
Pakistan National Shipping Corporation



**Un-Audited Report
For The First Quarter
Ended September 30, 2015**



CORPORATE INFORMATION

Board of Directors

1. Mr. Arif Elahi	Chairman
2. Mr. M. Anwar Malik	Member
3. Mr. Haque Nawaz	Member
4. Ms. Ava A. Cowasjee	Member
5. Mr. Akbar Adil	Member
6. Mr. Khowaja Obaid Imran Ilyas	Member
7. Capt. Anwar Shah	Member

Audit Committee of the Board

1. Mr. Khowaja Obaid Imran Ilyas	Chairman
2. Capt. Anwar Shah	Member
3. Mr. Akbar Adil	Member
4. Ms. Zainab Suleman	Secretary

HR Committee

1. Capt. Anwar Shah	Chairman
2. Ms. Ava A. Cowasjee	Member
3. Mr. Akbar Adil	Member

Commercial Committee

1. Mr. Akbar Adil	Chairman
2. Capt. Anwar Shah	Member
3. Ms. Ava A. Cowasjee	Member

Chief Financial Officer

Mr. Imtiaz C. Agboatwala

Secretary

Ms. Zainab Suleman

Chief Internal Auditor

Mr. Babar Jamal Zubairi

Head Office

PNSC Building, Moulvi Tamizuddin Khan Road,
Karachi - 74000

Regional Office

Gulberg Heights, Lower ground floor, Near Sherpao
Bridge Gulberg, Lahore, Pakistan.

Auditors

1. A. F. Ferguson & Co., Chartered Accountants
2. Ernst & Young Ford Rhodes Sidat Hyder.,
Chartered Accountants

Shares Registrar

M/s Technology Trade (Pvt.) Ltd.
Dagia House 241-C, Block 2, P.E.C.H.S
Off Sharah-e-Quaideen, Karachi.

Bankers

Bank Alfalah Limited
Bank Alfalah, Bahrain
Bank Al-Habib Bahrain
Faysal Bank Limited
Habib Bank Limited
Habib Bank Limited New York
JS Bank Limited
Mashreq Bank, UAE
National Bank of Pakistan
National Bank of Pakistan, Hong Kong
National Bank of Pakistan, Tokyo
Samba Bank Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank
UniCredit Bank, Italy
United Bank Limited, London



**PAKISTAN NATIONAL SHIPPING CORPORATION
DIRECTORS' REPORT
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

The Directors of Pakistan National Shipping Corporation (PNSC) are pleased to present the un-audited financial statements for the first quarter ended September 30, 2015.

OVERVIEW

The PNSC Group achieved a turnover of Rs 2,978 million (including Rs 1,086 million from PNSC) as compared to Rs 3,976 million (including Rs 2,302 million from PNSC) for the corresponding period last year. The decline is attributable to lesser shipments of Oil in the quarter. Direct operating expenses also reduced to Rs. 2,445 million (including Rs 1,301 million from PNSC) from Rs. 3,418 million (including Rs 2,212 million from PNSC), thereby resulting in Gross Profit Rs 533 Million as against Rs 558 Million for the same period last year. A net After Tax Profit of Rs 59.9 Million was achieved during this period. PNSC also took the initiative of swapping an expensive loan acquired in 2010, with a lower cost effective loan from another Commercial Bank that will result in reduction in Finance Costs. Also a part of the Loan (Rs 700 million) was paid earlier to avoid high Mark-up.

FUTURE PROSPECTS

The Wet Cargo freight market continues to be steady and to cater to requirements, PNSC plans to add more vessels in its fleet. The Dry Bulk Market is however weak and we strive to keep Vessels deployed at best available rates.

PNSC is also exploring new opportunities, like starting Ferry Service and Oil Storage facilities, both shore and floating.

**Arif Elahi P.A.S.
Chairman**

Karachi: October 27, 2015



**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2015**

	(Unaudited) September 30, 2015	Audited June 30 2015
Note	----- (Rupees in '000)-----	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4 24,926,531	25,178,610
Investment properties	1,767,473	1,767,473
Long-term investments in listed companies and an other entity	40,963	53,434
Long-term loans	58	58
Long-term deposits	90	90
Deferred tax	97,669	97,669
	26,832,784	27,097,334
CURRENT ASSETS		
Stores and spares	618,951	624,542
Trade debts - unsecured	5 2,425,775	2,263,510
Agents' and owners' balances - unsecured	12,883	18,065
Loans and advances	121,536	102,562
Trade deposits and short-term prepayments	73,922	54,754
Interest / mark-up accrued	29,104	38,271
Other receivables	6 226,451	277,309
Incomplete voyages	79,069	-
Insurance claims	327	393
Taxation - net	1,017,784	1,019,637
Short-term investments	1,777,250	1,961,375
Cash and bank balances	1,850,310	2,812,430
	8,233,362	9,172,848
TOTAL ASSETS	35,066,146	36,270,182
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY		
Share capital	1,320,634	1,320,634
Reserves	23,001,650	22,952,012
	24,322,284	24,272,646
NON-CONTROLLING INTEREST		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	3,091	2,961
	24,325,375	24,275,607
SURPLUS ON REVALUATION OF FIXED ASSETS	1,131,132	1,131,132
NON-CURRENT LIABILITIES		
Long term financing - secured	7 4,670,188	5,748,035
Deferred liabilities	870,569	851,561
	5,540,757	6,599,596
CURRENT LIABILITIES AND PROVISIONS		
Trade and other payables	8 2,273,418	2,440,420
Provision against damage claims	25,076	20,223
Current maturity of long-term financing	7 1,702,054	1,702,054
Incomplete Voyages	-	18,452
Accrued mark-up on long-term financing	68,334	82,698
	4,068,882	4,263,847
TOTAL EQUITY AND LIABILITIES	35,066,146	36,270,182
CONTINGENCIES AND COMMITMENTS		
	9	

