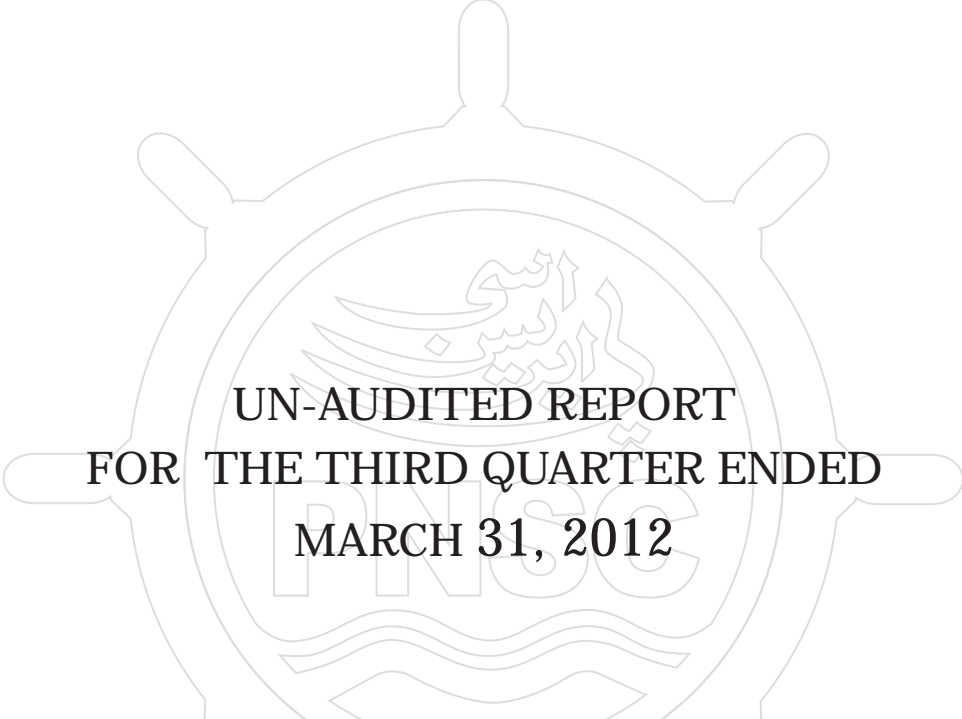
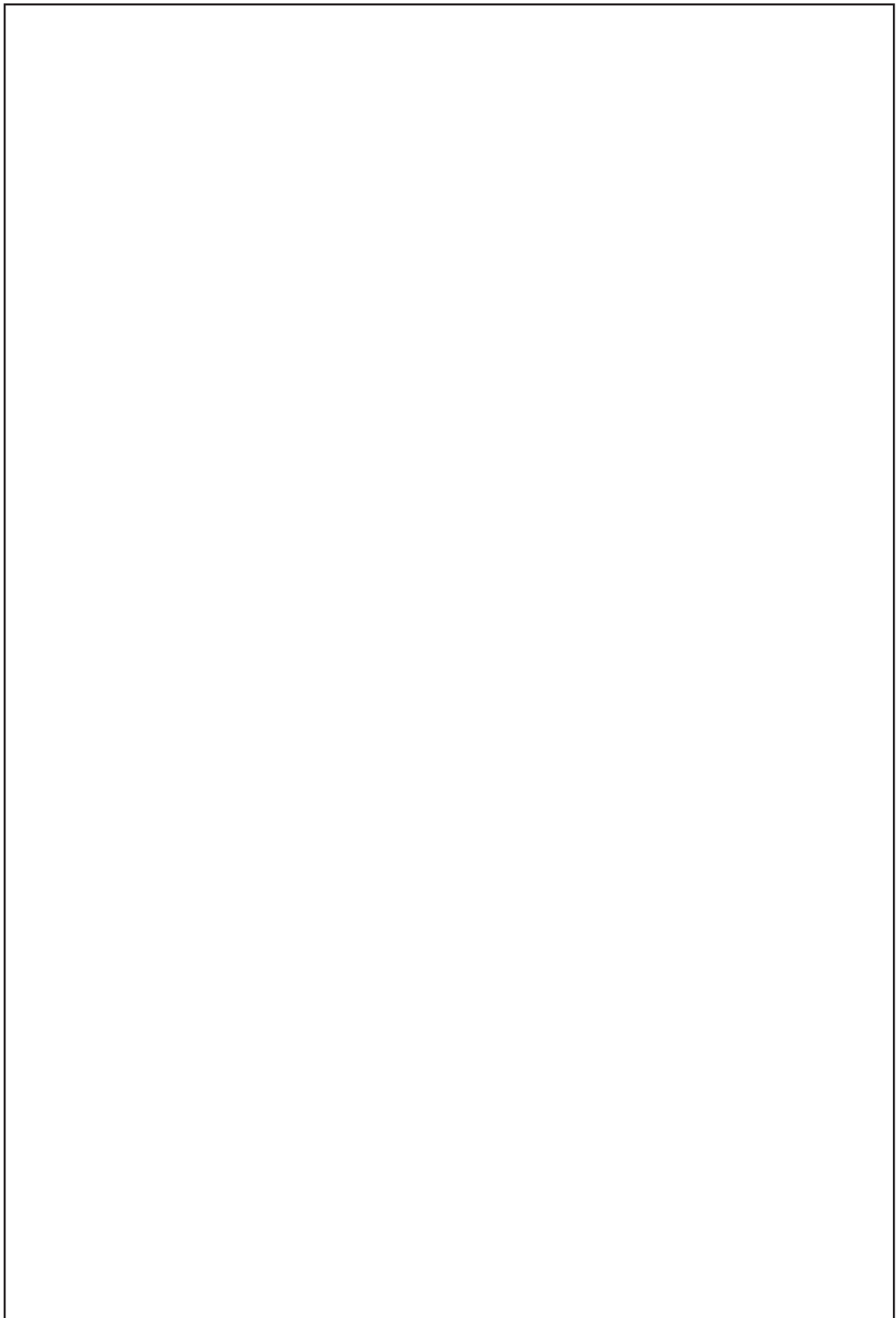




PAKISTAN NATIONAL SHIPPING CORPORATION



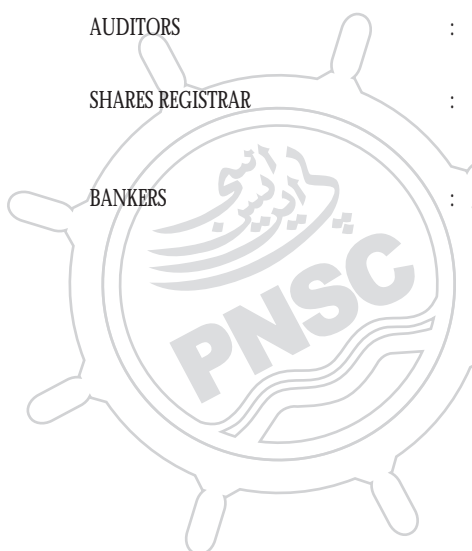
UN-AUDITED REPORT
FOR THE THIRD QUARTER ENDED
MARCH 31, 2012





CORPORATION INFORMATION

BOARD OF DIRECTORS	: Vice Admiral (Retd) Saleem Ahmed Meenai HI (M) Chairman	
	Mr. Seerat Asghar Jaura Member	
	Capt. S. Akhlaq Hussain Abidi Member	
	Mr. Khawaja Obaid Imran Ilyas Member	
	Capt. Anwar Shah Member	
	Vice Admiral (R) Muhammad Asad Qureshi, HI (M) Member	
	Capt. S. Kamal A. Mahmoodi Member	
AUDIT COMMITTEE OF THE BOARD	: Mr. Khawaja Obaid Imran Ilyas Capt. S. Akhlaq Hussain Abidi Vice Admiral (R) Muhammad Asad Qureshi, HI (M)	Chairman Member Member
CHIEF FINANCIAL OFFICER	: Mr. Imtiaz C. Agboatwala	
SECRETARY	: Ms. Zainab Suleman	
CHIEF INTERNAL AUDITOR	: Mr. Muhammad Reyaz	
HEAD OFFICE	: PNSC Building, Moulvi Tamizuddin Khan Road Karachi-74000	
REGIONAL OFFICE	: Gulberg Heights, Lower ground floor, Near sherpao bridge Gulberg, Lahore, Pakistan	
AUDITORS	: A.F. Ferguson & Co., Chartered Accountants Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants	
SHARES REGISTRAR	: M/S Technology Trade (PVT.) LTD Dagia House 241-C, Block-2, P.E.C.H.S Off: Shahrah-E-Quaideen, Karachi.	
BANKERS	: Bank Al-Falah Limited Barclays Bank PLC, Pakistan Faysal Bank Limited Habib Bank Limited JS Bank Limited National Bank of Pakistan Silk Bank Standard Chartered Bank United National Bank, London National Bank of Pakistan, Tokyo National Bank of Pakistan, Hong Kong Bank Al-Falah, Bahrain	





PAKISTAN NATIONAL SHIPPING CORPORATION
DIRECTORS' REPORT
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2012

The Directors of Pakistan National Shipping Corporation (PNSC) are pleased to present the accounts of PNSC Group for the quarter and nine months ended March 31, 2012. These financial statements are un-audited and presented in accordance with the requirements of the Code of Corporate Governance and the Companies Ordinance, 1984.

