

Directors' Report



The Directors are pleased to present the Annual Report of Pakistan International Bulk Terminal Limited (PIBT) (the “Company”) together with the audited financial statements of the Company for the year ended June 30, 2025.

BUSINESS REVIEW

The Company entered into a Build Operate Transfer (BOT) contract with Port Qasim Authority (PQA) on November 06, 2010, for the construction, development, operations and management of a coal and clinker/cement terminal at Port Muhammad Bin Qasim for a period of thirty (30) years, extendible for a further period of thirty (30) years.

As a Terminal Operator, the Company’s operations are largely dependent on the demand for imported coal by the cement, power plants, textile, chemical and other allied industries. During the year, the Company handled 4,793,326 tons of cargo as compared to 6,410,112 tons handled last year, reflecting a decline primarily due to the temporary suspension of operations following the fire incident at the terminal on November 19, 2024, as well as an overall reduction in seaborne coal imports.

The incident caused damage to a portion of the terminal’s infrastructure and disrupted cargo handling activities. In response, the Company swiftly implemented contingency measures, including manual cargo handling at the terminal and securing temporary vessel handling arrangements at Marginal Wharf with the support of Port Qasim Authority (PQA). The essential repairs and restorations were completed within a month, enabling the resumption of normal operations in December 2024. The incident was duly reported to the insurers, and the claims process is currently underway.

The Board commends the resilience and dedication demonstrated by the management in addressing this extraordinary event and remains confident that the Company will continue to uphold operational excellence, strengthen stakeholder confidence, and reinforce its safety practices to ensure a strong and sustainable future.

FINANCIAL PERFORMANCE

During the year, the Company posted a net loss, primarily attributable to a decline in cargo volumes and significant repair expenses arising from damage to the terminal infrastructure.

Key financial highlights for the year, compared to the previous year, are outlined below:

----- Rs. in ‘000 -----

Particulars	2024-2025	2023-2024 (Restated)
Revenue – net	9,969,183	13,852,284
Gross profit	2,059,244	5,048,452
Profit / (loss) before tax	43,431	2,537,533
Taxation	(301,361)	(772,546)
Net profit / (loss)	(257,930)	1,764,987
Earnings / (loss) per Share	(0.14)	0.99

While the macroeconomic environment is improving gradually, consistent operational performance at optimized costs and cash flow generation remain the key priorities for the management, which will help improve shareholders’ return in due course.

FINANCIAL MATTERS

Change in Accounting Policy

As fully disclosed in the financial statements for the year ended 30 June 2025, certain core items of operating fixed assets, namely port infrastructure, leasehold improvements, buildings, cargo handling equipment, port power generation and terminal operations equipment were previously stated at revalued amounts less accumulated depreciation and impairment losses, if any. The fair valuation of these core infrastructure assets was determined using the income approach under the discounted cash flow (DCF) model.

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The Company has changed its subsequent measurement basis for these assets from the revaluation model to the cost model effective from June 30, 2025. The management considers the cost model to be more widely adopted in the industry and to provide reliable and more relevant information to the users of the Company's financial statements.

Export System Disruption

During the handling of export cargo, the conveyor belt was damaged, resulting in a temporary disruption of the operations. The incident was promptly reported to the Company's insurers, and the claim was duly admissible by them. As of the reporting period, the Company had received partial settlement and the matter has been adequately disclosed in the financial statements.

Debt Servicing

As fully disclosed in the financial statements, the Company experienced financial strain due to the fire incident affecting the Company's business volumes as described above. Consequently, servicing of the local debt installment due on June 13, 2025, was delayed. The principal component of the installment was settled before June 30, 2025, while the related interest payment was made subsequent to the reporting date. All the obligations relating to foreign debt, however, were serviced in accordance with their due dates.

Contingencies

The management of the Company regularly assesses contingencies and their potential exposures, which are disclosed in the financial statements. Based on the legal counsel's advice, the management is confident that the eventual outcome of these matters will be in favour of the Company.

CONTRIBUTION TO THE ECONOMY

It is noteworthy that ~32% of the Company's revenue goes to Port Qasim Authority in terms of royalty which amounted to Rs. 3,704 million this year. Additionally, the Company also contributed Rs. 2,477 million to the national exchequer in the form of income tax, sales tax, and other government levies.

RECOGNITION

In recognition of its commitment to excellence in the maritime sector, the Company was honored with the award of 'Best Bulk Terminal Company of Pakistan' by the Federation of Pakistan Chambers of Commerce & Industry during the year.

APPROPRIATION

The Board of Directors has not recommended any dividends and/or bonus for the financial year 2025 considering accumulated losses and the financial restrictions within the financing agreements. In the coming years, the Company will strengthen its financial position by repaying its long term loans as per contractual commitments, and in the long term, free cash flows will be available to be distributed to the shareholders.