The annexed notes 1 to 15 form an integral part of these condensed interim consolidated financial statements.


 Arif Elahi
 Chairman & Chief Executive


 Khowaja Obaid Imran Ilyas
 Director



**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

	Quarter ended September 30, 2015	Quarter ended September 30, 2014
	----- (Rupees in '000) -----	
REVENUES		
Income from shipping business	2,936,068	3,939,939
Rental income	41,764	36,278
	<u>2,977,832</u>	<u>3,976,217</u>
EXPENDITURES		
Fleet expenses - direct	(2,409,592)	(3,380,530)
- Indirect	(5,186)	(6,784)
Real estate expenses	(30,392)	(30,572)
	<u>(2,445,170)</u>	<u>(3,417,886)</u>
GROSS PROFIT	532,662	558,331
Administrative expenses	(217,845)	(223,822)
Other expenses	(124,965)	(81,857)
Other income	136,332	265,053
	<u>(206,478)</u>	<u>(40,626)</u>
OPERATING PROFIT	326,184	517,705
Finance costs	(222,551)	(270,523)
PROFIT BEFORE TAXATION	103,633	247,182
Taxation	(43,753)	(60,035)
PROFIT AFTER TAXATION	59,880	187,147
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME	<u>59,880</u>	<u>187,147</u>
Attributable to:		
Equity holders of the Holding Company	59,750	187,087
Non-controlling interest	130	60
	<u>59,880</u>	<u>187,147</u>
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP - BASIC & DILUTED	----- (Rupees) -----	
	<u>0.45</u>	<u>1.42</u>

The annexed notes 1 to 15 form an integral part of these condensed interim consolidated financial statements.


 Arif Elahi
 Chairman & Chief Executive


 Khowaja Obaid Imran Ilyas
 Director



**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

	Issued, subscribed and paid-up share capital	Capital Reserves	Revenue reserve			Non- controlling interest	Total
			General Reserves	Remeasurement of post retirement benefits obliga- tion - net of tax	Unappropri- ated profit		
----- (Rupees in '000) -----							
Balance at July 01, 2014	1,320,634	131,344	129,307	(226,522)	21,109,889	2,515	22,467,167
Total comprehensive income for the first quarter ended September 30, 2014	-	-	-	-	187,087	60	187,147
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged	-	-	-	-	-	-	-
Balance as at September 30, 2014	<u>1,320,634</u>	<u>131,344</u>	<u>129,307</u>	<u>(226,522)</u>	<u>21,296,976</u>	<u>2,575</u>	<u>22,654,314</u>
Balance at July 01, 2015	1,320,634	131,344	129,307	(342,905)	23,034,266	2,961	24,275,607
Total comprehensive income for the first quarter 30, 2014 ended September 30, 2015	-	-	-	-	59,750	130	59,880
Transaction cost incurred for issue of further share capital of subsidiary	-	-	-	-	(10,112)	-	(10,112)
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	-	-	-	-
Balance as at September 30, 2015	<u>1,320,634</u>	<u>131,344</u>	<u>129,307</u>	<u>(342,905)</u>	<u>23,083,904</u>	<u>3,091</u>	<u>24,325,375</u>

The annexed notes 1 to 15 form an integral part of these condensed interim consolidated financial statements.


Arif Elahi
Chairman & Chief Executive


Khowaja Obaid Imran Ilyas
Director



**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

	Quarter ended September 30, 2015	Quarter ended September 30, 2014
Note		
	------(Rupees in '000)-----	
Cash flows from operating activities		
Cash generated from operations	10 171,448	379,000
Employees' gratuity paid	(4,049)	(3,279)
Employees' compensated absences paid	(29,504)	(18,759)
Post retirement medical benefits paid	(6,274)	(4,115)
Finance costs paid	(172,108)	(192,940)
Receipts / Payments under cross currency and interest rate swap - net	21,156	37,236
Taxes paid	(41,900)	(85,258)
Net cash (used in) / generated from operating activities	(61,231)	111,885
Cash flows from investing activities		
Purchase of property, plant and equipment	(69,278)	(354,934)
Proceeds from disposal of property, plant and equipment	7,767	495,029
Short-term investments redeemed	45,375	-
Interest / mark-up received	64,021	49,964
Dividends received	461	-
Net cash generated from investing activities	48,346	190,059
Cash flows from financing activities		
Long-term financing - net	(1,077,847)	(326,584)
Transaction costs paid for issue of further share capital	(10,112)	-
Dividends paid	(26)	(17)
Net cash used in from financing activities	(1,087,985)	(326,601)
Net decreased in cash and cash equivalents	(1,100,870)	(24,657)
Cash and cash equivalents at the beginning of period	3,312,430	2,649,881
Cash and cash equivalents at the end of the period	11 2,211,560	2,625,224

The annexed notes 1 to 15 form an integral part of these condensed interim consolidated financial statements.


