



Pakistan National Shipping Corporation

Exploring New Horizons

**UNAUDITED REPORT
FOR THE QUARTER AND
NINE MONTH PERIOD ENDED
MARCH 31, 2024**



Contents

Corporate Information	3
Directors' Report	4
Directors' Report (in Urdu)	6
PNSC Managed Fleet	9

Consolidated Condensed Interim Financial Statements Of Pakistan National Shipping Corporation (Group) (Unaudited)

Consolidated Condensed Interim Statement of Financial Position	12
Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	13
Consolidated Condensed Interim Statement of Changes in Equity	14
Consolidated Condensed Interim Statement of Cash Flows	15
Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements	16

Unconsolidated Condensed Interim Financial Statements Of Pakistan National Shipping Corporation (Holding Company) (Unaudited)

Unconsolidated Condensed Interim Statement of Financial Position	24
Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	25
Unconsolidated Condensed Interim Statement of Changes in Equity	26
Unconsolidated Condensed Interim Statement of Cash Flows	27
Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements	28

Corporate Information

Board of Directors

1. Mr. Qumar Sarwar Abbasi	Member
Additional Finance Secretary (Corporate Finance), Finance Division Islamabad.	
2. Mr. Umar Zafar Sheikh	Member
Additional Secretary Ministry of Maritime Affairs, Islamabad.	
3. Mr. Muhammad Ali	Member
4. Capt. Sarfaraz Inayatullah Qureshi	Member
5. Mr. Ahsan Ali Malik	Member

Audit & Finance Committee

1. Mr. Muhammad Ali	Chairman
2. Mr. Qumar Sarwar Abbasi	Member
3. Mr. Umar Zafar Sheikh	Member
4. Mr. Ahsan Ali Malik	Member
5. Mr. Muhammad Faisal Hadi	Secretary

HR, Nomination and CSR Committee

1. Mr. Ahsan Ali Malik	Chairman
2. Mr. Umar Zafar Sheikh	Member
3. Capt. Sarfaraz Inayatullah	Member
4. Muhammad Javid Ansari	Secretary

Strategy and Risk Management Committee

1. Capt. Sarfaraz Inayatullah Qureshi	Chairman
2. Mr. Qumar Sarwar Abbasi	Member
3. Mr. Umar Zafar Sheikh	Member
4. Mr. Muhammad Ali	Member
5. Mr. S. Jarar Haider Kazmi	Secretary

Vessels Procurement Committee

1. Mr. Muhammad Ali	Member
2. Mr. Qumar Sarwar Abbasi	Member
3. Capt. Sarfaraz Inayatullah Qureshi	Member
4. Mr. Khurram Mirza	Secretary

Chief Financial Officer

Mr. S. Jarar Haider Kazmi

Company Secretary

Mr. Muhammad Javid Ansari

Chief Internal Auditor (Acting)

Mr. Muhammad Faisal Hadi

Head Office

PNSC Building,
Moulvi Tamizuddin Khan Road,
P.O.Box No. 5350,
Karachi-74000 Pakistan.
Phone: (92-21) 99203980-99 (20 Lines)
Fax: (92-21) 99203974, 35636658
www.pnsc.com.pk

Auditors

Grant Thornton Anjum Rahman, Chartered Accountants
Yousuf Adil, Chartered Accountants

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B',
S.M.C.H.S. Main Shahrah-e-Faisal, Karachi.

Bankers

Bank Alfalah Limited, Bahrain
Bank Alfalah Limited
Bank Al Habib Limited, Bahrain
Bank Islami Pakistan Limited
MCB Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
National Bank of Pakistan, Hong Kong
National Bank of Pakistan, Tokyo
Silk Bank Limited
Soneri Bank Limited
UniCredit Bank, Italy
United Bank Limited
United Bank Limited, London
Habib Bank Limited Bahrain

PAKISTAN NATIONAL SHIPPING CORPORATION DIRECTORS' REPORT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

The Board of Directors of Pakistan National Shipping Corporation (PNSC) are pleased to present the consolidated and unconsolidated condensed interim financial statements of Group and PNSC for the nine months period ended March 31, 2024.

PERFORMANCE OVERVIEW

The PNSC achieved turnover of Rs.35 billion as compared to Rs.42.48 billion for the corresponding period last year. The main factors leading to decline in Group turnover is decrease in average AFRA rate from 222 to 167 (25%) and no refine petroleum and dry cargo charter-in income generated. The charter out rates for both segments liquid cargo (Aframax and LR-1 tankers) and dry cargo (bulk carriers) were declined by 17%, 36% and 45% respectively.

The main reason of decline in liquid and dry cargo charter rates were due to the conflict between Ukraine and Russia had negatively impacted global economy and completely disturbed the demand and supply. The aftershock effects observed in last year as average freight rates were significantly on higher side, which are currently coming towards the normal slope in post recovery period.