OVERVIEW

The consolidated revenues of the Group for the third quarter ended March 31, 2012 were Rs - 2,234 million (including Rs 591 million from PNSC), making a total of Rs 6,640 million (including Rs 1,906 million from PNSC) for the nine months period under review as against Rs 6,772 million for the corresponding period last year. Net Profit after tax for the nine months to 31 March 2012 was Rs 109 million as against Rs 787 million last year.

The earnings per share for the 9 months period ended March 31, 2012 were Rs 0.83 as against Rs 5.96 for the corresponding period last year.

FUTURE PROSPECTS

International shipping market continues to be depressed due to very marginal improvement in demolition and new ships supply into the market coupled with stagnant trade volume. It also appears that fuel prices will maintain its rising trend for some time. The Baltic Dry Index (BDI) did show a temporary improvement from 715 to 934 points only in this quarter as against last year when it was 1542. Therefore the future prospects at best be classified as uncertain for the next quarter however the shipping forecaster are hopeful that end of this year will show signs of improvement.

Vice Admiral (Retd) Saleem Ahmed Meenai HI(M)
Chairman and Chief Executive

Karachi; April 23, 2012





PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2012

		(Unaudited) March 31, 2012	(Audited) June 30, 2011
ASSETS			
NON-CURRENT ASSETS			
	Note	------(Rupees in '000)-----	
Property, plant and equipment	3	22,770,312	23,975,314
Investment properties		997,629	996,638
Long-term investments in listed companies and an other entity		23,725	26,883
Long-term loans		84	214
Long-term deposits		90	90
Deferred tax		33,374	18,890
		23,825,214	25,018,029
CURRENT ASSETS			
Stores and spares		503,697	537,248
Trade debts	4	819,747	654,580
Agents' and owners' balances		1,881	6,443
Loans and advances		34,938	62,618
Deposits and short-term prepayments		57,110	28,079
Interest / mark-up accrued		7,221	2,582
Other receivables	5	116,182	240,382
Incomplete voyages		-	92,992
Insurance claims		27,707	36,672
Taxation - net		49,867	28,158
Short-term investments		977,440	477,300
Cash and bank balances		1,685,739	2,100,797
		4,281,529	4,267,851
TOTAL ASSETS		28,106,743	29,285,880
EQUITY AND LIABILITIES			
Share Capital:			
Authorised (200,000,000 Ordinary shares of 10 each)		2,000,000	2,000,000
Share capital		1,320,634	1,320,634
Reserves		17,215,253	16,785,737
		18,535,887	18,106,371
NON-CONTROLLING INTEREST		1,689	1,560
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP		18,537,576	18,107,931
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX			
- Group		739,108	1,227,292
- Non-controlling interest		1,287	1,287
		740,395	1,228,579
NON-CURRENT LIABILITIES			
Long-term financing	6	6,142,140	6,941,693
Deferred liabilities		410,378	320,395
		6,552,518	7,262,088
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	7	1,009,604	1,414,283
Provision against damage claims		25,091	28,327
Incomplete voyages		12,331	-
Current maturity of long-term financing	6	1,079,763	1,079,763
Accrued mark-up on long-term financing		106,913	134,898
Taxation - net		42,552	30,011
		2,276,254	2,687,282
TOTAL EQUITY AND LIABILITIES		28,106,743	29,285,880
CONTINGENCIES AND COMMITMENTS	8		

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

V. Admiral (Retd) Saleem Ahmed Meenai HI (M)
Chairman & Chief Executive

Khawaja Obaid Imran Ilyas
Director



PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012

	Quarter ended March 31, 2012	Quarter ended March 31, 2011	Nine months period ended March 31, 2012	Nine months period ended March 31, 2011
------(Rupees in '000)-----				
REVENUE				
Income from shipping business	2,214,489	2,526,655	6,578,218	6,698,426
Rental income	19,926	24,906	61,753	73,679
	<u>2,234,415</u>	<u>2,551,561</u>	<u>6,639,971</u>	<u>6,772,105</u>
EXPENDITURES				
Fleet expenses - direct	(1,716,588)	(1,888,201)	(5,090,857)	(5,182,082)
- indirect	(4,426)	(3,128)	(11,930)	(11,015)
Real estate expenses	(19,203)	(16,399)	(71,120)	(58,312)
	<u>(1,740,217)</u>	<u>(1,907,728)</u>	<u>(5,173,907)</u>	<u>(5,251,409)</u>
GROSS PROFIT	<u>494,198</u>	<u>643,833</u>	<u>1,466,064</u>	<u>1,520,696</u>
Administrative and general expenses	(150,451)	(131,347)	(436,947)	(405,401)
Other operating expenses	(246,180)	48,087	(418,841)	(145,609)
Finance costs	(157,882)	(179,008)	(685,676)	(275,934)
	<u>(554,513)</u>	<u>(262,268)</u>	<u>(1,541,464)</u>	<u>(826,944)</u>
Other operating income	<u>170,454</u>	<u>110,632</u>	<u>327,412</u>	<u>429,512</u>
PROFIT BEFORE TAXATION	<u>110,139</u>	<u>492,197</u>	<u>252,012</u>	<u>1,123,264</u>
Taxation	(58,488)	(227,279)	(142,976)	(336,289)
PROFIT AFTER TAXATION	<u>51,651</u>	<u>264,918</u>	<u>109,036</u>	<u>786,975</u>
Attributable to:				
Equity holders of the Group	51,651	264,949	108,907	786,821
Non-controlling interest	-	(31)	129	154
	<u>51,651</u>	<u>264,918</u>	<u>109,036</u>	<u>786,975</u>
------(Rupees)-----				
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP BASIC & DILUTED	<u>0.39</u>	<u>2.01</u>	<u>0.83</u>	<u>5.96</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.



V. Admiral (Retd) Saleem Ahmed Meenai HI (M)
Chairman & Chief Executive

Khawaja Obaid Imran Ilyas
Director



PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012

	Issued, subscribed and paid-up share capital	Capital Reserve	Revenue reserve General Reserve	Unappropri- ated profit	Minority interest	Total
	(Rupees in '000)					
Balance as at July 1, 2010	1,320,634	131,344	129,307	15,188,777	2,235	16,772,297
Total comprehensive income for the nine months period ended March 31, 2011	-	-	-	786,821	154	786,975
Surplus realised on disposal of vessel	-	-	-	569,340	-	569,340
Final cash dividend for the year ended June 30, 2010 (Rs 1.50 per ordinary share)	-	-	-	(198,095)	-	(198,095)
Share issue costs incurred on rights issue	-	-	-	(88,178)	-	(88,178)
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets during the period recognised directly in equity-net of tax	-	-	-	71,596	-	71,596
Total income credited to equity				1,141,484	154	1,141,638
Balance as at March 31, 2011	<u>1,320,634</u>	<u>131,344</u>	<u>129,307</u>	<u>16,330,261</u>	<u>2,389</u>	<u>17,913,935</u>
Balance as at July 1, 2011	1,320,634	131,344	129,307	16,525,086	1,560	18,107,931
Total comprehensive income for the nine months period ended March 31, 2012	-	-	-	108,907	129	109,036
Surplus realised on disposal of vessels	-	-	-	437,375	-	437,375
Final cash dividend for the year ended June 30, 2011 (Rs 1 per ordinary share)	-	-	-	(132,063)	-	(132,063)
Share issue costs incurred on rights issue	-	-	-	(37,102)	-	(37,102)
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets during the period recognised directly in equity-net of tax	-	-	-	52,399	-	52,399
Total income credited to equity				429,516	129	429,645
Balance as at March 31, 2012	<u>1,320,634</u>	<u>131,344</u>	<u>129,307</u>	<u>16,954,602</u>	<u>1,689</u>	<u>18,537,576</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