RELATED PARTY TRANSACTIONS

All related party transactions entered into had arrangement/agreement in place and were reviewed and approved by the Audit Committee as well as the Board of Directors of the Company in compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019 and the requirements of the International Financial Reporting Standards (IFRS) and the Companies Act, 2017. These transactions were executed at an arm's length basis and have been duly disclosed in the financial statements under relevant notes.

EMPLOYEES' RETIREMENT BENEFITS

The Company provides retirement benefits to its employees. This includes a contributory Provident Fund and Defined Benefit Obligation for permanent employees. The value of investments of the provident fund and defined benefit obligation based on their un-audited accounts as of June 30, 2025 was Rs. 438 million and Rs. 347 million respectively.

EXTERNAL AUDITORS

The retiring auditors, M/s Yousuf Adil, Chartered Accountants, being eligible have offered themselves for re-appointment. The Board has recommended the appointment of M/s Yousuf Adil, Chartered Accountants, as auditors for the ensuing year, as recommended by the Audit Committee, subject to the approval of the members in the forthcoming Annual General Meeting.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.

CREDIT RATING

The Pakistan Credit Rating Agency Limited (PACRA) reaffirmed the Company's long-term and short-term credit ratings at A and A2 respectively with the outlook to the rating assigned as "Stable".

The long-term rating signifies credit quality and the short-term rating indicates capacity for timely payments. The Company's high credit rating indicates creditworthiness, evidencing its efficient cash flow strategy to settle financial commitments.

SUSTAINABILITY RELATED RISKS

Sustainability-related risks encompass environmental, social, and governance (ESG) considerations. By implementing sustainable operational practices, embracing renewable energy policies, and launching green initiatives, the Company strives to contribute to a more sustainable future. We are committed to ESG targets that align with the Company's strategic objective of enhancing resilience and driving positive social impact.

Over the years, substantial capital has been invested in advanced, eco-efficient technologies and infrastructure upgrades that minimize our environmental footprint and reflect the principles of responsible resource management. As a dirty bulk cargo terminal, we recognize the importance of improving operational efficiency, reducing emissions, and adopting sustainable practices throughout our operations to balance economic performance with environmental stewardship.

DIVERSITY, EQUITY AND INCLUSION

We take pride in being an equal opportunity employer, dedicated to empowering individuals by acknowledging and embracing the diversity that makes each person unique. We appreciate differences in age, gender, ethnicity, religion, disability, sexual orientation, education, and national origin, understanding that these distinctions enhance our workplace and drive our success.

At PIBT, we actively ensure that the contributions, presence, and perspectives of diverse groups are not only valued but fully integrated into our operations. We remain committed to developing gender-neutral roles, fostering an inclusive environment where everyone is given the opportunity to succeed.

GENDER PAY GAP STATEMENT

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

- Mean gender pay gap

On average, female employees are paid 24% more than male employees, primarily because the majority of females work in professional roles, in contrast to a significant proportion of males.

- Median gender pay gap

Even at the mid-salary point, female employees are paid 43% more than male employees.

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HEALTH, SAFETY AND ENVIRONMENT

We are firmly committed to maintaining a safe and healthy working environment to ensure the well-being of the people who work with us as well as of the communities where we operate. As a certified organization under ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and ISO 45001 (Occupational Health and Safety Management System), we are dedicated to continuously improving our practices to uphold the highest standards in health, safety, and environmental performance.

To support employee welfare, we have set up a free medical center at our Terminal to provide accessible healthcare services. We also conduct regular first aid training, mock drills, firefighting sessions, and evacuation exercises to ensure preparedness and foster a safe, healthy working environment for all stakeholders involved in our operations.

GREEN OPERATIONS

PIBT complies with the World Bank's standards of environment pollution control. In this respect, PIBT has developed an Environmental Management Plan (EMP) in compliance with applicable laws & regulations of Pakistan, IFC's performance standards and World Bank Group Environment, Health & Safety Guidelines.

Key aspects of the EMP are:

• Dust emission control	• Dredge material disposal management
• Noise pollution control	• Biodiversity conservation & sustainable natural resources management
• Waste water management	• Solid waste management

These aspects of the EMP and the related regulations etc. have been implemented over the course of the construction of the terminal and are monitored and updated regularly during the terminal operations.

Furthermore, the Company has installed the pilot phase of the solar power project of 159 KW. The project is working efficiently by contributing to the consumption from non-renewable sources and reducing CO2 emissions.