The main reason of decline in PNSC (Group) profit is decrease in dry cargo segment revenue (including slot charter) by Rs.5.89 billion (56%), and liquid cargo segment revenue by Rs.2.67 billion (9%). However, during the reported period, foreign chartering segment contributed incremental revenue of Rs.1.04 billion (42%).

Additionally, the fact that the Group has an ageing fleet necessitated major dry-docking and repair and maintenance activity. Resultantly, the operational days are decreased by 17% as compared to the corresponding period last year. However, upward trend in the average exchange rate against USD from Rs.241 as compared to Rs.285 (18%), average world scale from 5.72 to 6.57 (15%) negated the negative financial impact.

The PNSC witnessed profit after tax to amount Rs.14.69 billion as against amount Rs.23.96 billion with decline in group net profit margin from 56% to 42% in same nine months period last year.

The corresponding period last year profitability includes Rs.3.3 billion on account of gain on sale of M.T. Karachi and Rs.2.4 billion on account of exchange gain earned due to upward movement in exchange rate fluctuations, which are not considered as normal course of business activities.

The PNSC standalone results reflect a profit after tax of Rs.3.07 billion as compared to profit after tax of Rs.3.97 billion in the corresponding period of the last year. PNSC was able to effectively utilize the funds available during the period, supported with obtained higher rates on investment in TDR and mutual funds after negotiation with banks and financial institutions. Thus, was able to derive income from its investments amounting to Rs.4.96 billion as compared to Rs.1.30 billion in the corresponding period last year.

During the current period, PNSC was able to pay in full the loans obtained for M.T. Bolan and M.T. Khaipur in September 2023. Thus, resulting in saving of Finance Cost, and improved the debt to equity ratio of the Group.

Board and its Committees

The name of members of Board of Directors and Board Committees of the corporation during the Nine months period ended are tabulated below:

Sr. No.	Name	Board	Strategy and Risk Management Committee	Audit & Finance Committee	HR, Nomination & CSR Committee	Vessel Procurement Committee
1	Rear Admiral Jawad Ahmed HI(M) (upto March 3 rd 2024)	Chairman	-	-	-	-
2	Rear Admiral Jawad Ahmed HI(M) (assumed charge on March 3 rd 2024)	Chief Executive Officer	-	-	-	-
3	Mr. Umar Zafar Sheikh Additional Secretary of Ministry of Maritime Affairs Islamabad (w.e.f. Nov. 27 th 2023)	Non-Executive Director	Member	Member	Member	-

4	Mr. Qumar Sarwar Abbasi Additional Finance Secretary (Corporate Finance) Finance Division Islamabad (w.e.f. Apr 14 th 2023)	Non-Executive Director	Member	Member	-	Member
5	Ms. Alia Shahid The Director General (Ports & Shipping) Ministry of Maritime Affairs, Karachi. (upto Nov 30 th 2023)	Non-Executive Director	-	-	-	-
6	Mr. Muhammad Ali (w.e.f. Dec. 29 th 2021)	Non-Executive Director	Member	Chairman	-	Member
7	Mr. Ahsan Ali Malik (w.e.f. Oct. 28 th 2022)	Non-Executive Director	-	Member	Chairman	-
8	Capt. Sarfaraz Inayatullah (w.e.f. Oct. 28 th 2022)	Non-Executive Director	Chairman	-	Member	Member

FUTURE PROSPECTS

The outlook for 2024 is for firmer bulk carrier markets as compared with 2023 (following on from a stronger end to last year), and owner sentiment positive for the months ahead. Seasonal fluctuations are expected in accordance with historical trends.

Current projections suggest healthy growth in tankers demand across full year 2024. Crude Tanker and Product Tankers DWT demand is projected to grow by 2.9% and 6.4% this year, with significant Red Sea related disruption across the first half of the year whilst a longer period of disruption in the Red Sea could drive greater aggregate impacts.

PNSC is actively pursuing replacement of tanker vessels through new building and also exploring opportunities in the secondary market. The induction of tonnage is aimed towards modernization of fleet, reduction of Corporation's carbon foot print & compliance with foreseeable regulatory environment. Timely phasing out of old tonnage is also a component of the Corporation's Fleet Development Plan.

ACKNOWLEDGMENT

The Board would like to extend its gratitude to all the stakeholders for their continued support and confidence.