V. Admiral (Retd) Saleem Ahmed Meenai HI (M)
Chairman & Chief Executive

Khawaja Obaid Imran Ilyas
Director



Quarterly Report March 31, 2012

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012

	Note	Nine months period ended March 31, 2012	Nine months period ended March 31, 2011
------(Rupees in '000)-----			
Cash flows from operating activities			
Cash generated from operations	9	1,619,431	1,484,336
Employees' gratuity paid		(21,017)	(42,345)
Employees' compensated absences paid		(43,666)	(60,018)
Post retirement medical benefits paid		(9,726)	(2,981)
Long-term loans and advances		130	206
Finance costs paid		(892,296)	(196,341)
Receipts under cross currency interest rate swap		199,355	65,174
Arrangement fee paid		-	(106,662)
Taxes paid		(166,628)	(254,690)
Net cash generated from operating activities		685,583	886,679
Cash flows from investing activities			
Fixed capital expenditure		(716,837)	(6,656,311)
Proceeds from disposal of property, plant and equipment		956,030	1,484,597
Additions in investment properties		(991)	-
Purchase of short-term investments		-	-
Interest / mark-up received		143,750	130,551
Dividends received		201	822
Net cash generated from / (used in) investing activities		382,153	(5,040,341)
Cash flows from financing activities			
Long-term financing (paid) / obtained		(809,823)	4,499,359
Shares issue costs paid		(37,102)	(88,178)
Dividends paid		(130,329)	(195,417)
Net cash (used in) / generated from financing activities		(977,254)	4,215,764
Net increase in cash and cash equivalents		90,482	62,102
Cash and cash equivalents at the beginning of period		2,572,697	2,521,857
Cash and cash equivalents at the end of the period	10	2,663,179	2,583,959

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.



V. Admiral (Retd) Saleem Ahmed Meenai HI (M)
Chairman & Chief Executive

Khawaja Obaid Imran Ilyas
Director



PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UNAUDITED)

1. THE GROUP AND ITS OPERATIONS

Pakistan National Shipping Corporation (the Corporation), its subsidiary companies and an associate (together 'the Group') were incorporated under the provisions of the Pakistan National Shipping Ordinance, 1979 and the Companies Ordinance, 1984 respectively. The Group is principally engaged in the business of shipping, including charter of vessels, transportation of cargo and other related services. The Group is also engaged in renting out its properties to tenants under long-term lease agreements. The Group's registered office is situated in PNSC Building, Moulvi Tamizuddin Khan Road, Karachi except for Pakistan Co-operative Ship Stores (Private) Limited which is situated at 70/4, Timber Pond, N.M Reclamation Kemari, Karachi.

The Group consists of:

Holding company

Pakistan National Shipping Corporation

Subsidiary companies

- Bolan Shipping (Private) Limited
- Chitral Shipping (Private) Limited
- Hyderabad Shipping (Private) Limited
- Islamabad Shipping (Private) Limited
- Johar Shipping (Private) Limited
- Kaghan Shipping (Private) Limited
- Karachi Shipping (Private) Limited
- Khairpur Shipping (Private) Limited
- Lahore Shipping (Private) Limited
- Lalazar Shipping (Private) Limited
- Makran Shipping (Private) Limited
- Malakand Shipping (Private) Limited
- Multan Shipping (Private) Limited
- Pakistan Co-operative Ship Stores (Private) Limited
- Quetta Shipping (Private) Limited
- Sargodha Shipping (Private) Limited
- Shalamar Shipping (Private) Limited
- Sibi Shipping (Private) Limited
- Swat Shipping (Private) Limited

Associate company

- Muhammadi Engineering Works (Private) Limited

The Group owns 73 percent of the share capital of Pakistan Co-operative Ship Stores (Private) Limited and 100 percent of the share capital of the remaining eighteen subsidiary companies. All the fully owned subsidiaries of the Group operate one vessel / tanker each with the exception of Bolan Shipping (Private) Limited, Multan Shipping (Private) Limited, Sargodha Shipping (Private) Limited, Johar Shipping (Private) Limited, Khairpur Shipping (Private) Limited, Lalazar Shipping (Private) Limited, Makran Shipping (Private) Limited, Shalamar Shipping (Private) Limited, and Swat Shipping (Private) Limited which currently do not own any vessel / tanker.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim financial statements of the Group for the nine months period ended March 31, 2012 have been prepared in accordance with the requirements of the International Accounting Standard No. 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.

These condensed interim financial statements comprise of the condensed interim balance sheet as at March 31, 2012 and the condensed interim profit and loss account, condensed interim statement of changes in equity and the condensed interim cash flow statement for the nine months period ended March 31, 2012. These condensed interim financial statements also include the condensed interim profit and loss account for the quarter ended March 31, 2012.

The comparative balance sheet, presented in these condensed interim financial statements, as at June 30, 2011 has been extracted from the audited financial statements of the Group for the year ended June 30, 2011 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement are for the nine months period ended March 31, 2011.

2.1.1 Standards, amendments and interpretations effective for the period beginning from July 1, 2011:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or have any significant effect on the Group's operations and are, therefore, not disclosed in this condensed interim financial statements.

2.1.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

"IAS 19, 'Employee benefits' (effective for periods beginning on or after January 1, 2013). The impact on the Group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in other comprehensive income as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability / (asset). The Group is yet to assess the full impact of the amendments.

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or have any significant effect on the Group's operations and are therefore not detailed in this condensed interim financial statements.

2.2 Accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2011.



- 2.3 On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees' Stock Option Scheme (the "Schemes") for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises where GoP holds significant investments (non-SOEs). The scheme is applicable to permanent and contractual employees who were in employment of these entities on the date of launch of the Scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GoP shall transfer 12% of its investment in such SOEs and non-SOEs to a trust fund to be created for the purpose of such entities. The eligible employees would be allotted units by each Trust Fund in proportion to their respective length of service and on retirement or termination of such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units as would be determined based on market price of listed entities or breakup value of non-listed entities. The shares related to the surrendered units would be transferred back to GoP.

The scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund managed by the Privatisation Commission of Pakistan for payment to employees against surrendered units. The deficits, if any, in Trust Funds to meet the re-purchase commitment would be met by GoP.

The Scheme, developed in compliance with the stated GoP policy of the empowerment of employees of State Owned Enterprises need to be accounted for by the covered entities, including the Group, under the provisions of amended International Financial Reporting Standard-2 'Share Based Payments' (IFRS 2). However, keeping in view the difficulties that may be faced by the entities covered under the Scheme, the Securities & Exchange Commission of Pakistan on receiving the representation from some of the entities covered under the Scheme and after having consulted the Institute of Chartered Accountants of Pakistan, has granted exemption vide SRO 587(I)/2011 dated June 7, 2011 to such entities from application of IFRS 2 to the Scheme.

