transfer in and out of level 3 measurements.

Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for the items of property, plant and equipment carried at revalued amounts. The management updates the assessment of the fair values of each item of property, plant and equipment carried at revalued amount, taking into account the most recent independent valuations. The management determines the values of items of property, plant and equipment carried at revalued amounts within a range of reasonable fair value estimates. The best evidence of fair value of leasehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings on leasehold land and remaining property, plant and equipment is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation.

37 CAPITAL MANAGEMENT

The Company finances its operations through profits received from project, lease rentals from the projects and profits earned on short terms investments in banks with a view of maintaining an appropriate mix between various sources of finance to minimize risk. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and sustain future development of the business.

Capital for the reporting periods under review is summarized as follows:

	2026	2025
Borrowings	15,733,533,874	15,733,533,874
Total capital	26,567,908,302	21,925,141,443
Gearing ratio	0.59	0.72

38 NUMBER OF EMPLOYEES

	Number	Number
Total employees at the year end	96	99
Average employees during the year	100	101

39 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for better presentation.

40 DATE OF AUTHORISATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors on 27 OCT 2026.

41 GENERAL

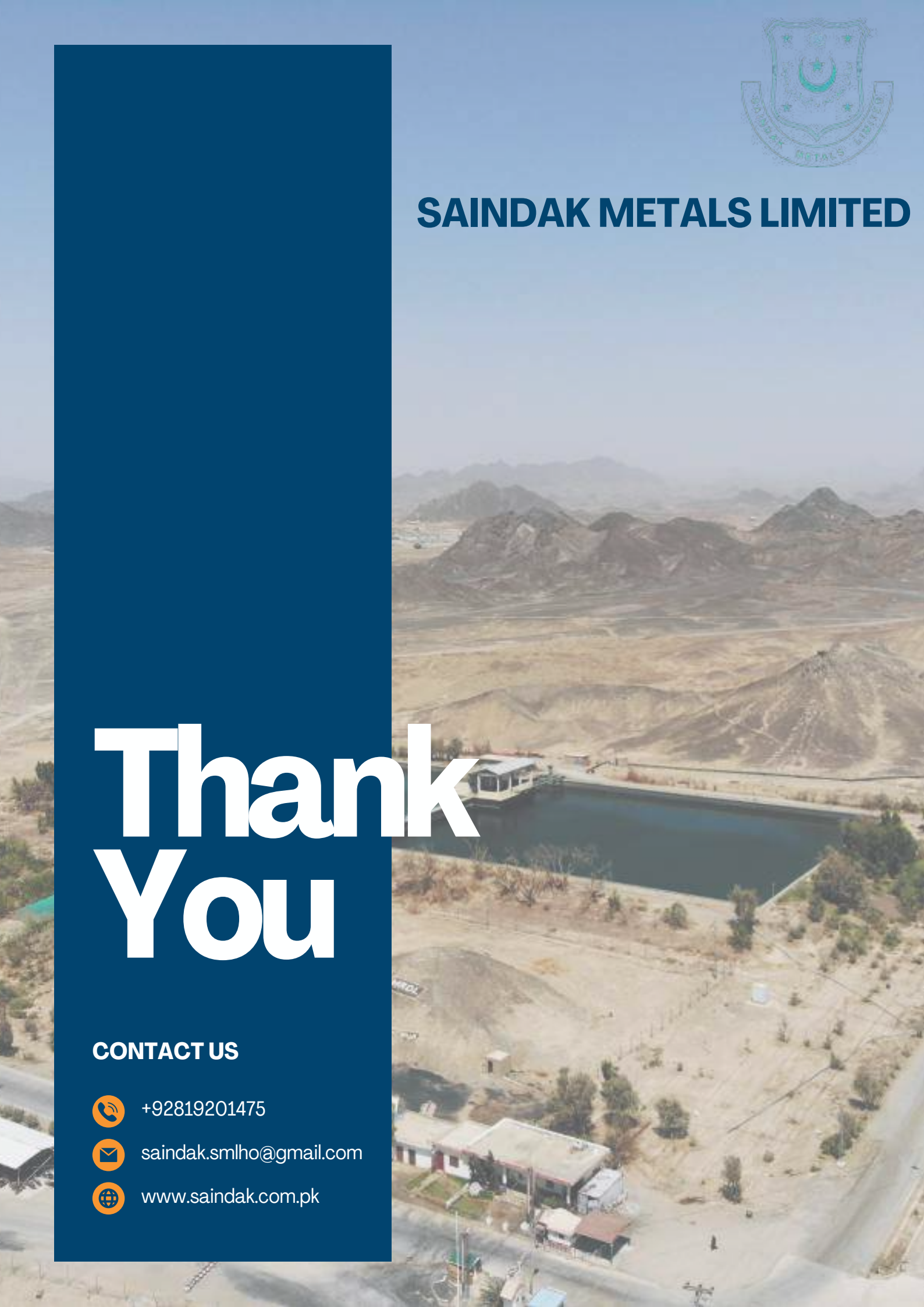
Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE **DIRECTOR**

BDO Ebrahim & Co.

SAINDAK METALS LIMITED

Thank You



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