 Arif Elahi
 Chairman & Chief Executive


 Khowaja Obaid Imran Ilyas
 Director



**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

1. THE GROUP AND ITS OPERATIONS

Pakistan National Shipping Corporation (the Holding Company), 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 lease agreements. The Group's registered office is situated at 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

- Muhammadi Engineering Works (Private) Limited

The Holding Company owns 73% (2014: 73%) of the share capital of Pakistan Co-operative Ship Stores (Private) Limited and 100% (2013: 100%) 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, Swat Shipping (Private) Limited, Lalazar Shipping (Private) Limited, Johar Shipping (Private) Limited, Kaghan Shipping (Private) Limited, Khairpur Shipping (Private) Limited, Islamabad Shipping (Private) Limited, Sargodha Shipping (Private) Limited and Makran Shipping (Private) Limited which currently do not own any vessel / tanker.

2 BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Group for the first quarter ended September 30, 2015 have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan for interim financial reporting which comprise of the International Accounting Standard 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 consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended June 30, 2015 as they provide an update of previously reported information.



These condensed interim consolidated financial statements comprise of the condensed interim consolidated balance sheet as at September 30, 2015 and the condensed interim consolidated profit and loss account, the condensed interim consolidated statement of changes in equity, the condensed interim consolidated cash flow statement and notes thereto for the first quarter ended September 30, 2015. These condensed interim consolidated financial statements also include the condensed interim consolidated profit and loss account for the quarter ended September 30, 2014.

The comparative balance sheet presented in these condensed interim consolidated financial statements as at June 30, 2015 has been extracted from the annual audited consolidated financial statements of the Group for the year ended June 30, 2015 whereas the comparative condensed interim consolidated profit and loss account, condensed interim consolidated statement of changes in equity and condensed interim consolidated cash flow statement for the quarter ended September 30, 2014 have been extracted from the condensed interim consolidated financial statements of the Group for the quarter ended September 30, 2014.

These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2015.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2015.

		(Unaudited) Quarter ended September 30, 2015	(Audited) June 30, 2015
	Note	------(Rupees in '000)-----	
4. PROPERTY, PLANT AND EQUIPMENT			
- Operating fixed assets	4.1	24,215,322	24,480,366
- Major spare parts and stand-by equipment		252,454	221,523
- Capital work-in-progress		458,755	476,721
		<u>24,926,531</u>	<u>25,178,610</u>

		(Unaudited) Quarter ended September 30, 2015	Quarter ended September 30, 2014
		------(Rupees in '000)-----	
4.1 Additions to fixed assets (including transfers from CWIP) during the period mainly include:			
Buildings on lease hold land		8,680	834
Office machines and appliances		222	176
Furniture and fixtures		150	8
Computer equipment		716	389
Spares capitalised		28,806	4,337
Class renewal and dry docking		42,064	31,614
Workshop machinery and equipment		29	28
Equipment on board		464	166
Total		<u>81,131</u>	<u>37,552</u>

4.2 Details of fixed assets disposed off during the period:

Net book value of assets disposed off		<u>22</u>	<u>375,543</u>
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	(Unaudited) Quarter ended September 30, 2015	(Audited) June 30, 2015
Note	------(Rupees in '000)-----	
5. TRADE DEBTS - unsecured		
- considered good	5.1 2,425,775	2,263,470
- considered doubtful	<u>232,463</u>	<u>232,503</u>
	2,658,238	2,495,973
Less: provision for impairment	5.2 <u>232,463</u>	<u>232,463</u>
	<u>2,425,775</u>	<u>2,263,510</u>
5.1 The ageing analysis of unimpaired trade debts is as follows:		
Upto 1 month	722,761	482,820
1 month to 6 months	304,543	470,338
More than 6 months	<u>1,398,471</u>	<u>1,310,312</u>
	<u>2,425,775</u>	<u>2,263,470</u>
5.2 As at September 30, 2015, trade debts of Rs 232.463 million (June 30, 2015: Rs 232.463 million) were impaired and provided for.		