Muhammad Ali
Director

Karachi
April 26, 2024

Mr. Ahsan Ali Malik
Director

-	چیئر مین	ممبر	-	نان ایگزیکٹو ڈائریکٹر	جناب احسن علی ملک (مؤثر تاریخ 28 اکتوبر، 2022)	7
ممبر	ممبر	-	چیئر مین	نان ایگزیکٹو ڈائریکٹر	کیپٹن سرفراز عنایت اللہ (مؤثر تاریخ 28 اکتوبر، 2022)	8

مستقبل کے امکانات

2024 کا تناظر 2023 کے مقابلے میں مستحکم بلک کیوریٹریوں کے لیے نمایاں ہے (گزشتہ سال مستحکم اختتام سے جاری رہتے ہوئے) اور ملکی توقعات آئندہ مہینوں میں مثبت ہیں۔ تاریخی رجحانات کے مطابق موسمی اتار چڑھاؤ متوقع ہے۔

موجودہ تخمینے پورے سال 2024 میں ٹینکر زکی طلب میں صحت منداضافہ کی تجویز کرتے ہیں۔ خام ٹینکر اور پروڈکٹ ٹینکرز DWT کی طلب میں اس سال 2.9% اور 6.4% اضافے کا امکان ہے، جبکہ سال کے پہلے نصف حصے میں بحیرہ احمر سے متعلق نمایاں خلل اور بحیرہ احمر میں طویل عرصے تک خلل کے مجموعی اثرات زیادہ ہو سکتے ہیں۔

پی این ایس سی نئی تعمیر کے ذریعے ٹینکر کے جہازوں کو تبدیل کرنے اور ثانوی مارکیٹ میں مواقع تلاش کرنے کے لیے سرگرم عمل ہے۔ منیج کی شمولیت کا مقصد فلیٹ میں جدت لانا، کارپوریشن کے کاربن کے اثرات میں کمی اور پیش بین ریگولیٹری ماحول کی تعمیل کرنا ہے۔ پرانی منیج کو بروقت ختم کرنا بھی کارپوریشن کے فلیٹ ڈیولپمنٹ پلان کا ایک جزو ہے۔

تسلیمات

تمام اسٹیٹ ہولڈرز کے مسلسل تعاون اور اعتماد کے لیے بورڈ ان کا مشکور ہے۔


محمد علی
ڈائریکٹر


احسن علی ملک
ڈائریکٹر

کراچی

26 اپریل، 2024

کے بعد TDR اور میوچل فنڈز میں سرمایہ کاری پر زیادہ شرح کے حصول کا تعاون شامل رہا۔ اس طرح، اپنی سرمایہ کاری سے گزشتہ سال اسی دورانیے میں 1.30 بلین روپے کے مقابلے میں 4.96 بلین روپے کی آمدن حاصل کرنے میں کامیاب رہا۔

موجودہ دورانیے میں، پی این ایس سی ستمبر 2023 میں ایم ٹی بولان اور ایم ٹی خیر پور کے لیے حاصل کیے گئے قرضوں کی مکمل ادائیگی کرنے میں کامیاب رہا۔ اس طرح، مالیاتی لاگت میں بچت ہوئی اور گروپ کے قرض اور ایکیٹی کے تناسب میں بہتری آئی۔

بورڈ اور اس کی کمیٹیاں

نوامی دورانیے کے اختتام کے دوران کارپوریشن کے بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کے ارکان کے نام درج ذیل ہیں:

نمبر شمار	نام	بورڈ	سربراہی اور رسک مینجمنٹ کمیٹی	آڈٹ اور فنانس کمیٹی	انچ آر، نامزدگی اور سی ایس آر کمیٹی	وسل پروکیورمنٹ کمیٹی
1	ریٹز ایڈمرل جو احمد ہال امتیاز (ملٹری) (3 مارچ، 2024 تک)	چیئرمین	-	-	-	-
2	ریٹز ایڈمرل جو احمد ہال امتیاز (ملٹری) (3 مارچ، 2024 کو عہدہ سنبھالا)	چیف ایگزیکٹو آفیسر	-	-	-	-
3	جناب عمر ظفر شیخ ایڈیشنل سیکرٹری وزارت سمندری امور اسلام آباد (مؤثر تاریخ 27 نومبر، 2023)	نان ایگزیکٹو ڈائریکٹر	ممبر	ممبر	ممبر	-
4	جناب قمر سردو عباسی ایڈیشنل فنانس سیکرٹری (کارپوریٹ فنانس) فنانس ڈویژن اسلام آباد (مؤثر تاریخ 14 اپریل، 2023)	نان ایگزیکٹو ڈائریکٹر	ممبر	ممبر	-	ممبر
5	محترمہ عالیہ شاہد ڈائریکٹر جنرل (پورٹس اور شیپنگ) وزارت سمندری امور، کراچی (30 نومبر، 2023 تک)	نان ایگزیکٹو ڈائریکٹر	-	-	-	-
6	جناب محمد علی (مؤثر تاریخ 29 دسمبر، 2021)	نان ایگزیکٹو ڈائریکٹر	ممبر	چیئرمین	-	ممبر

پاکستان نیشنل شینگ کارپوریشن

ڈائریکٹرز رپورٹ

برائے نوامی اختتام از 31 مارچ، 2024

پاکستان نیشنل شینگ کارپوریشن (پی این ایس سی) کے بورڈ آف ڈائریکٹرز گروپ اور پی این ایس سی کے منظم اور متفرق عبوری مالیاتی گوشوارے برائے نوامہ، اختتام از 31 مارچ، 2024، بخوشی پیش کر رہے ہیں۔