CORPORATE SOCIAL RESPONSIBILITY

The development of an enterprise is inextricably linked to the welfare and well-being of the people associated with it. Corporate Social Responsibility (CSR) has been deeply embedded in the culture of PIBT since its inception, originating from the Company's Board and the management's objectives to play a meaningful role for the betterment of the communities at its operating areas in particular and the society in general. The Company embraces responsibility for the impact of its activities on the environment, employees, communities and all other stakeholders of the public sphere.

As a bulk cargo terminal, we recognize the importance of reducing our environmental impact while ensuring operational efficiency. To this end, PIBT has implemented a comprehensive range of sustainability initiatives. Notably, it is the only common-user facility in Pakistan dedicated to dirty bulk cargo and adheres to international standards for environmental pollution control.

Our corporate philosophy recognizes local communities as one of our primary stakeholders. To support them, PIBT has undertaken several community development programs aimed at improving living standards and creating economic opportunities in the areas surrounding our terminal. These initiatives include educational sponsorships and healthcare programs, such as free medical camps and health awareness workshops, designed to enhance both access to education and healthcare for underprivileged population.

Also, in collaboration with local NGOs, the company is actively engaged in providing daily sustenance to the nearby communities. This partnership ensures that essential resources, including food reach those in need, further reinforcing PIBT's commitment to social welfare and improving the quality of life for the underprivileged communities.



CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

The Directors of the Company are aware of their responsibilities under the Code of Corporate Governance, the listing requirements of Pakistan Stock Exchange Limited and the Financial Reporting framework of Securities and Exchange Commission of Pakistan and confirm that throughout the year 2024-25,

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the following has been complied with:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored with which the Directors concur.
- There has been no material departure from the best practices of corporate governance as per Regulations.
- There are no significant doubts upon the Company's ability to continue as a going concern. The material uncertainties upon the Company's ability to going concern and their mitigating factors have been described in detail in this report and the financial statements for the year ended June 30, 2024.
- There is no purchase/sale of shares of the company by its directors, CEO, CFO, Company Secretary and their spouses and minor children, other than those disclosed to the Pakistan Stock Exchange. Pattern of shareholding has been presented (separately).
- Detail of shares held by associated undertakings and related persons has also been presented (separately).
- Statement of the Board meetings held during the year and attendance by each director has also been presented.
- Key financial data for the last six years has also been presented (separately).

CODE OF ETHICS & BUSINESS PRINCIPLES

The Board has adopted the Statement of Ethics and Business Principles, which is signed and acknowledged by all the Directors and employees of the Company who are required to abide by the Code.

RISK MANAGEMENT

The Company has in place a comprehensive risk management framework designed to systematically assess both internal and external risks. In response to identified risks, we have developed and implemented robust mitigation

strategies to minimize their potential impact. Our operational risk management approach emphasizes risk reduction through the sustainable maintenance of equipment and infrastructure, supported by investments in reliable cargo handling technologies. Oversight of this framework rests with the Board through its Risk Management Committee. The details of the Company's financial risk management are disclosed in the financial statements.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors is responsible for adequate internal financial controls and has established an efficient system of internal financial controls to ensure effective and efficient conduct of operations, the safeguarding of Company assets, compliance with applicable laws and regulations and the reliability of financial reporting. The independent Internal Audit function of the Company conducts regular evaluations and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and the financial statements on a quarterly basis to ensure their integrity and alignment with corporate governance standards.

QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

The Chief Financial Officer (CFO) and Head of Internal Audit possess the requisite qualification and experience as prescribed in the Code of Corporate Governance.

BOARD OF DIRECTORS

The total number of directors is seven, comprising:

Male	06
Female	01

The Board comprises two (02) Independent Directors, one (01) Executive Director and four (04) Non-Executive Directors.

The Board reviewed the Company's strategic direction, annual corporate plans and targets, and is committed to ensuring the highest standard of governance.

During the year, five (05) meetings of the Board of Directors were held. Attendance by the Directors is as follows:

Name of Directors	Meetings attended	Name of Directors	Meetings attended
Captain Haleem A. Siddiqui	04	Syed Nadir Shah	05
Mr. Sharique A. Siddiqui	05	Ms. Farah Agha	05
Captain Zafar Iqbal Awan	05	Mr. Nadeem Nisar	00
Mr. M. Masood A. Usmani	05		

There was no change in the directors during the year ended June 30, 2025.

TRAINING OF DIRECTORS

The directors are aware of their duties and strive to discharge them according to the highest standards. At the year end, the Company was majorly compliant with the optional requirements for the Directors' Training Program stipulated in the Listed Companies (Code of Corporate Governance) Regulations, 2019, where out of the seven (07), six (06) Directors have either obtained certificate of Directors' Training Program (DTP) or are exempted from the requirement of DTP, while remaining one (01) Director will undertake the DTP in due course.