	(Unaudited) Quarter ended September 30, 2015	(Audited) June 30, 2015
Note	------(Rupees in '000)-----	
6. OTHER RECEIVABLES		
Rent receivable:		
- considered good	16,974	11,322
- considered doubtful	<u>3,801</u>	<u>3,801</u>
	20,775	15,123
Less: Provision for impairment of rent receivable	<u>3,801</u>	<u>3,801</u>
	16,974	11,322
Amount held by lawyer in respect of a guarantee provided to the court	4,952	4,952
Derivative instruments	8.2 -	62,991
Others:		
- considered good	204,525	198,044
- considered doubtful	<u>10,832</u>	<u>10,832</u>
	215,357	208,876
Less: Provision for impairment of other receivables	<u>10,832</u>	<u>10,832</u>
	<u>204,525</u>	<u>198,044</u>
	<u>226,451</u>	<u>277,309</u>



		(Unaudited) Quarter ended September 30, 2015	(Audited) June 30, 2015
	Note	------(Rupees in '000)-----	
7. LONG-TERM FINANCING - secured			
Financing under syndicate term finance agreement	7.1	4,990,414	5,918,572
Less: current portion		1,407,455	1,407,455
		3,582,959	4,511,117
Term finance certificates	7.1	451,036	580,030
Less: current portion		166,208	166,208
		284,828	413,822
Musharika agreement	7.2	930,792	951,487
Less: current portion		128,391	128,391
		802,401	823,096
		<u>4,670,188</u>	<u>5,748,035</u>

7.1 During the year ended June 30, 2011, the Holding Company obtained a financing facility of Rs 10,300 million. The financing was obtained in the form of a syndicated term finance loan of Rs 9,000 million with the remaining amount of Rs 1,300 million in the form of Term Finance Certificates (TFCs) having 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 a quarterly basis with the last repayment date is November 23, 2018. The facility is secured by a first mortgage charge over certain vessels owned by subsidiary companies, all present and future receivables of the Holding Company from three major customers and its investment properties.

As at September 30, 2015, the Holding Company has drawn Rs 8,733.757 million (June 2015: Rs 8,733.757 million) and Rs 1,261.543 million (June 2015: Rs 1,261.543 million) from syndicated term finance and TFCs respectively. The Holding Company has also paid loan arrangement fee amounting to Rs 106.662 million which has been fully amortized.

7.2 During the year ended June 30, 2015, the Holding Company has obtained a financing facility of Rs 4,500 million. The financing was obtained in the form of syndicated term finance loan of Rs 3,000 million, with the remaining amount of Rs 1,500 million through a musharika agreement.

The financing carries mark-up at the rate of KIBOR+1.60%. The loan along with the mark-up is repayable on a quarterly basis with the last repayment date on November 6, 2022. The facility is secured by a first mortgage charge over certain vessels owned by the subsidiary companies of the Holding Company.

During the period ended September 30, 2015, the Holding Company has drawn Rs 2,054.250 million (June 30, 2015: Rs. 2,054.250 million) and Rs 1,027.125 million (June 30, 2015: Rs 1,027.125 million) from syndicated term finance and musharika respectively. The Holding Company has also paid loan arrangement fee amounting to Rs 45 million which was included fully in the amortised cost of the long term financing.



	(Unaudited) Quarter ended September 30, 2015	(Audited) June 30, 2015
Note	----- (Rupees in '000) -----	
8. TRADE AND OTHER PAYABLES		
Creditors	101,366	157,468
Agents' and owners' balances	391,790	396,500
Accrued liabilities	1,443,278	1,523,053
Deposits	8.1 38,894	38,187
Derivative instruments	8.2 42,711	-
Bills payable	4,095	762
Unclaimed dividends	33,037	33,063
Advance from customers	72,230	110,899
Other liabilities		
- amounts retained from contractors	29,245	27,411
- others	116,772	153,077
	146,017	180,488
	2,273,418	2,440,420

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

8.2 The Holding Company has entered into a cross currency interest rate swap of Rs 9,995.300 million in respect of its borrowing (note 7). Under the terms of the cross currency swap arrangement, the Holding Company 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 Holding Company shall pay / receive any exchange loss / gain on the USD notional outstanding at each quarter end. Furthermore, the Holding Company had also entered into an interest rate swap. Under the terms of the interest rate swap, the Holding Company receives a fixed interest of 13% per annum, whereas the Holding Company has to pay 3 months KIBOR for each quarter.

9. CONTINGENCIES AND COMMITMENTS

9.1 There are no major changes in the status of contingencies and commitments as reported in the annual consolidated financial statements for the year ended June 30, 2015.

	(Unaudited) Quarter ended September 30, 2015	(Audited) June 30, 2015
	----- (Rupees in '000) -----	
9.2 Outstanding letters of guarantee	5,126	5,126
9.3 Commitment for capital expenditure	67,766	86,023



		(Unaudited)	
		Quarter ended	Quarter ended
		September 30,	September 30,
		2015	2014
		------(Rupees in '000)-----	
10. CASH GENERATED FROM OPERATIONS			
Profit before taxation		103,633	247,182
Adjustments for non-cash charges and other items:			
Depreciation		307,336	246,931
Profit on disposal of property, plant and equipment		(7,767)	(107,432)
Provision for employees' gratuity		20,687	13,783
Provision for employees' compensated absences		31,689	22,376
Provision for post retirement medical benefits		6,460	7,847
Dividend income		(461)	-
Interest / mark-up income		(54,854)	(79,992)
Interest / mark-up expense		171,764	184,605
Loss on cross currency interest rate swap		49,750	-
Loss / (Gain) on interest rate swap		34,796	(5,062)
Loss / (Gain) on revaluation of investments		12,471	(4,615)
Provision reversed against claims for damages		(257)	-
Provision made against claims for damages		5,110	-
Working capital changes	10.1	(508,909)	(146,623)
		<u>171,448</u>	<u>379,000</u>