کارکردگی کا جائزہ

پی این ایس سی نے گزشتہ سال کی اسی مدت کے مقابلے میں 42.48 بلین روپے کے مقابلے میں 35 بلین روپے کا کاروبار حاصل کیا۔ گروپ کے کاروبار میں کمی کا باعث بننے والے اہم عوامل AFRA کی اوسط شرح میں 222 سے 167 (25%) تک کمی ہے اور یہ ریٹائن پیئر ولیم اور خشک کارگو چارٹر سے کوئی آمدن حاصل نہیں ہوئی۔ مانع کارگو (ایفرا میکس اور LR-1 ٹینکرز) اور خشک کارگو (بلک کیریئرز) کے دونوں شعبوں میں چارٹر آؤٹ نرخوں میں بالترتیب 17%، 36% اور 45% کمی ہوئی۔

مانع اور خشک کارگو چارٹر کے نرخوں میں کمی کی بنیادی وجہ یوکرین اور روس کے درمیان تنازعہ تھا جس نے عالمی معیشت پر منفی اثر ڈالا اور طلب اور رسد کو مکمل طور پر متاثر کیا۔ اثرات گزشتہ سال سامنے آئے جب اوسط فریٹ کے نرخ نمایاں طور پر زیادہ تھے، جو فی الوقت بحالی کے بعد کمی مدت میں معمول کی کمی کی طرف آ رہے ہیں۔

پی این ایس سی (گروپ) کے منافع میں کمی کی بنیادی وجہ خشک کارگو شعبہ کی آمدن (بشمول سلاٹ چارٹر) میں 5.89 بلین روپے (56%) اور مانع کارگو شعبہ کی آمدن میں 2.67 بلین روپے (9%) کمی ہے۔ تاہم، رپورٹ شدہ دورانیے میں، غیر ملکی چارٹرنگ شعبہ نے 1.04 بلین روپے (42%) کی اضافی آمدنی شامل کی۔

مزید برآں، گروپ کے پاس پرانا فلیٹ موجودہ ہونے کی وجہ سے زیادہ ڈرائی ڈانگ اور مرمت و دیکھ بھال کی سرگرمیوں کی ضرورت پڑی۔ اس کے نتیجے میں، گزشتہ سال کے اسی دورانیے کے مقابلے میں آپریٹل دنوں میں 17% کمی واقع ہوئی۔ تاہم، امریکی ڈالر میں 241 روپے کے مقابلے میں 285 روپے (18%) کے اوسط اضافے کے رجحان، اوسط عالمی پیمانے میں 5.72 سے 6.57 (15%) کے اضافے نے منفی مالی اثرات کی نفی کی۔

پی این ایس سی کو 23.96 بلین روپے کے مقابلے میں 14.69 بلین روپے کا بعد از ٹیکس منافع حاصل ہوا، جس میں گروپ کے خالص منافع کے مارجن میں گزشتہ سال اسی نوامہ کی مدت میں 56% سے 42% تک کمی واقع ہوئی۔

گزشتہ سال اسی دورانیے کے منافع میں اہم کمی کراچی کی فروخت پر حاصل ہونے والے منافع کے 3.3 بلین روپے اور زر مبادلہ کی شرح کے اتار چڑھاؤ میں اضافے پر حاصل کردہ منافع کے 2.4 بلین روپے شامل ہیں، جنہیں معمول کی کاروباری سرگرمیاں نہیں سمجھا جاتا۔

صرف پی این ایس سی کے نتائج گزشتہ سال اسی دورانیے میں 3.97 بلین روپے بعد از ٹیکس منافع کے مقابلے میں 3.07 بلین روپے بعد از ٹیکس منافع ظاہر کرتے ہیں۔ پی این ایس سی اس مدت کے دوران دستیاب فنڈز کو مؤثر طریقے سے استعمال کرنے میں کامیاب رہا، جس میں بینکوں اور مالیاتی اداروں کے ساتھ مذاکرات