	Note	(Unaudited) March 31, 2012	(Audited) June 30, 2011
		----- (Rupees in '000) -----	
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1 and 3.2	22,494,069	23,714,500
Capital work-in-progress		276,243	260,814
		<u>22,770,312</u>	<u>23,975,314</u>



Quarterly Report March 31, 2012

		Nine months period ended March 31, 2012	Nine months period ended March 31, 2011
		------(Rupees in '000)-----	
3.1	Additions to fixed assets (including transfers from CWIP) during the period mainly include:		
	Vessels	1,027	5,971,119
	Buildings on leasehold land	7,648	276,178
	Office machines and appliances	837	1,128
	Furniture and fixtures	116	19,284
	Workshop machinery and equipment	1,065	231
	Vehicles	4,082	-
	Computer equipment	1,754	3,858
	Spares Capitalised	30,074	69,824
	Class renewal and dry docking	165,019	110,866
	Equipment on board	4,957	3,389
	Total	<u>216,759</u>	<u>6,455,877</u>
3.2	Details of fixed assets written off /disposed off during the period:		
	Net book value of assets written off	<u>-</u>	<u>40,490</u>
	Net book value of assets disposed off	<u>1,034,511</u>	<u>1,285,945</u>
	Note	(Unaudited) March 31, 2012	(Audited) June 30, 2011
4	TRADE DEBTS	------(Rupees in '000)-----	
	- Considered good	4.1 819,747	654,580
	- Considered doubtful	183,448	183,448
		<u>1,003,195</u>	<u>838,028</u>
	Less: provision for impairment	4.2 183,448	183,448
		<u>819,747</u>	<u>654,580</u>
4.1	The ageing analysis of unimpaired trade debts is as follows:		
	Upto 1 month	258,039	306,860
	1 month to 6 months	227,119	180,249
	More than 6 months	334,589	167,471
		<u>819,747</u>	<u>654,580</u>
4.2	Provision for impairment		
	Balance at the beginning of the period	183,448	183,418
	Amounts provided for during the period	<u>-</u>	<u>30</u>
		<u>183,448</u>	<u>183,448</u>



As at March 31, 2012, trade receivables of Rs 183.448 million (June 30, 2011: Rs 183.448 million) were impaired and provided for. These receivable balances are outstanding for more than three years.

	Note	(Unaudited) March 31, 2012	(Audited) June 30, 2011
		----- (Rupees in '000) -----	
5. OTHER RECEIVABLES			
Rent receivable:			
- Considered good	5.1	9,155	6,184
- Considered doubtful		4,600	4,600
		13,755	10,784
Less: provision for impairment of rent receivable	5.2	4,600	4,600
		9,155	6,184
Derivative cross currency interest rate swap	7.2	-	87,960
Others:			
- Considered good		107,027	146,238
- Considered doubtful		12,659	12,659
		119,686	158,897
Provision for impairment of other receivables	5.3	12,659	12,659
		107,027	146,238
		116,182	240,382

5.1 The ageing analysis of rent receivables is as follows:

Upto 1 month	4,757	3,407
1 to 6 months	2,334	2,277
More than 6 months	2,064	500
	9,155	6,184

5.2 Provision for impairment of rent receivables

Balance at the beginning of the period	4,600	4,359
Provision made during the period	-	241
	4,600	4,600

As at March 31, 2012, rent receivables of Rs 4.600 million (June 30, 2011: Rs 4.600 million) were impaired and provided for. These receivables were outstanding for more than three years.

	(Unaudited) March 31, 2012	(Audited) June 30, 2011
	----- (Rupees in '000) -----	
5.3 Provision for impairment of others		
Balance at the beginning of the period	12,659	8,851
Provision made during the period	-	3,808
Balance at the end of the period	12,659	12,659

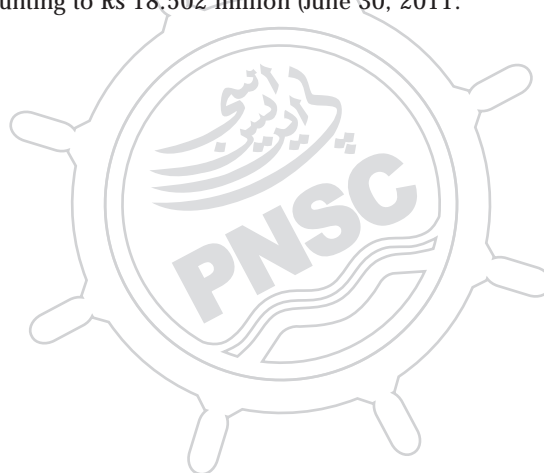


	Note	(Unaudited) March 31, 2012	(Audited) June 30, 2011
		------(Rupees in '000)-----	
6. LONG-TERM FINANCING			
Financing under Syndicate term finance agreement	6.1	6,310,400	7,009,039
Current maturity shown under current liabilities		(943,482)	(943,482)
		<u>5,366,918</u>	<u>6,065,557</u>
Term Finance Certificates	6.1	911,503	1,012,417
Current maturity shown under current liabilities		(136,281)	(136,281)
		<u>775,222</u>	<u>876,136</u>
		<u>6,142,140</u>	<u>6,941,693</u>

- 6.1 The Group obtained a financing facility of Rs 10,300 million (June 30, 2011: Rs 10,300 million). The financing was obtained in the form of a Syndicated term finance loan of Rs 9,000 million and the remaining amount of Rs 1,300 million will be obtained by issuing redeemable capital in the form of Term Finance Certificates (TFCs), with a face value of Rs 5,000 each by way of private placement.

The financing carries mark-up of KIBOR+ 2.20%. The loan along with the mark-up is repayable on quarterly basis and the last repayment date is November 23, 2018. The facility is secured by a first mortgage charge over certain vessels owned by its subsidiary companies, all present and future receivables of the Group from three major customers and its investment properties.

As at March 31, 2012, the Group has drawn Rs 7,438.806 million (June 30, 2011: Rs 7,438.806) and Rs 1,074.494 million (June 30, 2011: Rs 1,074.494 million) from syndicated term finance and TFCs' respectively. The Group has also paid loan arrangement fee, amounting to Rs 106.662 million, out of which Rs 88.160 million (June 30, 2011: Rs 88.160 million) was included in the amortised cost of the long term financing whereas the unamortised portion, amounting to Rs 18,502 million (June 30, 2011: Rs 18,502 million).





	Note	(Unaudited) March 31, 2012	(Audited) June 30, 2011
		----- (Rupees in '000) -----	
7. TRADE AND OTHER PAYABLES			
Creditors		107,975	300,195
Agents' and owners' balances		73,076	148,878
Accrued liabilities		481,667	667,512
Deposits	7.1	35,566	30,907
Derivative instruments			
- cross currency interest rate swap	7.2	64,508	-
- interest rate swap	7.3	(17,068)	-
		47,440	
Workers' Profits Participation Fund		-	11,503
Unclaimed dividends		26,766	25,032
Advance from customers		139,630	136,813
Other liabilities			
- amounts retained from contractors		24,181	25,740
- others		73,303	67,703
		97,484	93,443
		<u>1,009,604</u>	<u>1,414,283</u>

7.1 These deposits are interest free and are repayable on demand or on completion of specific contracts.

7.2 The Group has entered into a derivative cross currency interest rate swap of Rs 8,513.300 million in respect of its borrowing (note 6). Under the terms of the cross currency swap arrangement, the Group is required to pay LIBOR plus 3.75% to the arranging bank on the borrowing denominated in USD (USD notional) for the purpose of cross currency swap, and receive KIBOR plus 2.20% from the arranging bank. Further, the Group shall pay / receive any exchange loss / gain on the USD notional outstanding at each quarter end. The net fair value of this cross currency interest rate swap as determined by the bank was Rs 140.141 million (unfavourable) to the Corporation as of the balance sheet date. Moreover, the net amount receivable in relation to the net exchange loss payable and interest receivable amounts to Rs 75.633 million.

7.3 The Group has entered into an interest rate swap of Rs 600 million on part of its borrowing (note 6). Under the arrangement, the Group has fixed its floating KIBOR receivable under the cross currency interest rate swap (note 7.2) at 13%. The net fair value of this interest rate swap, as determined by the bank, was Rs 17.068 million (favourable) to the Group as of the balance sheet date.

8. CONTINGENCIES AND COMMITMENTS

8.1 There has been no material change in the status of contingencies reported in the financial statements of the Group for the year ended June 30, 2011.



