

ANNUAL REPORT FOR FINANCIAL YEAR 2024-2025

As per Section 26 and Schedule-VI of the
State-Owned Enterprise (Governance and Operations) Act 2023

PREAMBLE:

State-Owned Enterprise (Governance and Operations) Act 2023, (referred to as "SOE-Act 2023"), of Majlis-e-Shoora (Parliament) received the presidential assent on the 30th January, 2023 and published for general information to provide for governance and operation of the management and financial efficiency of State-Owned Enterprises owned and controlled by the Federal Government.

In accordance with the Section 26(1) of the SOE Act 2023, a State-Owed Enterprise must submit to the Federal Government a report on its operations and its subsidiaries for the financial year to which it relates, not later than four months after the end of that financial year in the form prescribed in Schedule-VI.

As per Section 26(2) of the SOE Act 2023, the annual report may omit information that the Board of the State-Owned Enterprise reasonably considers is likely to materially prejudice the commercial interests of the State-Owned Enterprise or a subsidiary, if disclosed.

Section26(3), states that the Board shall submit a report to the Federal Government on the information omitted from the annual report under sub-section (s), above, and the reasons for such omission and such report shall be confidential.

In compliance with the aforementioned sections of the SOE Act, the NESPAK's Annual report for FY 2024-2025, is provided hereunder;

1. **Name of State-Owned Enterprise:**
   National Engineering Services Pakistan Private Limited (" The NESPAK").

2. **Incorporated/established on:**
   On 20th Day of March 1973

3. **Subsidiaries included in this statement of corporate intent:**
   Details of NESPAK's subsidiaries are attached as **Annexure-A.**

4. **The audited financial statements required by this Act for the financial year to which it relates:**
   An extract of the un-audited balance sheet and profit and loss statement for the year ended June 2025 is attached as **Annexure-B.**

5. **The report of the auditor for those financial statements, including compliance with this Act:**
   Accounts for the FY 2024-25 have yet to be audited by external auditors. Currently, the Board of Directors of NESPAK have recommended the appointment of statutory auditors for the three consecutive years ended on June 2023, 2024, and 2025. Once Financial Statements are audited for these years, the same will be shared with the Central Monitoring Unit, Finance Division.

6. **A review of operations during the financial year of the state-owned enterprise and its subsidiaries and the result of those operations.**
   Consolidated accounts for FY 2024-25, which have yet to be audited by external auditors are attached herewith as **Annexure-C.**

7. **A report of the extent to which the state-owned enterprise and is subsidiaries have achieved the outcomes specified in the statement of corporate intent for the financial year:**

   Nil- As the NESPAK Board was not functional during FY 2024-2025.

8. **A statement of the dividend or distribution paid or to be paid by the state-owned enterprise to the State for the financial year:**
   Proposed dividend for the Financial Year 2024-25 will be recommended by the Audit Committee to the Board of Directors NESPAK, upon completion of the audit of the financial year ended June 30, 2025.

9. **Details of any public service obligation agreement applicable during the financial year, including:**

   i. **The cost of the public service or services performed under the agreement; and**
   ii. **The revenue received by or payable to the state-owned enterprise during the financial year.**

   NESPAK did not provide any public service obligation during the year ended June 30, 2025.

10. **Details of any significant changes in the affairs of the state-owned enterprise during the financial year:**

    Except for the change whereby NESPAK was transferred under the Rule of Business, from Ministry of Energy-Power Division to the Cabinet Division on August 30, 2024.

11. **Details of any matter or circumstance arising since the end of the financial year that has significantly affected, or may significantly affect, the operations of the state-owned enterprise in future financial years.**

    Nil

12. **Details of any breach of the code of conduct of the state-owned enterprise during the financial year.**

    Nil

13. **Details of any information which is omitted from the annual report along with reasons for such omission.**

    Nil

14. **Any other matter that the Federal Government directs the state-owned enterprise to include in the report.**
    Nil

ANNEXURE - A

NATIONAL ENGINEERING SERVICES PAKISTAN (PRIVATE) LIMITED

NESPAK's Subsidiaries

The Company has following subsidiaries:

	Direct Share Holding
NESPAK UK Limited	100%
NESPAK and Partners LLC, Muscat, Oman	65%
NESPAK, ECC, Riyadh, KSA	49%
NESPAK, W.L.L., Doha, Qatar	49%

Annexure - B

NATIONAL ENGINEERING SERVICES PAKISTAN (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		— (Rupees in thousand) —	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	1,132,791	973,630
Intangible assets	6	2,053	2,293
Investment properties	7	82,230	85,731
Investment in subsidiaries	8	2,960	2,960
Investment in associates	9	234,747	167,823
Long term loans and advances	10	1,431	349,370
Long term deposits	11	360,415	237,669
		1,816,627	1,819,476
CURRENT ASSETS			
Stationery stores		14,597	16,288
Trade debts	12	13,326,096	11,811,739
Contract assets	13	560,007	1,089,543
Loans and advances	14	275,548	261,403
Deposits and prepayments	15	125,075	120,468
Interest accrued		63,205	85,569
Other receivables	16	469,717	603,605
Short term investments	17	3,544,365	2,696,556
Tax refunds due from government - net	18	1,135,838	952,818
Cash and bank balances	19	1,779,996	1,017,768
		21,294,444	18,655,757
TOTAL ASSETS		23,111,071	20,475,233
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		5,000	5,000
Issued, subscribed and paid up share capital	20	5,000	5,000
Revenue reserves			
General reserve		11,557,516	11,557,516
Accumulated Profit/(Loss)		2,883,638	1,153,162
		14,446,154	12,715,678
NON CURRENT LIABILITIES			
Lease liabilities	21	73,681	-
Employees retirement and other long term benefits	22	706,189	633,088
		779,870	633,088
CURRENT LIABILITIES			
Trade and other payables	23	6,338,379	5,083,623
Current portion of lease liabilities	21	16,771	-
Contract liabilities	24	1,529,897	2,042,844
		7,885,047	7,126,467
TOTAL EQUITY AND LIABILITIES		23,111,071	20,475,233
CONTINGENCIES AND COMMITMENTS	25		