PNSC Managed Fleet

TANKERS

Vessel: **M.T MARDAN**

Built: Japan



Deadweight (MT): 107,123
Gross Tonnage (MT): 58,168

Length Overall (M): 246.80

Vessel: **M.T SARGODHA**

Built: Japan



Deadweight (MT): 107,123
Gross Tonnage (MT): 58,168

Length Overall (M): 246.80

Vessel: **M.T BOLAN**

Built: South Korea 2013



Deadweight (MT): 74,919
Gross Tonnage (MT): 42,411

Length Overall (M): 220.89

Vessel: **M.T KHAIRPUR**

Built: South Korea 2012



Deadweight (MT): 74,986
Gross Tonnage (MT): 42,411

Length Overall (M): 220.89

Vessel: **M.T SHALAMAR**

Built: Japan 2006



Deadweight (MT): 105,315
Gross Tonnage (MT): 55,894

Length Overall (M): 228.60

Vessel: **M.T QUETTA**

Built: Japan 2003



Deadweight (MT): 107,215
Gross Tonnage (MT): 58,118

Length Overall (M): 246.80

Vessel: **M.T LAHORE**

Built: Japan 2003



Deadweight (MT): 107,018
Gross Tonnage (MT): 58,157

Length Overall (M): 246.80

BULK CARRIERS

Vessel: **M.V SIBI**

Built: Japan 2009



Deadweight (MT): 28,442
Gross Tonnage (MT): 17,018

Length Overall (M): 169.37

Vessel: **M.V MALAKAND**

Built: Japan 2004



Deadweight (MT): 76,830
Gross Tonnage (MT): 40,040

Length Overall (M): 225.00

M.V HYDERABAD

Built: Japan 2004



Deadweight (MT): 52,951
Gross Tonnage (MT): 29,365

Length Overall (M): 188.50

Vessel: **M.V CHITRAL**

Built: Japan 2003



Deadweight (MT): 46,710
Gross Tonnage (MT): 26,395

Length Overall (M): 185.73

M.V MULTAN

Built: Japan 2002



Deadweight (MT): 50,244
Gross Tonnage (MT): 27,984

Length Overall (M): 189.80

TANKERS & BULK CARRIERS

SEGMENT	DEADWEIGHT (MT)	GROSS TONNAGE (MT)
TANKERS	683,699	373,327
BULK CARRIERS	255,177	140,804
TOTAL	938,876	514,131

(UNAUDITED) CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS OF PAKISTAN NATIONAL SHIPPING CORPORATION (GROUP)



For the Quarter and nine months
Period ended
March 31 2024

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
	Note	(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	35,878,188	35,806,011
Right-of-use assets		9,416	80,971
Intangible assets		131,833	73,559
Investment properties		4,100,505	4,100,505
Long-term investments in:			
- Related party (an associate)		-	-
- Listed companies and an other entity		38,443	27,027
Long-term loans		18,465	29,454
Deferred taxation		79,429	88,651
		<u>40,256,279</u>	<u>40,206,178</u>
Current assets			
Stores and spares		3,208,157	2,507,673
Trade debts - unsecured	6	3,720,352	5,969,078
Agents' and owners' balances - unsecured		19,385	12,736
Loans and advances		1,020,739	441,890
Trade deposits and short-term prepayments		47,328	45,272
Contract assets		654,496	-
Interest accrued on bank deposits and short-term investments		721,154	138,645
Other receivables	7	1,733,669	493,859
Incomplete voyages		-	345,202
Taxation-net		638,618	940,023
Short-term investments	8	37,004,294	26,505,673
Cash and bank balances		5,618,832	8,383,959
		<u>54,387,024</u>	<u>45,784,010</u>
TOTAL ASSETS		<u>94,643,303</u>	<u>85,990,188</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY			
Authorised share capital		2,000,000	2,000,000
Issued, subscribed and paid-up share capital		1,320,634	1,320,634
Reserves			
Capital reserve		131,344	131,344
Revenue reserves		79,584,172	68,197,618
Remeasurement of post retirement benefits obligation - net of tax		(194,034)	(194,034)
Surplus on revaluation of property, plant and equipment - net of tax		1,613,189	1,612,524
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY		<u>81,134,671</u>	<u>69,747,452</u>
NON-CONTROLLING INTEREST		<u>13,466</u>	<u>11,808</u>
TOTAL EQUITY		<u>82,468,771</u>	<u>71,079,894</u>
Non-current liabilities			
Long-term financing - secured	9	2,169,031	2,822,020
Lease liabilities		10,696	88,547
Employee's benefits		610,603	739,613
		<u>2,790,330</u>	<u>3,650,180</u>
Current liabilities			
Trade and other payables	10	7,874,053	5,840,146
Contract liabilities		273,958	683,103
Provision against damage claims		22,607	23,235
Current portion of long-term financing - secured		868,800	4,422,203
Current portion of lease liabilities		2,571	9,648
Unclaimed dividend		231,702	120,573
Accrued mark-up on long-term financing		110,511	161,206
		<u>9,384,202</u>	<u>11,260,114</u>
TOTAL LIABILITIES		<u>12,174,532</u>	<u>14,910,294</u>
TOTAL EQUITY AND LIABILITIES		<u>94,643,303</u>	<u>85,990,188</u>
CONTINGENCIES AND COMMITMENTS			
	11		

The annexed notes 1 to 20 form an integral part of these consolidated financial statements.