Quarterly Report March 31, 2012

		(Unaudited) March 31, 2012	(Audited) June 30, 2011
		----- (Rupees in '000) -----	
8.2	Commitments for capital expenditure	<u>287,011</u>	<u>165,029</u>
8.3	Outstanding letters of guarantee	<u>2,126</u>	<u>2,126</u>
		----- Un-audited -----	
	Note	Nine months period ended March 31, 2012	Nine months period ended March 31, 2011
9.	CASH GENERATED FROM OPERATIONS	----- (Rupees in '000) -----	
	Profit before taxation	252,012	1,123,264
	Adjustments for non-cash charges and other items:		
	Depreciation	887,328	779,067
	Loss / (Profit) on disposal of property, plant and equipment	105,225	(160,699)
	Loss on fixed assets written off	-	2,538
	Provision for employees' gratuity	82,304	15,791
	Provision for employees' compensated absences	31,288	74,079
	Provision for post retirement medical benefits	44,847	23,158
	Liabilities no longer required written back	(12,074)	(45)
	Dividend income	(201)	(1,144)
	Provision for doubtful balances / receivables	-	4,057
	Interest / mark-up income	(148,389)	(132,978)
	Interest / mark-up expense	874,580	271,997
	Gain on cross currency interest rate swap	(46,887)	(51,787)
	Gain on interest rate swap	(17,068)	-
	Loss / (gain) on revaluation of investments	3,158	(1,340)
	Gain on revaluation of investment property	-	(25,713)
	Provision reversed against claims for damages	(3,236)	(13,597)
	Working capital changes	(433,456)	(422,312)
9.1	WORKING CAPITAL CHANGES	<u>1,619,431</u>	<u>1,484,336</u>
	(Increase) / decrease in current assets:		
	Stores and spares	33,551	(84,672)
	Trade debts	(165,167)	(307,756)
	Agents' and owners' balances	4,562	(16,401)
	Loans and advances	27,680	(86,698)
	Deposits and prepayments	(29,031)	(8,710)
	Other receivables	36,240	(62,015)
	Incomplete voyages	92,992	76,664
	Insurance claims	8,965	(4,185)
		9,792	(493,773)
	(Decrease) / Increase in current liabilities:		
	Trade and other payables	(443,248)	71,461
		<u>(433,456)</u>	<u>(422,312)</u>



------(Unaudited)-----
 March 31, March 31,
 2012 2011
 -----(Rupees in '000)-----

10. CASH AND CASH EQUIVALENTS

Short-term investments	977,440	600,000
Cash and bank balances	<u>1,685,739</u>	<u>1,983,959</u>
	<u>2,663,179</u>	<u>2,583,959</u>

11. TRANSACTIONS WITH RELATED PARTIES

The Group has related party relationships with its subsidiaries, associate, employee benefit plans and its directors and executive officers (including their associates). Transactions with related parties essentially entail investments made in subsidiary companies, dividend income received from related investee companies, freight income and chartering revenue recovered, services fee charged on account of rendering of technical, commercial, administrative and financial services, expenses charged to subsidiary companies on actual cost basis etc. Service fee charges on account of rendering of technical, commercial, administrative and financial services is charged to subsidiary companies and related parties on the basis of mutually agreed terms. Further, transactions entered into with the key management personnel as per their terms of employment are also included in related party transactions.

The significant transactions carried out by the Group with related parties during the period are given below:

Name and particulars	Relationship with the Group	------(Unaudited)-----	
		Nine months period ended March 31, 2012	Nine months period ended March 31, 2011
		------(Rupees in '000)-----	
Contribution to provident fund	Associate	7,052	8,032
Directors' fee	Associate	320	280
Key management personnel compensation		21,445	17,048

- 11.1 In addition, the Group is also engaged in making certain payments / collections on behalf of the subsidiary companies in accordance with the Technical and Commercial Services and Administrative and Financial Services Agreement which are settled through current accounts.

12. CORRESPONDING FIGURES

Corresponding figures have been rearranged for the quarter and nine months period ended March 31, 2012 in the profit and loss account for the purpose of better presentation.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 23, 2012 by the Board of Directors of the holding company.

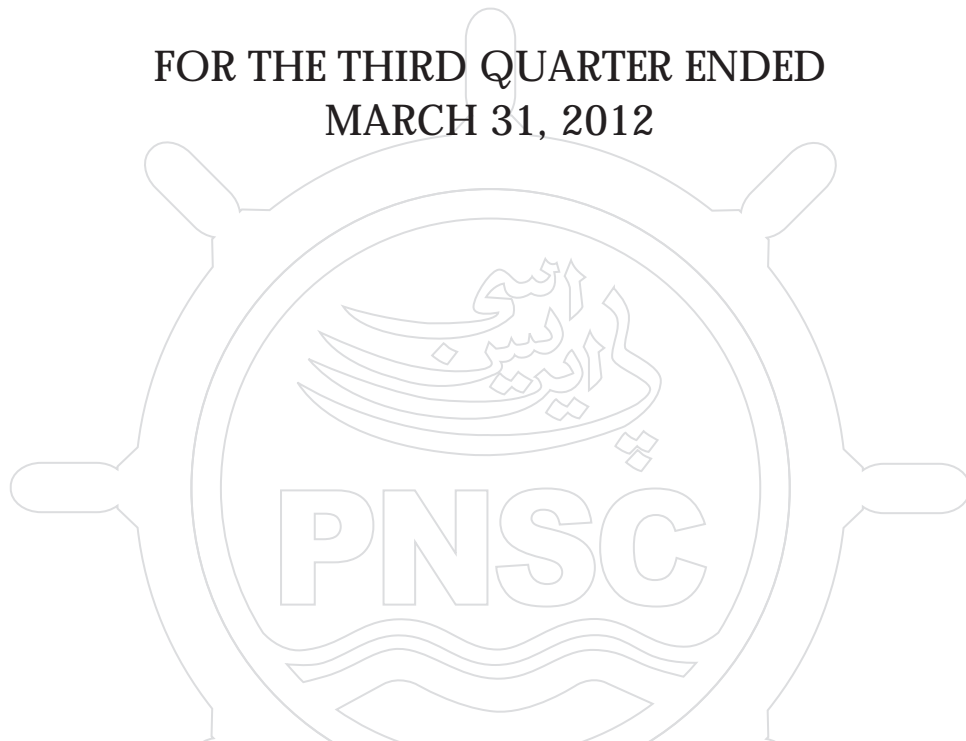
V. Admiral (Retd) Saleem Ahmed Meenai HI (M)
 Chairman & Chief Executive

Khawaja Obaid Imran Ilyas
 Director

**PAKISTAN NATIONAL
SHIPPING CORPORATION**

**UN-AUDITED
INTERIM FINANCIAL STATEMENTS**

**FOR THE THIRD QUARTER ENDED
MARCH 31, 2012**





PAKISTAN NATIONAL SHIPPING CORPORATION
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2012

	Note	(Unaudited) March 31, 2012	(Audited) June 30, 2011
ASSETS			
NON-CURRENT ASSETS			
------(Rupees in '000)-----			
Property, plant and equipment	3	1,360,914	1,408,252
Investment properties		997,629	996,638
Long-term investments in:			
- Related parties (subsidiaries and an associate)		23,852,949	19,197,791
- Listed companies and an entity		23,725	26,883
		23,876,674	19,224,674
Long-term loans and advances			
- Related parties (subsidiaries)		-	4,655,158
- Others		84	214
		84	4,655,372
Deferred tax		33,374	18,890
		26,268,675	26,303,826
CURRENT ASSETS			
Stores and spares		16,914	20,499
Trade debts	4	511,764	272,125
Agents' and owners' balances		1,881	6,443
Loans and advances		34,872	62,384
Deposits and short-term prepayments		32,611	27,550
Interest / mark-up accrued		6,632	2,505
Other receivables	5	28,383	328,364
Incomplete voyages		803	18,532
Insurance claims		-	30
Taxation - net		27,356	-
Short-term investments		972,040	471,900
Cash and bank balances		1,684,042	2,098,976
		3,317,298	3,309,308
TOTAL ASSETS		29,585,973	29,613,134
EQUITY AND LIABILITIES			
Share Capital:			
Authorised (200,000,000 Ordinary shares of 10 each)		2,000,000	2,000,000
Issued, subscribed and paid-up capital		1,320,634	1,320,634
Reserves		5,379,137	5,565,343
		6,699,771	6,885,977
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		656,575	662,817
NON-CURRENT LIABILITIES			
Long-term financing	6	6,142,140	6,941,694
Deferred liabilities		410,378	320,395
		6,552,518	7,262,089
CURRENT LIABILITIES			
Trade and other payables	7	14,465,342	13,531,891
Provision against damage claims		25,091	28,327
Current maturity of long-term financing	6	1,079,763	1,079,763
Accrued mark-up on long-term financing		106,913	134,898
Taxation - net		-	27,372
		15,677,109	14,802,251
TOTAL EQUITY AND LIABILITIES		29,585,973	29,613,134
CONTINGENCIES AND COMMITMENTS			
	8		