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

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

NATIONAL ENGINEERING SERVICES PAKISTAN (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		--- (Rupees in thousand) ---	
Revenue from contracts with customers - net	26	14,019,167	12,235,186
Cost of revenue	27	(12,096,291)	(10,675,460)
Gross profit / (loss)		1,922,876	1,559,726
Selling expense		(14,553)	(8,256)
Other operating expense	29	(340,420)	(444,674)
Other income	30	648,193	385,651
		293,220	(67,279)
Operating profit / (loss)		2,216,096	1,492,447
Finance cost	28	(17,934)	(7,455)
Share of profit from associates - net	9	72,374	39,233
		54,440	31,778
Profit / (loss) before taxation		2,270,536	1,524,225
Taxation	31	(540,060)	(492,755)
Profit / (loss) for the year		1,730,476	1,031,470
Other comprehensive income - net of tax			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gain on employees retirement and other benefits		-	383,163
Share of other comprehensive income from associates		-	-
Other comprehensive income for the year		-	383,163
Total comprehensive income / (loss) for the year		1,730,476	1,414,633
Profit / (loss) per share - basic and diluted		3.461	2.063

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

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

ANNEX - C

NATIONAL ENGINEERING SERVICES PAKISTAN (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		--- (Rupees in thousand) ---	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	6	1,218,353	998,079
Intangible assets	8	2,053	2,293
Investment properties	9	82,230	85,731
Rentational receivables		67,300	66,013
Investment in associates	10	234,747	167,823
Long term loans and advances	11	1,431	1,027
Long term deposits	12	360,415	237,669
		1,966,529	1,558,635
CURRENT ASSETS			
Stationery stores		14,597	16,288
Trade debts	13	12,218,552	10,094,370
Contract assets	14	560,007	1,089,543
Loans and advances	15	283,265	268,971
Deposits and prepayments	16	714,696	754,274
Rentational receivables		80,394	60,594
Interest accrued		63,205	85,569
Other receivables	17	469,717	603,605
Short term investments	18	3,544,365	2,696,556
Tax refunds due from government - net	19	1,135,838	952,818
Cash and bank balances	20	2,373,100	1,302,142
		21,457,736	17,924,730
TOTAL ASSETS		23,424,266	19,483,365
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		5,000	5,000
Issued, subscribed and paid up share capital	21	5,000	5,000
Revenue reserves			
Retained earnings attributable to equity holders of the Holding Company		4,056,801	1,657,164
Other reserves attributable to equity holders of the Holding Company		11,560,684	11,560,493
Translation Reserve		(778,747)	(760,010)
Non controling interest		(650,412)	(1,139,991)
		14,193,327	11,322,656
NON CURRENT LIABILITIES			
Lease liabilities	22	73,681	-
Employees retirement and other long term benefits	23	876,935	793,595
		950,616	793,595
CURRENT LIABILITIES			
Trade and other payables	24	6,726,225	5,307,689
Current portion of lease liabilities	22	16,771	-
Provision for Zakat		7,431	16,581
Contract liabilities	25	1,529,897	2,042,844
		8,280,324	7,367,114
TOTAL EQUITY AND LIABILITIES		23,424,266	19,483,365
CONTINGENCIES AND COMMITMENTS	26		

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

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

NATIONAL ENGINEERING SERVICES PAKISTAN (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		--- (Rupees in thousand) ---	
Revenue from contracts with customers - net	27	17,404,269	13,630,541
Cost of revenue	28	(14,034,295)	(11,700,953)
Gross profit / (loss)		**3,369,974**	**1,929,589**
General and admin expenses	30	(413,499)	(278,822)
Other operating expenses	31	(340,420)	(444,674)
Other income	32	658,336	466,846
		(95,583)	(256,650)
Operating profit / (loss)		3,274,390	1,672,939
Finance cost	29	(17,934)	(7,455)
Share of profit from associates - net	10	72,374	39,233
		54,440	31,778
Profit / (loss) before taxation		3,328,830	1,704,716
Taxation	33	(540,060)	(499,071)
Profit / (loss) for the year		2,788,770	1,205,645
Other comprehensive income - net of tax			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gain on employees retirement and other benefits		-	383,163
Exchange differences on translating foreign operations		(32,834)	83,490
Share of other comprehensive income from associates		-	-
Other comprehensive income for the year		(32,834)	466,653
Total comprehensive income / (loss) for the year		2,755,937	1,672,298
Profit / (loss) per share - basic and diluted	35	5.578	2.411

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

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**