Syed Javar Haider Kazmi
 Chief Financial Officer


Muhammad Ali
 Director


Mr. Hसन Ali Malik
 Director

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UNAUDITED)

	Quarter ended March 31, 2024	Quarter ended March 31, 2023	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
Note	(Rupees in '000)			
REVENUE FROM CONTRACT WITH CUSTOMERS				
Income from shipping business	9,767,987	11,676,571	30,653,406	36,517,532
Other operating activities	1,182,518	1,597,782	3,970,750	5,628,226
Workshop income	42,231	19,628	136,298	131,925
Income from manning service	12,624	(5,452)	31,318	2,653
	11,005,360	13,288,529	34,791,772	42,280,336
REVENUE FROM OTHERS				
Rental income	69,626	68,437	217,520	194,875
	11,074,986	13,356,966	35,009,292	42,475,211
EXPENDITURE				
Fleet expenses	(6,029,308)	(6,087,031)	(20,469,172)	(21,838,599)
Real estate expenses	(35,238)	(27,544)	(93,762)	(82,839)
	(6,064,546)	(6,114,575)	(20,562,934)	(21,921,438)
GROSS PROFIT				
	5,010,440	7,242,391	14,446,358	20,553,773
Administrative expenses	(469,258)	(380,540)	(1,402,487)	(1,135,253)
Impairment loss on financial assets - net	(164,550)	(164,996)	(278,691)	(928,357)
Other expenses	(242,492)	(95,677)	(421,161)	(250,887)
Other income	1,716,632	6,036,231	5,204,403	7,363,085
	840,332	5,395,018	3,102,064	5,048,588
OPERATING PROFIT				
	5,850,772	12,637,409	17,548,422	25,602,361
Finance costs	(166,640)	(354,877)	(758,863)	(1,005,429)
PROFIT BEFORE TAXATION				
	5,684,132	12,282,532	16,789,559	24,596,932
Taxation	(488,100)	(309,315)	(2,103,778)	(640,837)
PROFIT FOR THE PERIOD				
	5,196,032	11,973,217	14,685,781	23,956,095
OTHER COMPREHENSIVE INCOME				
Other comprehensive income	-	1,035	4,681	3,756
TOTAL COMPREHENSIVE INCOME				
	5,196,032	11,974,252	14,690,462	23,959,851
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:				
Equity holders of the Holding Company	5,195,605	11,973,720	14,688,804	23,958,748
Non-controlling interest	427	532	1,658	1,103
	5,196,032	11,974,252	14,690,462	23,959,851
(Rupees)				
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY - basic and diluted				
	39.35	90.66	111.20	181.40

The annexed notes 1 to 20 form an integral part of these consolidated financial statements.


Syed Ja'far Haider Kazmi
 Chief Financial Officer


Muhammad Ali
 Director


Mr. Ahsan Ali Malik
 Director

**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UNAUDITED)**

Attributable to the shareholders of the Holding Company										
Issued, subscribed and paid-up share capital	Capital reserve*	Revenue reserves			Remeasurement of post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total reserves	Non controlling interest	Total	
		General reserve	Unappropriated profit	Sub-total revenue reserves						

(figures in '000)

Balance as at July 01, 2022 1,320,634 131,344 129,307 39,398,686 39,518,993 (221,783) 1,623,362 41,051,916 10,783 42,393,333

Transactions with owners
Final cash dividend for the year ended June 30, 2022 paid to shareholders of the Holding Company @ Rs. 5 per ordinary share of Rs.10 each - - - (660,317) (660,317) - - - (660,317) - - - (660,317) - - - (660,317)

Interim cash dividend for the half year ended December 31, 2022 paid to shareholders of the Holding Company @ Rs. 5 per ordinary share of Rs.10 each - - - (660,317) (660,317) - - - (660,317) - - - (660,317)

Profit after tax
Other comprehensive income for the nine months ended March 31, 2023 - - - 23,954,992 23,954,992 - - - 5,312 - - - 23,954,992 1,103 23,956,095

Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax - - - (5,312) (5,312) - - - - - - - 3,756 - - - 3,756

Balance as at March 31, 2023 1,320,634 131,344 129,307 62,018,732 62,148,039 (221,783) 1,632,430 63,690,030 11,886 65,022,550

Balance as at July 01, 2023 1,320,634 131,344 129,307 68,068,311 68,197,618 (194,034) 1,612,524 69,747,452 11,808 71,079,894

Transactions with owners
Final cash dividend for the year ended June 30, 2023 paid to shareholders of the Holding Company @ Rs. 15 per ordinary share of Rs.10 each - - - (1,980,951) (1,980,951) - - - - - - - (1,980,951) - - - (1,980,951)

Interim cash dividend for the half year ended December 31, 2023 paid to shareholders of the Holding Company @ Rs. 5 per ordinary share of Rs.10 each - - - (1,320,634) (1,320,634) - - - - - - - (1,320,634) - - - (1,320,634)

Profit after tax
Other comprehensive income - - - 14,684,123 14,684,123 - - - 4,681 - - - 14,684,123 1,558 14,685,781

Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax - - - 4,016 4,016 - - - - - - - (4,016) - - - (4,016)

Balance as at March 31, 2024 1,320,634 131,344 129,307 79,452,855 79,582,172 (194,034) 1,613,189 81,134,671 13,366 82,467,771

* This includes an amount transferred from shareholder's equity at the time of merger between former National Shipping Corporation (NSC) and Pakistan Shipping Corporation (PSC). The reserve is not utilisable for the purpose of distribution to shareholders.
The annexed notes 1 to 20 form an integral part of these consolidated financial statements.