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

V. Admiral (Retd) Saleem Ahmed Meenai HI (M)
Chairman & Chief Executive

Khawaja Obaid Imran Ilyas
Director





Quarterly Report March 31, 2012

PAKISTAN NATIONAL SHIPPING CORPORATION
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012

	Quarter ended March 31, 2012	Quarter ended March 31, 2011	Nine months period ended March 31, 2012	Nine months period ended March 31, 2011
	----- (Rupees in '000) -----			
REVENUE				
Chartering revenue	571,459	1,018,683	1,609,214	1,732,129
Services fee	66,111	60,319	199,150	198,323
Rental income	19,644	24,649	61,042	73,163
Dividend income from subsidiaries	-	-	235,469	206,932
	<u>657,214</u>	<u>1,103,651</u>	<u>2,104,875</u>	<u>2,210,547</u>
EXPENDITURE				
Fleet expenses - direct	(357,097)	(623,452)	(901,393)	(1,027,602)
- indirect	(3,120)	(2,882)	(9,367)	(10,209)
Vessel management expenses	(114,291)	(90,929)	(341,168)	(325,512)
Real estate expenses	(19,203)	(16,399)	(71,120)	(58,312)
	<u>(493,711)</u>	<u>(733,662)</u>	<u>(1,323,048)</u>	<u>(1,421,635)</u>
GROSS PROFIT	<u>163,503</u>	<u>369,989</u>	<u>781,827</u>	<u>788,912</u>
Administrative and general expenses	(30,375)	(35,833)	(75,862)	(70,632)
Other operating expenses	(161,148)	50,281	(295,791)	(139,636)
Finance costs	(157,368)	(178,370)	(683,942)	(274,330)
	<u>(348,891)</u>	<u>(163,922)</u>	<u>(1,055,595)</u>	<u>(484,598)</u>
Other operating income	145,991	110,282	300,579	268,456
(LOSS) / PROFIT BEFORE TAXATION	<u>(39,397)</u>	<u>316,349</u>	<u>26,811</u>	<u>572,770</u>
Taxation	(49,014)	(216,856)	(88,791)	(234,922)
(LOSS) / PROFIT AFTER TAXATION	<u>(88,411)</u>	<u>99,493</u>	<u>(61,980)</u>	<u>337,848</u>
----- (Rupees) -----				
(LOSS) / EARNINGS PER SHARE - Basic and Diluted	(0.67)	0.75	(0.47)	2.56

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

V. Admiral (Retd) Saleem Ahmed Meenai HI (M)
Chairman & Chief Executive

Khawaja Obaid Imran Ilyas
Director



PAKISTAN NATIONAL SHIPPING CORPORATION
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012

	Issued, subscribed and paid-up share capital	Capital Reserve	Revenue reserve Unappro- priated profit	Total
	(Rupees in '000)			
Balance as at July 1, 2010	1,320,634	126,843	5,014,138	6,461,615
Final cash dividend for the year ended June 30,2010 (Rs 1.50 per ordinary share)	-	-	(198,095)	(198,095)
Total comprehensive income for the nine months period ended March 31, 2011	-	-	337,848	337,848
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets during the period recognised directly in equity - net of tax	-	-	11,314	11,314
Balance as at March 31, 2011	<u>1,320,634</u>	<u>126,843</u>	<u>5,165,205</u>	<u>6,612,682</u>
Balance as at July 1, 2011	1,320,634	126,843	5,438,500	6,885,977
Final cash dividend for the year ended June 30,2011 (Rs 1 per ordinary share)	-	-	(132,063)	(132,063)
Total comprehensive income for the nine months period ended March 31, 2012	-	-	(61,980)	(61,980)
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets during the period recognised directly in equity - net of tax	-	-	7,837	7,837
Balance as at March 31, 2012	<u>1,320,634</u>	<u>126,843</u>	<u>5,252,294</u>	<u>6,699,771</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

V. Admiral (Retd) Saleem Ahmed Meenai HI (M)
Chairman & Chief Executive

Khawaja Obaid Imran Ilyas
Director



Quarterly Report March 31, 2012

PAKISTAN NATIONAL SHIPPING CORPORATION
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012

	Note	Nine months period ended March 31, 2012	Nine months period ended March 31, 2011
Cash flows from operating activities		------(Rupees in '000)-----	
Cash generated from operations	9	1,383,953	1,959,921
Employees' gratuity paid		(16,742)	(42,345)
Employees' compensated absences paid		(43,037)	(60,018)
Post retirement medical benefits paid		(8,678)	(2,981)
Long-term loans and advances		130	206
Finance costs paid		(892,296)	(196,341)
Receipts under cross currency interest rate swap		199,355	65,174
Arrangement fee paid		-	(106,662)
Taxes paid		(158,003)	(227,929)
Net cash generated from operating activities		464,682	1,389,025
Cash flows from investing activities			
Fixed capital expenditure		(60,799)	(35,189)
Proceeds from disposal of property, plant and equipment		13,182	40,479
Additions in investment properties		(991)	
Long-term loans and advances - related parties		-	(5,973,637)
Interest / mark-up received		144,262	130,739
Dividends received		465,022	206,610
Net cash generated from / (used in) investing activities		560,676	(5,630,998)
Cash flows from financing activities			
Long-term financing (paid) / obtained		(809,823)	4,499,359
Dividends paid		(130,329)	(195,417)
Net cash (used in) / generated from financing activities		(940,152)	4,303,942
Net increase in cash and cash equivalents		85,206	61,969
Cash and cash equivalents at the beginning of period		2,570,876	2,515,185
Cash and cash equivalents at the end of the period	10	<u>2,656,082</u>	<u>2,577,154</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

V. Admiral (Retd) Saleem Ahmed Meenai HI (M)
Chairman & Chief Executive

Khawaja Obaid Imran Ilyas
Director



PAKISTAN NATIONAL SHIPPING CORPORATION
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012 (UNAUDITED)

1. THE CORPORATION AND ITS OPERATIONS

- 1.1 Pakistan National Shipping Corporation (the Corporation) was established under the provisions of the Pakistan National Shipping Corporation Ordinance, 1979 and is principally engaged in the business of shipping, including charter of vessels, transportation of cargo and other related services and providing commercial, technical, administrative, financial and other services to third parties in relation to the business of shipping. The Corporation is also engaged in renting out its properties to tenants under lease arrangements. The Corporation is listed on the Karachi and Lahore Stock Exchanges. The Corporation's registered office is situated in PNSC Building, Moulvi Tamizuddin Khan Road, Karachi.

The Corporation had applied for delisting from the Lahore Stock Exchange (LSE) in the year 2002. However, at present, the matter of delisting from LSE is pending subject to a final decision by the Supreme Court.

- 1.2 These financial statements are separate financial statements of the Corporation in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest and are not consolidated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim financial statements of the Corporation for the nine months period ended March 31, 2012 have been prepared in accordance with the requirements of the International Accounting Standard No. 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.

These condensed interim financial statements comprise of the condensed interim balance sheet as at March 31, 2012 and the condensed interim profit and loss account, condensed interim statement of changes in equity and the condensed interim cash flow statement for the nine months period ended March 31, 2012. These condensed interim financial statements also include the condensed interim profit and loss account for the quarter ended March 31, 2012.

The comparative balance sheet, presented in these condensed interim financial statements, as at June 30, 2011 has been extracted from the audited financial statements of the Corporation for the year ended June 30, 2011 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement are for the nine months period ended March 31, 2011.



2.1.1 Standards, amendments and interpretations effective for the period beginning from July 1, 2011:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or have any significant effect on the Corporation's operations and are, therefore, not disclosed in this condensed interim financial statements.

2.1.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

IAS 19, 'Employee benefits' (effective for periods beginning on or after January 1, 2013). The impact on the Corporation will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in other comprehensive income as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability / (asset). The Corporation is yet to assess the full impact of the amendments.

Certain other standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or have any significant effect on the Corporation's operations and are therefore not detailed in this condensed interim financial statements.

2.2 Accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2011.

2.3 On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees' Stock Option Scheme (the "Schemes") for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises where GoP holds significant investments (non-SOEs). The scheme is applicable to permanent and contractual employees who were in employment of these entities on the date of launch of the Scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GoP shall transfer 12% of its investment in such SOEs and non-SOEs to a trust fund to be created for the purpose of such entities. The eligible employees would be allotted units by each Trust Fund in proportion to their respective length of service and on retirement or termination of such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units as would be determined based on market price of listed entities or breakup value of non-listed entities. The shares related to the surrendered units would be transferred back to GoP.



The scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund managed by the Privatisation Commission of Pakistan for payment to employees against surrendered units. The deficits, if any, in Trust Funds to meet the re-purchase commitment would be met by GoP.

The Scheme, developed in compliance with the stated GoP policy of the empowerment of employees of State Owned Enterprises need to be accounted for by the covered entities, including the Corporation, under the provisions of amended International Financial Reporting Standard-2 'Share Based Payments' (IFRS 2). However, keeping in view the difficulties that may be faced by the entities covered under the Scheme, the Securities & Exchange Commission of Pakistan on receiving the representation from some of the entities covered under the Scheme and after having consulted the Institute of Chartered Accountants of Pakistan, has granted exemption vide SRO 587(I)/2011 dated June 7, 2011 to such entities from application of IFRS 2 to the Scheme.

	Note	(Unaudited) March 31, 2012	(Audited) June 30, 2011
		------(Rupees in '000)-----	
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1 and 3.2	1,084,671	1,150,549
Capital work-in-progress		276,243	257,703
		<u>1,360,914</u>	<u>1,408,252</u>
		------(Unaudited)-----	
		Nine months period ended March 31, 2012	Nine months period ended March 31, 2011
		------(Rupees in '000)-----	
3.1 Additions to fixed assets (including transfers from CWIP) during the period mainly include:			
Buildings on leasehold land		7,648	276,178
Vehicles		4,082	-
Office machines and appliances		837	1,128
Furniture and fixtures		116	19,284
Equipment on board		952	-
Workshop machinery and equipment		113	231
Computer equipment		1,754	3,858
		<u>15,502</u>	<u>300,679</u>
3.2 Details of fixed assets written off /disposed off during the period:			
Net book value of assets written off		-	40,490
Net book value of assets disposed off		<u>4,817</u>	<u>447</u>



	Note	(Unaudited) March 31, 2012	(Audited) June 30, 2011
		----- (Rupees in '000) -----	
4. TRADE DEBTS			
- Considered good	4.1	511,764	272,125
- Considered doubtful		17,625	17,625
		529,389	289,750
Provision for impairment	4.2	(17,625)	(17,625)
		511,764	272,125

4.1 The ageing analysis of unimpaired trade debts is as follows:

Upto 1 month	62,478	172,099
1 month to 6 months	221,907	45,141
More than 6 months	227,379	54,885
	511,764	272,125

4.2 Provision for impairment

Balance at the beginning of the period	17,625	17,596
Amounts provided for during the period	-	29
	17,625	17,625

As at March 31, 2012, trade debts of Rs 17.625 million (June 30, 2011: Rs 17.625 million) were impaired and provided for. These balances are outstanding for more than three years.

	Note	(Unaudited) March 31, 2012	(Audited) June 30, 2011
		----- (Rupees in '000) -----	
5. OTHER RECEIVABLES			
Rent receivable:			
- Considered good	5.1	9,155	6,184
- Considered doubtful		4,600	4,600
		13,755	10,784
Provision for impairment of rent receivable	5.2	(4,600)	(4,600)
		9,155	6,184
Derivative cross currency interest rate swap	7.2	-	87,960
Others:			
- Considered good		19,228	234,220
- Considered doubtful		12,659	12,659
		31,887	246,879
Provision for impairment of other receivables	5.3	(12,659)	(12,659)
		19,228	234,220
		28,383	328,364



		(Unaudited) March 31, 2012 ------(Rupees in '000)-----	(Audited) June 30, 2011 -----
5.1	The ageing analysis of rent receivables is as follows:		
	Upto 1 month	4,757	3,407
	1 to 6 months	2,334	2,277
	More than 6 months	2,064	500
		<u>9,155</u>	<u>6,184</u>
5.2	Provision for impairment of rent receivables		
	Balance at the beginning of the period	4,600	4,359
	Provision made during the period	-	241
		<u>4,600</u>	<u>4,600</u>
	As at March 31, 2012, rent receivables of Rs 4.600 million (June 30, 2011:Rs 4.600 million) were impaired and provided for. These receivables were outstanding for more than three years.		
	Note	(Unaudited) March 31, 2012 ------(Rupees in '000)-----	(Audited) June 30, 2011 -----
5.3	Provision for impairment of others		
	Balance at the beginning of the period	12,659	8,851
	Provision made during the period	-	3,808
		<u>12,659</u>	<u>2,659</u>
6.	LONG-TERM FINANCING		
	Financing under syndicate term finance agreement	6.1	6,310,400
	Current maturity shown under current liabilities		<u>(943,482)</u>
			5,366,918
	Term Finance Certificates	6.1	911,503
	Current maturity shown under current liabilities		<u>(136,281)</u>
			775,222
			<u>6,142,140</u>
			7,009,040
			<u>(943,482)</u>
			6,065,558
			1,012,417
			<u>(136,281)</u>
			876,136
			<u>6,941,694</u>

- 6.1 The Corporation obtained a financing facility of Rs 10,300 million (June 30, 2011: Rs 10,300 million). The financing was obtained in the form of a Syndicated term finance loan of Rs 9,000 million and the remaining amount of Rs 1,300 million will be obtained by issuing redeemable capital in the form of Term Finance Certificates (TFCs), with a face value of Rs 5,000 each by way of private placement.



The financing carries mark-up of KIBOR+ 2.20%. The loan along with the mark-up is repayable on quarterly basis and the last repayment date is November 23, 2018. The facility is secured by a first mortgage charge over certain vessels owned by its subsidiary companies, all present and future receivables of the Corporation from three major customers and its investment properties.

As at March 31, 2012, the Corporation has drawn Rs 7,438.806 million (June 30, 2011: Rs 7,438.806) and Rs 1,074.494 million (June 30, 2011: Rs 1,074.494 million) from syndicated term finance and TFCs' respectively. The Corporation has also paid loan arrangement fee, amounting to Rs 106.662 million, out of which Rs 88.160 million (June 30, 2011: Rs 88.160 million) was included in the amortised cost of the long term financing whereas the unamortised portion, amounting to Rs 18.502 million (June 30, 2011: Rs 18.502 million), has been included in deposits and short-term prepayments

	Note	(Unaudited) March 31, 2012	(Audited) June 30, 2011
		----- (Rupees in '000) -----	
7. TRADE AND OTHER PAYABLES			
Creditors		37,374	115,012
Current account balances with subsidiary companies		13,936,950	12,874,760
Agents' and owners' balances		73,076	148,878
Accrued liabilities		71,364	95,543
Deposits	7.1	35,566	30,907
Derivative instruments			
- cross currency interest rate swap	7.2	64,508	-
- interest rate swap	7.3	(17,068)	-
		47,440	-
Workers' Profits Participation Fund		-	11,503
Unclaimed dividends		26,766	25,032
Advance from customers		139,630	136,813
Other liabilities			
- amounts retained from contractors		24,181	25,740
- others		72,995	67,703
		97,176	93,443
		14,465,342	13,531,891

7.1 These deposits are interest free and are repayable on demand or on completion of specific contracts.

7.2 The Corporation has entered into a derivative cross currency interest rate swap of Rs 8,513.300 million in respect of its borrowing (note 6). Under the terms of the cross currency swap arrangement, the Corporation is required to pay LIBOR plus 3.75% to the arranging bank on the borrowing denominated in USD (USD notional) for the purpose of cross currency swap, and receive KIBOR plus 2.20% from the arranging bank. Further, the Corporation shall pay / receive any exchange loss / gain on the USD



notional outstanding at each quarter end. The net fair value of this cross currency interest rate swap as determined by the bank was Rs 140.141 million (unfavourable) to the Corporation as of the balance sheet date. Moreover, the net amount receivable in relation to the net exchange loss payable and interest receivable amounts to Rs 75.633 million.

- 7.3 The Corporation has entered into an interest rate swap of Rs 600 million on part of its borrowing (note 6). Under the arrangement, the Corporation has fixed its floating KIBOR receivable under the cross currency interest rate swap (note 7.2) at 13%. The net fair value of this interest rate swap, as determined by the bank, was Rs 17.068 million (favourable) to the Corporation as of the balance sheet date.