		(Unaudited)	
		Quarter ended	Quarter ended
		September 30,	September 30,
		2015	2014
		------(Rupees in '000)-----	
10.1 WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets:			
Stores and spares		5,591	104,183
Trade debts - unsecured		(162,265)	90,018
Agents' and owners' balances - unsecured		5,182	119,975
Loans and advances		(18,974)	(33,468)
Deposits and prepayments		(19,168)	(4,815)
Other receivables		(12,133)	(17,892)
Incomplete voyages		(97,521)	31,838
Insurance claims		66	3,979
		(299,222)	293,818
(Decrease) in current liabilities:			
Trade and other payables		(209,687)	(440,441)
		<u>(508,909)</u>	<u>(146,623)</u>

		(Unaudited)	
		Quarter ended	Quarter ended
		September 30,	September 30,
		2015	2014
		------(Rupees in '000)-----	
11. CASH AND CASH EQUIVALENTS			
Short-term investments having maturity of three months or less		361,250	864,215
Cash and bank balances		1,850,310	1,761,009
		<u>2,211,560</u>	<u>2,625,224</u>



12. 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. Balances with related parties have been disclosed in the relevant notes to these condensed interim financial statements. 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)	
		Quarter ended September 30, 2015	Quarter ended September 30, 2014
----- (Rupees in '000) -----			
Contribution to provident fund	Associate	2,869	2,326
Directors' fee	Associate	310	545
Key management personnel compensation		10,567	10,435

12.1 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.

13. CORRESPONDING FIGURES

For better presentation the following reclassifications in the corresponding figures have been made in the condensed interim profit and loss account:

		Quarter ended September 30, 2015
----- (Rupees in '000) -----		
From	To	
Administrative and general expenses	Real estate expenses	8,921

14. GENERAL

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue on October 27, 2015 by the Board of Directors of the Holding Company.


 Arif Elahi
Chairman & Chief Executive


 Khowaja Obaid Imran Ilyas
Director



**PAKISTAN NATIONAL SHIPPING
CORPORATION**

**UN-AUDITED
INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS**

**FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 2015**



**PAKISTAN NATIONAL SHIPPING CORPORATION
CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2015**

		(Unaudited) Quarter ended September 30, 2015	(Audited) June 30, 2015
------(Rupees in '000)-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,079,433	2,102,085
Investment properties		1,767,473	1,767,473
Long-term investments in:			
-Related parties (subsidiaries and an associate)		25,189,063	25,189,063
-Listed companies and an entity		40,963	53,434
		<u>25,230,026</u>	<u>25,242,497</u>
Long-term loans and advances		58	58
Deferred taxation - net		97,669	97,669
		<u>29,174,659</u>	<u>29,209,782</u>
CURRENT ASSETS			
Stores and spares		13,548	13,148
Trade debts - unsecured	5	1,888,015	1,821,692
Agents' and owners' balances - unsecured		12,883	18,065
Loans and advances	6	3,524,233	3,505,259
Trade deposits and short-term prepayments		69,204	51,326
Interest / mark-up accrued on bank deposits and investments		28,099	37,445
Other receivables	7	96,534	153,072
Incomplete voyages		35,855	-
Taxation - net		1,023,743	1,015,291
Short-term investments		1,770,250	1,954,375
Cash and bank balances		1,846,347	2,808,371
		<u>10,308,711</u>	<u>11,378,044</u>
		<u>39,483,370</u>	<u>40,587,826</u>
TOTAL ASSETS			
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		<u>6,406,801</u>	<u>6,898,954</u>
		<u>7,727,435</u>	<u>8,219,588</u>
Surplus on revaluation of property, plant & equipment - net of tax		1,128,324	1,128,307
NON-CURRENT LIABILITIES			
Long-term financing - secured	8	4,670,188	5,748,035
Deferred liabilities		870,569	851,561
		<u>5,540,757</u>	<u>6,599,596</u>
CURRENT LIABILITIES			
Trade and other payables	9	23,291,390	22,808,212
Provision against damage claims		25,076	20,223
Current portion of long-term financing	8	1,702,054	1,702,054
Incomplete voyage		-	27,148
Accrued mark-up on long-term financing		68,334	82,698
		<u>25,086,854</u>	<u>24,640,335</u>
		<u>39,483,370</u>	<u>40,587,826</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Arif Elahi
Chairman & Chief Executive