Syed Jarar Haider Kazmi
Chief Financial Officer


Muhammad Ali
Director


Mr. Ahsan Ali Malik
Director

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UNAUDITED)

		Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
	Note	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	16,610,382	18,537,751
Employees' gratuity paid		(39,107)	(30,680)
Employees' compensated absences paid		(59,474)	(52,661)
Post-retirement medical benefits paid		(12,501)	(16,275)
Finance costs paid		(808,299)	(866,047)
Taxes paid		(1,788,470)	(903,661)
Long-term loans		10,989	(19,026)
Net cash generated from operating activities		13,913,520	16,649,401
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,728,100)	(9,370,137)
Purchase of intangible assets		(58,854)	(8,949)
Additions to investment properties		-	(2,079)
Proceeds from disposal of property, plant and equipment		-	3,338,184
Short-term investments (made) / redeemed		(24,312,102)	24,493
Return on short term investments and bank balances received		2,409,900	1,275,463
Dividend received		1,968,655	51,796
Net cash (used in) investing activities		(22,720,501)	(4,691,229)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing repaid		(4,206,392)	(1,143,059)
Long-term financing obtained		-	4,344,000
Lease rentals paid		(9,876)	(1,796)
Dividend paid		(3,190,456)	(1,287,198)
Net cash (used in) / generated from financing activities		(7,406,724)	1,911,947
Net decrease in cash and cash equivalents		(16,213,705)	13,870,119
Cash and cash equivalents at the beginning of the year		31,634,374	11,587,351
Exchange (loss) / gain on cash and cash equivalents		(364,903)	2,939,218
Cash and cash equivalents at the end of the year	15	15,055,766	28,396,688

The annexed notes 1 to 20 form an integral part of these consolidated financial statements.


Syed Jarar Haider Kazmi
 Chief Financial Officer


Muhammad Ali
 Director


Mr. Ahsan Ali Malik
 Director

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UNAUDITED)

1. THE GROUP AND ITS OPERATIONS

The Group consist of Pakistan National Shipping Corporation (the Holding Company), its subsidiary companies and an associate (together 'the Group'). The Holding Company was formed under the provisions of the Pakistan National Shipping Corporation Ordinance, 1979 while the subsidiaries were formed and registered under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), 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

Percentage of Shareholding

Subsidiary companies

- Bolan Shipping (Private) Limited*	100
- Chitral Shipping (Private) Limited*	100
- Hyderabad Shipping (Private) Limited*	100
- Johar Shipping (Private) Limited**	100
- Karachi Shipping (Private) Limited**	100
- Khairpur Shipping (Private) Limited*	100
- Lahore Shipping (Private) Limited*	100
- Lalazar Shipping (Private) Limited*	100
- Makran Shipping (Private) Limited**	100
- Malakand Shipping (Private) Limited*	100
- Multan Shipping (Private) Limited*	100
- National Ship Management and Crewing (Private) Limited**	100
- Pakistan Marine and Shipping Services Company (Private) Limited**	100
- Quetta Shipping (Private) Limited*	100
- Sargodha Shipping (Private) Limited*	100
- Shalamar Shipping (Private) Limited*	100
- Sibi Shipping (Private) Limited*	100
- Swat Shipping (Private) Limited**	100
- Pakistan Co-operative Ship Stores (Private) Limited	73

Associate

- Muhammadi Engineering Works (Private) Limited	49
---	----

* These wholly owned subsidiaries operate one vessel / tanker.

** These wholly owned subsidiaries currently do not own any vessel.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These consolidated condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the financial statements for the year ended June 30, 2023 as these provide an update of previously reported information.

- 2.2 These consolidated condensed interim financial statements comprise of the consolidated condensed interim statement of financial position as at March 31, 2024 and the consolidated condensed interim statement of profit or loss and other comprehensive income, the consolidated condensed interim statement of changes in equity, the consolidated condensed interim statement of cash flows and notes thereto for the nine period ended March 31, 2024.
- 2.3 The comparative statement of financial position presented in these consolidated condensed interim financial statements as at June 30, 2023 has been extracted from the annual audited financial statements of the Group for the year ended June 30, 2023 whereas the comparative consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows for the nine months period ended March 31, 2023 have been extracted from the consolidated condensed interim financial statements of the Group for the nine months period ended.
- 2.4 These consolidated condensed interim financial statements are separate financial statements of the Group in which investments in subsidiaries and associate are accounted for at cost less accumulated impairment losses, if any.
- 2.5 These consolidated condensed interim financial statements are unaudited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.6 Basis of measurement

These consolidated condensed interim financial statements have been prepared under the historical cost convention except as otherwise stated in the respective notes to the consolidated condensed interim financial statements.