8. CONTINGENCIES AND COMMITMENTS

Contingencies

- 8.1 There has been no material change in the status of contingencies reported in the financial statements of the Corporation for the year ended June 30, 2011.

		(Unaudited) March 31, 2012	(Audited) June 30, 2011
		------(Rupees in '000)-----	
	Commitments		
8.2	Outstanding letters of guarantee	2,126	2,126
8.3	Commitments for capital expenditure	287,011	165,029
		------(Unaudited)-----	
	Note	Nine months period ended March 31, 2012	Nine months period ended March 31, 2011
		------(Rupees in '000)-----	
9.	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	26,811	572,770
	Adjustments for non-cash charges and other items:		
	Depreciation	104,916	52,462
	Profit on disposal of property, plant and equipment	(8,365)	(2,080)
	Loss on fixed assets written off	-	2,538
	Provision for employees' gratuity	82,304	15,791
	Provision for employees' compensated absences	44,847	74,078
	Provision for post retirement medical benefits	31,288	23,158
	Liabilities no longer required written back	(12,074)	(45)
	Dividend income	(235,670)	(206,932)
	Provision for doubtful balances / receivables	-	4,065
	Interest / mark-up income	(148,398)	(132,978)
	Interest / mark-up expense	874,580	271,997
	Gain / loss on cross currency interest rate swap	(46,887)	(51,787)
	Gain on interest rate swap	(17,068)	-
	Loss / (gain) on revaluation of investments	3,158	(1,340)
	Gain on revaluation of investment property	-	(25,713)
	Provision reversed against claims for damages	(3,236)	(13,918)
	Working capital changes	687,7381	1,377,855
		9.1	
		1,383,953	1,959,921



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	Nine months period ended March 31, 2012 ------(Rupees in '000)-----	Nine months period ended March 31, 2011 ------(Rupees in '000)-----
9.1 WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Stores and spares	3,585	1,662
Trade debts	(239,639)	(268,024)
Agents' and owners' balances	4,562	(16,401)
Loans and advances	27,512	(86,698)
Deposits and prepayments	(5,061)	(8,662)
Other receivables	(17,331)	(35,743)
Incomplete voyages	17,729	19,245
Insurance claims	30	572
	(208,613)	(394,049)
Increase in current liabilities:		
Trade and other payables	896,351	1,771,904
	<u>687,738</u>	<u>1,377,855</u>
	------(Unaudited)-----	------(Unaudited)-----
	March 31, 2012	March 31, 2011
	------(Rupees in '000)-----	------(Rupees in '000)-----
10. CASH AND CASH EQUIVALENTS		
Short-term investments	972,040	600,000
Cash and bank balances	<u>1,684,042</u>	<u>1,977,154</u>
	<u>2,656,082</u>	<u>2,577,154</u>
11. TRANSACTIONS WITH RELATED PARTIES		

The Corporation has related party relationships with its subsidiaries, associate, employee benefit plans and its directors and executive officers (including their associates) Transactions with related parties essentially entail investments made in subsidiary companies, dividend income received from related investee companies, freight income and chartering revenue recovered, services fee charged on account of rendering of technical, commercial, administrative and financial services, expenses charged to subsidiary companies on actual cost basis etc. Service fee charges on account of rendering of technical, commercial, administrative and financial services is charged to subsidiary companies and related parties on the basis of mutually agreed terms. Further, transactions entered into with the key management personnel as per their terms of employment are also included in related party transactions.

The significant transactions carried out by the Corporation with related parties during the period are given below:



------(Unaudited)-----			
Name and particulars	Relationship with the Corporation	Nine months period ended March 31, 2012	Nine months period ended March 31, 2011
------(Rupees in '000)-----			
Service fee charged to subsidiary companies	Subsidiary	199,150	198,323
Rental expense of Pakistan Co-operative Ship Stores (Private) Limited	Subsidiary	403	366
Delivery of stores and spares to subsidiary companies	Subsidiary	12,394	13,636
Retirement benefit costs charged to subsidiaries	Subsidiary	5,954	3,816
Contribution to provident fund		7,052	8,032
Directors' fee		320	280
Key management personnel compensation		21,445	17,048
Advance against future issue of shares to Malakand Shipping (Private) Limited	Subsidiary	-	3,313,807
Chitral Shipping (Private) Limited	Subsidiary	-	2,659,081
Dividend from Malakand Shipping (Private) Limited	Subsidiary	50,403	101,992
Dividend from Chitral Shipping (Private) Limited	Subsidiary	55,068	103,796
Dividend from Hyderabad Shipping (Private) Limited	Subsidiary	62,546	-
Dividend from Sibi Shipping (Private) Limited	Subsidiary	67,452	-
Investment in Karachi Shipping (Private) Limited	Subsidiary	-	3,266,458
Investment in Quetta Shipping (Private) Limited	Subsidiary	-	4,999,640
Investment in Lahore Shipping (Private) Limited	Subsidiary	-	3,399,640
Investment in Sibi Shipping (Private) Limited	Subsidiary	2,443,763	-
Investment in Hyderabad Shipping (Private) Limited	Subsidiary	2,211,295	-

- 11.1 In addition, the Corporation is also engaged in making certain payments / collections on behalf of the subsidiary companies in accordance with the Technical and Commercial Services and Administrative and Financial Services Agreement which are settled through current accounts.

12. CORRESPONDING FIGURES

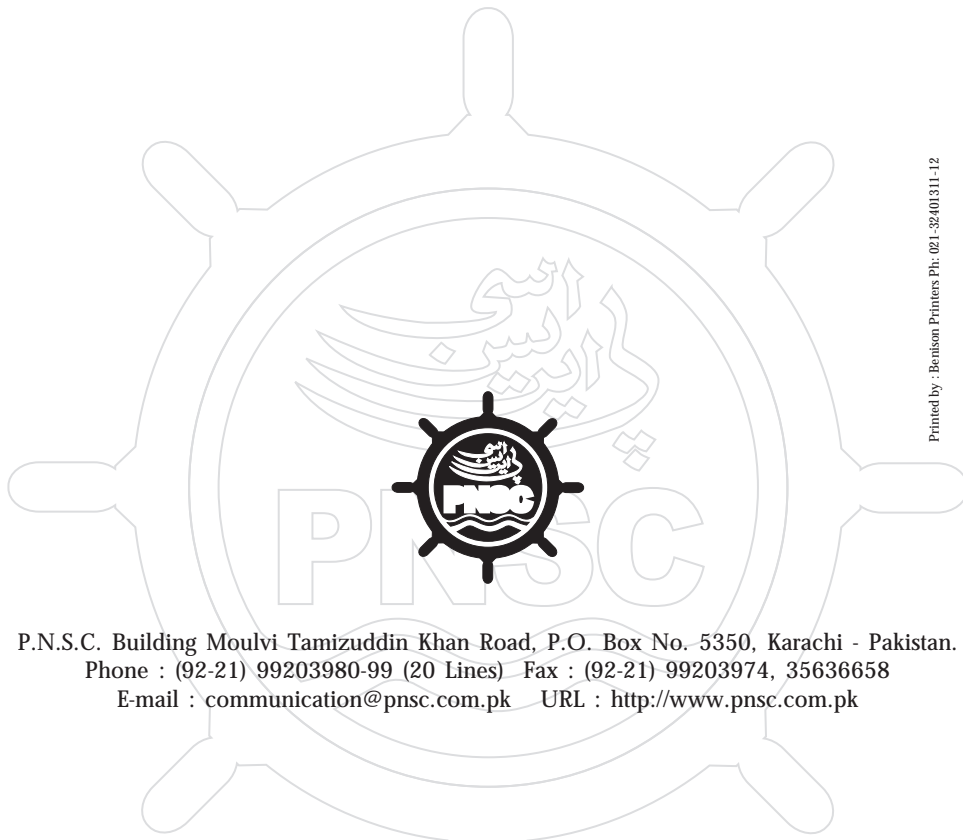
Corresponding figures have been rearranged for the quarter and nine months period ended March 31, 2012 in the profit and loss account for the purpose of better presentation.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 23, 2012 by the Board of Directors of the Corporation.

V. Admiral (Retd) Saleem Ahmed Meenai HI (M)
Chairman & Chief Executive

Khawaja Obaid Imran Ilyas
Director



Printed by : Benison Printers Ph: 021-9240311-12

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