Khowaja Obaid Imran Ilyas
Director



**PAKISTAN NATIONAL SHIPPING CORPORATION
CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

	Quarter ended September 30, 2015	Quarter ended September 30, 2014
	------(Rupees in '000)-----	
REVENUES		
Chartering revenue	1,044,349	2,265,920
Services fee	75,669	66,961
Rental income	41,597	36,089
	<u>1,161,615</u>	<u>2,368,970</u>
EXPENDITURES		
Fleet expenses - direct	(1,152,219)	(2,083,056)
- Indirect	(4,986)	(6,212)
Vessel management expenses	(113,464)	(91,865)
Real estate expenses	(30,392)	(30,572)
	<u>(1,301,061)</u>	<u>(2,211,705)</u>
GROSS (LOSS) / PROFIT	<u>(139,446)</u>	157,265
Administrative expenses	(92,693)	(118,851)
Other expenses	(119,428)	(80,080)
Other income	115,159	154,614
	<u>(96,962)</u>	<u>(44,317)</u>
OPERATING (LOSS) / PROFIT	<u>(236,408)</u>	112,948
Finance costs	(221,705)	(269,771)
LOSS BEFORE TAXATION	<u>(458,113)</u>	(156,823)
Taxation	(34,040)	(50,904)
LOSS AFTER TAXATION	<u>(492,153)</u>	(207,727)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE LOSS	<u>(492,153)</u>	<u>(207,727)</u>
	------(Rupees)-----	
LOSS PER SHARE -		
Basic and Diluted	<u>(3.73)</u>	<u>(1.57)</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


 Arif Elahi
 Chairman & Chief Executive


 Khowaja Obaid Imran Ilyas
 Director



**PAKISTAN NATIONAL SHIPPING CORPORATION
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

	Issued, subscribed and paid-up share capital	Capital Reserves	Revenue reserve		Total
			Remeasurement of post retire- ment benefits obligation - net of tax	Unappropri- ated profit	
----- (Rupees in '000) -----					
Balance at July 01, 2014	1,320,634	126,843	(226,522)	6,413,830	7,634,785
Total comprehensive loss for the first quarter ended September 30, 2014	-	-	-	(207,727)	(207,727)
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	-	-
Balance as at September 30, 2014	<u>1,320,634</u>	<u>126,843</u>	<u>(226,522)</u>	<u>6,206,103</u>	<u>7,427,058</u>
Balance at July 01, 2015	1,320,634	126,843	(342,905)	7,115,016	8,219,588
Total comprehensive loss for the first quarter ended September 30, 2015	-	-	-	(492,153)	(492,153)
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	-	-
Balance as at September 30, 2015	<u>1,320,634</u>	<u>126,843</u>	<u>(342,905)</u>	<u>6,622,863</u>	<u>7,727,435</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Arif Elahi
Chairman & Chief Executive


Khowaja Obaid Imran Ilyas
Director



**PAKISTAN NATIONAL SHIPPING CORPORATION
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

	Quarter ended September 30, 2015	Quarter ended September 30, 2014
Note		
	------(Rupees in '000)-----	
Cash flows from operating activities		
Cash generated from operations	11 98,326	595,537
Employees' gratuity paid	(4,049)	(3,279)
Employees' compensated absences paid	(29,504)	(18,759)
Post retirement medical benefits paid	(6,274)	(4,115)
Finance costs paid	(172,108)	(192,188)
Receipts / Payments under cross currency and interest rate swap - net	21,156	(37,236)
Taxes paid	(42,492)	(78,092)
Net cash (used in) / generated from operating activities	(134,945)	261,868
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,119)	(9,924)
Proceeds from disposal of property, plant and equipment	7,767	-
Short-term investments redeemed	45,375	-
Interest / mark-up received	64,021	49,963
Dividends received	461	-
Net cash generated from investing activities	112,044	40,039
Cash flows from financing activities		
Long-term financing - net	(1,077,847)	(326,585)
Dividends paid	(26)	(17)
Net cash used in from financing activities	(1,077,873)	(326,602)
Net decreased in cash and cash equivalents	(1,100,774)	(24,695)
Cash and cash equivalents at the beginning of period	3,308,371	2,639,971
Cash and cash equivalents at the end of the period	12 2,207,597	2,615,276

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


 Arif Elahi
 Chairman & Chief Executive


 Khowaja Obaid Imran Ilyas
 Director



**PAKISTAN NATIONAL SHIPPING CORPORATION
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (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 at 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 Honourable Supreme Court of Pakistan.

- 1.2 These condensed interim 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. BASIS OF PREPARATION

- 2.1 These condensed interim unconsolidated financial statements of the Corporation for the first quarter ended September 30, 2015 have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan for interim financial reporting which comprise of the International Accounting Standard 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 unconsolidated financial statements should be read in conjunction with the unconsolidated financial statements for the year ended June 30, 2015 as they provide an update of previously reported information.

These condensed interim unconsolidated financial statements comprise of the condensed interim unconsolidated balance sheet as at September 30, 2015 and the condensed interim unconsolidated profit and loss account, the condensed interim unconsolidated statement of changes in equity, the condensed interim unconsolidated cash flow statement and notes thereto for the first quarter ended September 30, 2015. These condensed interim unconsolidated financial statements also include the condensed interim unconsolidated profit and loss account for the quarter ended September 30, 2014.

The comparative balance sheet presented in these condensed interim unconsolidated financial statements as at June 30, 2015 has been extracted from the annual audited unconsolidated financial statements of the Corporation for the year ended June 30, 2015 whereas the comparative condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated cash flow statement for the quarter ended September 30, 2014 have been extracted from the condensed interim unconsolidated financial statements of the Corporation for the quarter ended September 30, 2014.