EVALUATION CRITERIA FOR THE BOARD

The performance of the Board of our Company is evaluated annually along the following parameters:

- Integrity, credibility, trustworthiness and active participation of members.
- Follow-up and review of annual targets set by the management.
- Ability to provide guidance and direction to the Company.

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- Ability to identify aspects of the organization's performance requiring action.
- Review of succession planning of management.
- Ability to assess and understand the risk exposures of the Company.
- Contribution and interest in regard to improving health safety and environment, employment and other policies and practices in the Company.

PERFORMANCE EVALUATION OF THE BOARD

The overall performance of the Board and effectiveness of the role of the Board measured on the basis of above-mentioned parameters for the year was satisfactory. A separate review report by the Chairman on Board's overall performance, as required under the Companies Act, 2017 is annexed with the Annual Report.

REMUNERATION OF DIRECTORS

The Board of Directors has approved a "Remuneration Policy for Directors" i-e Chairman, non-executive directors and independent directors are entitled only to the fee for attending the meetings. The levels of remuneration are appropriate and commensurate with the level of responsibility and expertise to govern the company successfully and with value addition. Remuneration details of the key management personnel are disclosed in note 29 to the financial statements.

The Article of Association of the Company permits the Board of Directors to determine and approve the remuneration of a director for attending meetings of the Board of Directors or its Committees from time to time.

COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee

Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control, risk management and the audit process. It has the autonomy to call for information from management and to consult directly with external auditors or advisors as considered appropriate.

During the year, four (04) meetings of the Audit Committee were held. Names of members of the Committees and their attendance are as follows:

Name of Members	Meetings attended
Captain Zafar Iqbal Awan	04
Syed Nadir Shah	04
Ms. Farah Agha	04

Risk Management Committee

Risk Management Committee was constituted during the year in line with the requirements of the Code of Corporate Governance to assist the Board in overseeing the Company's risk management framework. The Committee reviews risk exposures, evaluating the adequacy of mitigation strategies, and ensuring effective systems are in place to identify and address significant risks. The Committee also works with management to strengthen the Company's resilience and align risk practices with strategic objectives.

During the year, three (03) meetings of the Risk Management Committee were held. Names of members of the Committee and their attendance are as follows:

Name of Members	Meetings attended	Name of Members	Meetings attended
Mr. Sharique A. Siddiqui	03	Mr. M. Masood A. Usmani	03
Syed Nadir Shah	03	Mr. Arsalan I. Khan	03
Ms. Farah Agha	03		

Human Resource & Remuneration Committee

Human Resource & Remuneration Committee meets to review and recommend all elements of the compensation, organization and employee development policies relating to the senior executives' remuneration and to approve all matters relating to the remuneration of the executive directors and members of the management committee.

After each meeting, the Chairman of the Committees reports to the Board with the respective approvals and recommendations.

During the year, one (01) meeting of the Human Resource & Remuneration Committee was held. Names of members of the Committee and their attendance are as follows:

Name of Members	Meeting attended
Mr. Sharique A. Siddiqui	01
Syed Nadir Shah	01
Ms. Farah Agha	01

FORWARD OUTLOOK

The Company remains committed to consolidating its position as Pakistan's leading bulk terminal by ensuring reliable and efficient handling of imported coal, which continues to serve as a critical input for the cement, power, and allied industries. While the government is working toward a diversified energy mix, imported coal is expected to remain an important component of the country's industrial and energy requirements given existing infrastructure, cost considerations, and established supply chains.

Looking ahead, the Company is poised to contribute to Pakistan's mineral exports as Reko Diq Mining Company (Private) Limited has also identified PIBT as the preferred terminal for the export of copper and gold concentrates. The project, subject to execution of definitive agreements and receipt of necessary regulatory and other approvals, is expected to mark a significant milestone for mineral exports from Pakistan, create value for the nation, broaden the Company's cargo base, and strengthen long-term stakeholder value.

In line with the above, the management remains focused on enhancing efficiency in cargo handling operations while upholding international standards of service, operational excellence, and environmental stewardship. The country's state-of-the-art terminal is dedicated to providing unparalleled services to its customers with the highest levels of efficiency and pollution control at optimized cost, thereby enhancing shareholder returns.

ACKNOWLEDGMENT

The Directors record their sincere appreciation for the commitment and dedication of the Company's employees. The Board also acknowledges the continued support and confidence of all stakeholders in the Company. We would like to thank our esteemed shareholders, both public and institutional, and our foreign and local lenders, whose trust and investment continued to strengthen the Company and its outlook.

For and on behalf of the Board of Directors,

Sharique Azim Siddiqui
Chief Executive Officer
Karachi: September 15, 2025

Capt. Zafar Iqbal Awan
Director