These condensed interim unconsolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2015.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 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, 2015.



		(Unaudited) Quarter ended September 30, 2015	(Audited) June 30, 2015
	Note	------(Rupees in '000)-----	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,620,679	1,625,364
Capital work-in-progress (CWIP)		<u>458,754</u>	<u>476,721</u>
		<u><u>2,079,433</u></u>	<u><u>2,102,085</u></u>

		(Unaudited) Quarter ended September 30, 2015	Quarter ended September 30, 2014
4.1 Additions to fixed assets (including transfers from CWIP) during the period mainly include:			
Buildings on leasehold land		8,680	834
Office machines and appliances		222	176
Furniture and fixtures		150	8
Workshop machinery and equipment		29	28
Computer equipment		<u>1,104</u>	<u>389</u>
		<u><u>10,185</u></u>	<u><u>1,435</u></u>
Net book value of assets disposed off		<u><u>22</u></u>	<u><u>-</u></u>

		(Unaudited) Quarter ended September 30, 2015	(Audited) June 30, 2015
	Note	------(Rupees in '000)-----	
5. TRADE DEBTS - unsecured			
Unsecured			
Considered good	5.1	1,888,015	1,821,692
Considered doubtful		<u>18,007</u>	<u>18,007</u>
		<u>1,906,022</u>	<u>1,839,699</u>
Less: Provision for impairment	5.2	<u>18,007</u>	<u>18,007</u>
		<u><u>1,888,015</u></u>	<u><u>1,821,692</u></u>

5.1 The ageing analysis of these trade debts that are past due but not impaired is as follows:

		(Unaudited) Quarter ended September 30, 2015	(Audited) June 30, 2015
	Note	------(Rupees in '000)-----	
Upto 1 month		317,342	284,154
1 month to 6 months		235,238	294,660
More than 6 months		<u>1,335,435</u>	<u>1,242,878</u>
		<u><u>1,888,015</u></u>	<u><u>1,821,692</u></u>

5.2 As at September 30, 2015, trade debts of Rs 18,007 million (June 30, 2015: Rs 18,007 million) were impaired and provided for. These balances were outstanding for more than three years.

6. LOANS AND ADVANCES

6.1 Amount includes Rs.3,402.698 million (June 30, 2015: Rs.3,402.698 million) paid by the Corporation, as an advance against future issue of shares, to its wholly owned subsidiary, Shalamar Shipping (Private) Limited.



	Note	(Unaudited) Quarter ended September 30, 2015 ------(Rupees in '000)-----	(Audited) June 30, 2015
7. OTHER RECEIVABLES			
Rent receivable:			
- considered good		16,974	11,203
- considered doubtful		3,801	3,801
		20,775	15,004
Less: Provision for impairment of rent receivable		3,801	3,801
		16,974	11,203
Derivative instruments	9.2	-	62,991
Others:			
- considered good		79,560	78,878
- considered doubtful		10,832	10,832
		90,392	89,710
Less: Provision for impairment of other receivables		10,832	10,832
		79,560	78,878
		96,534	153,072
8. LONG-TERM FINANCING - secured			
Financing under syndicate term finance agreement	8.1	4,990,414	5,918,572
Less: Current portion		1,407,455	1,407,455
		3,582,959	4,511,117
Term finance certificates	8.1	451,036	580,030
Less: Current portion		166,208	166,208
		284,828	413,822
Musharika agreement	8.2	930,792	951,487
Less: Current portion		128,391	128,391
		802,401	823,096
		4,670,188	5,748,035

8.1 During the year ended June 30, 2011, the Corporation obtained a financing facility of Rs 10,300 million. The financing was obtained in the form of a syndicated term finance loan of Rs 9,000 million with the remaining amount of Rs 1,300 million in the form of Term Finance Certificates (TFCs) having 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 a quarterly basis with the last repayment date is November 23, 2018. The facility is secured by a first mortgage charge over certain vessels owned by subsidiary companies, all present and future receivables of the Corporation from three major customers and its investment property

As at September 30, 2015, the Corporation has drawn Rs 8,733.757 million (June 2015: Rs 8,733.757 million) and Rs 1,261.543 million (June 2015: Rs 1,261.543 million) from syndicated term finance and TFCs respectively. The Corporation has also paid loan arrangement fee amounting to Rs 106.662 million which has been fully amortized.



- 8.2 During the year ended June 30, 2015, the Corporation has obtained a financing facility of Rs 4,500 million. The financing was obtained in the form of syndicated term finance loan of Rs 3,000 million, with the remaining amount of Rs 1,500 million through a musharika agreement.

The financing carries mark-up at the rate of KIBOR+1.60%. The loan along with the mark-up is repayable on a quarterly basis with the last repayment date on November 6, 2022. The facility is secured by a first mortgage charge over certain vessels owned by the subsidiary companies of the Corporation.

During the period ended September 30, 2015, the Corporation has drawn Rs 2,054.250 million (June 30, 2015: Rs. 2,054.250 million) and Rs 1,027.125 million (June 30, 2015: Rs 1,027.125 million) from syndicated term finance and musharika respectively. The Corporation has also paid loan arrangement fee amounting to Rs 45 million which was included fully in the amortised cost of the long term financing.

9. TRADE AND OTHER PAYABLES

Note	(Unaudited) Quarter ended September 30, 2015	(Audited) June 30, 2015
	------(Rupees in '000)-----	
Creditors	5,007	56,414
Current account balances with subsidiary companies	21,553,678	20,934,423
Agents' and owners' balances	391,790	396,500
Accrued liabilities	1,041,535	1,091,748
Deposits	9.1 38,894	38,187
Derivative instruments	9.2 42,711	-
Unclaimed dividends	33,037	33,063
Advance from customers	72,230	110,899
Other liabilities		
- amounts retained from contractors	29,245	27,411
- others	83,263	119,567
	112,508	146,978
	23,291,390	22,808,212

- 9.1 These deposits include interest free deposit on containers, deposits from suppliers and tenants and are repayable on demand or on completion of specific contracts.
- 9.2 The Corporation has entered into a cross currency interest rate swap of Rs 9,995.300 million in respect of its borrowing (note 8). 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. Furthermore, the Corporation had also entered into an interest rate swap. Under the terms of the interest rate swap, the Corporation receives a fixed interest of 13% per annum, whereas the Corporation has to pay 3 months KIBOR for each quarter.

10. CONTINGENCIES AND COMMITMENTS

Contingencies

- 10.1 There are no major changes in the status of contingencies and commitments as reported in the annual unconsolidated financial statements for the year ended June 30, 2015.

Commitments	(Unaudited) Quarter ended September 30, 2015	(Audited) June 30, 2015
	------(Rupees in '000)-----	
10.2 Outstanding letters of guarantee	5,126	5,126
10.3 Commitments for capital expenditure	67,766	86,023



	(Unaudited)	
Note	(Unaudited) Quarter ended September 30, 2015	(Unaudited) Quarter ended September 30, 2014
	------(Rupees in '000)-----	
CASH GENERATED FROM OPERATIONS		
11. Loss before taxation	(458,113)	(156,823)
Adjustments for non-cash charges and other items:		
Depreciation	14,995	22,986
Profit on disposal of fixed assets	(7,767)	-
Provision for employees' gratuity	20,256	13,326
Provision for employees' compensated absences	31,430	22,011
Provision for post retirement medical benefits	6,383	7,679
Dividend income	(461)	-
Interest / mark-up income	(54,675)	(79,992)
Interest / mark-up expense	171,764	183,853
Loss on cross currency interest rate swap	49,750	85,918
Loss / (Gain) on interest rate swap	34,796	(5,062)
Loss / (Gain) on revaluation of investments	12,471	4,615
Provision reversed against claims for damages	(257)	-
Provision made against claims for damages	5,110	-
Working capital changes	11.1 <u>272,644</u>	<u>497,026</u>
	<u>98,326</u>	<u>595,537</u>
11.1 WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Stores and spares	(400)	(367)
Trade debts - unsecured	(66,323)	233,142
Agents' and owners' balances - unsecured	5,182	119,975
Loans and advances	(18,974)	(368,403)
Trade deposits and short-term prepayments	(17,878)	(4,749)
Other receivables	(6,453)	(489)
Incomplete voyages	(63,003)	(31,608)
	(167,849)	(52,499)
Decrease in current liabilities:		
Trade and other payables	440,493	549,525
	<u>272,644</u>	<u>497,026</u>
	(Unaudited)	
	Quarter ended	Quarter ended
	September 30,	September 30,
	2015	2014
	------(Rupees in '000)-----	
12. CASH AND CASH EQUIVALENTS		
Short-term investments having maturity of three months or less	361,250	864,215
Cash and bank balances	<u>1,846,347</u>	<u>1,751,061</u>
	<u>2,207,597</u>	<u>2,615,276</u>



13. 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. Balances with related parties have been disclosed in the relevant notes to these condensed interim financial statements. 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:

Name and particulars	Relationship with the Corporation	(Unaudited)	
		Quarter ended September 30, 2015	Quarter ended September 30, 2014
----- (Rupees in '000) -----			
Service fee charged to subsidiary companies	Subsidiary	75,669	66,961
Rental expense of Pakistan Co-operative Ship Stores (Private) Limited	Subsidiary	179	108
Delivery of stores and spares to subsidiary companies	Subsidiary	7,280	4,891
Retirement benefit costs charged to subsidiaries	Subsidiary	767	989
Contribution to provident fund		2,869	2,342
Directors' fee		310	545
Key management personnel compensation		10,567	10,435
Advance against future issue of shares to Shalamar Shipping (Private) Limited	Subsidiary	3,402,698	334,935

- 13.1 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.

14. CORRESPONDING FIGURES

For better presentation the following reclassifications in the corresponding figures have been made in the condensed interim profit and loss account:

From	To	Quarter ended September 30, 2014
----- (Rupees in '000) -----		
Administrative and general expenses	Real estate expenses expenses	8,921
Cash flows from investing activities -Long-term loans and advances - related parties	Working capital changes -Loan & advances	334,935

15. GENERAL

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 27, 2015 by the Board of Directors of the Corporation.