2.7 Functional and presentation currency

These consolidated condensed interim financial statements are presented in Pakistani Rupees which is also the Group's functional currency and all financial information presented has been rounded-off to the nearest thousand Rupee except where stated otherwise.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended June 30, 2023.

3.1 Amendments to accounting standards that are effective

There are certain amendments to accounting standards which are mandatory for the Group's annual accounting period which began on July 1, 2023, however, these do not have any significant impact on the Group's financial reporting and, therefore, have not been detailed in these consolidated condensed interim financial statements.

3.2 Amendments to accounting standards that are not yet effective

Certain amendments to the accounting standards which are not yet effective, however, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of consolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, however, actual results may differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the Group's consolidated annual financial statements for the year ended June 30, 2023.

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1 & 5.2	34,312,677	34,411,509
Major spare parts and stand-by equipments	5.1	1,501,785	1,330,776
Capital work-in-progress (CWIP)		63,726	63,726
		<u>35,878,188</u>	<u>35,806,011</u>
		(Unaudited)	
		Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
		----- (Rupees in '000) -----	
5.1 Additions (including transfers from CWIP) during the period:			
Office equipments		4,050	2,593
Furniture and fittings		2,594	1,516
Computer equipments		10,546	28,852
Vehicle		14,034	9,852
Vessels		-	9,913,258
Spares capitalised		418,523	459,463
Class renewal and dry docking		2,242,584	649,968
Equipment on board		35,769	3,003
		<u>2,728,100</u>	<u>11,068,505</u>
5.2 Depreciation charge for the period		<u>2,656,850</u>	<u>1,964,498</u>

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
Note		(Rupees in '000)	
6. TRADE DEBTS - unsecured			
- Due from related parties	6.1	5,215,645	6,055,105
- Due from others		<u>2,002,177</u>	<u>3,180,027</u>
		7,217,822	9,235,132
Allowance for expected credit loss	6.2	<u>(3,497,470)</u>	<u>(3,266,054)</u>
		<u>3,720,352</u>	<u>5,969,078</u>

6.1 Ageing analysis of amounts due from related parties, included in trade debts, is as follows:

	(Unaudited)				(Audited)
	Upto 1 month	1 to 6 months	More than 6 months	As at March 31, 2024	As at June 30, 2023
	(Rupees in '000)				
Pakistan State Oil Company Limited	-	-	2,436,165	2,436,165	2,436,165
Pak Arab Refinery Limited	1,403,446	83,414	345,787	1,832,647	1,298,252
Pakistan Refinery Limited	-	13,994	34,399	48,393	649,939
Sui Northern Gas Pipelines Limited	7,009	-	-	7,009	3,876
District Controller of Stores	163	-	2,749	2,912	14,361
Embarkation Commandant	437	21,830	499,505	521,772	631,364
Officer Commanding PAF	4,417	137,690	78,425	220,532	330,670
Pakistan Ordinance Factory	-	22,268	5,155	27,423	83,710
Others	9,380	25,561	83,851	118,792	219,829
	<u>1,424,852</u>	<u>304,757</u>	<u>3,486,036</u>	<u>5,215,645</u>	<u>5,668,166</u>

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
Note		(Rupees in '000)	
6.2 Allowance for expected credit loss			
Opening balance		3,266,054	2,244,063
Charged during the period / year		246,638	1,021,991
Written-off		<u>(15,222)</u>	<u>-</u>
Closing balance		<u>3,497,470</u>	<u>3,266,054</u>

7. OTHER RECEIVABLES

- Due from related parties	7.1	424,599	304,208
- Due from others		<u>1,510,570</u>	<u>360,965</u>
		1,935,169	665,173
Allowance for expected credit loss	7.2	<u>(201,500)</u>	<u>(171,314)</u>
		<u>1,733,669</u>	<u>493,859</u>

7.1 Related parties:

- Government of Pakistan		231,612	152,184
- Port Qasim Authority		190,009	149,046
- Karachi Port Trust		<u>2,978</u>	<u>2,979</u>
		<u>424,599</u>	<u>304,209</u>

7.2 Allowance for expected credit loss

Opening balance		171,314	109,890
Charged during the period / year		30,186	95,864
Written-off		<u>-</u>	<u>(34,440)</u>
Closing balance		<u>201,500</u>	<u>171,314</u>

8. SHORT-TERM INVESTMENTS

Amortized Cost

Treasury-bills having maturity of three months or less	8.1	443,317	15,376,043
Term-deposits with banks having maturity of three months or less	8.2	8,993,617	7,874,372
Term-deposits with banks having maturity of more than three months	8.2	<u>6,000,000</u>	<u>23,000</u>

Fair value through profit or loss

- Mutual funds	8.3	<u>21,567,360</u>	<u>3,232,258</u>
		<u>37,004,294</u>	<u>26,505,673</u>

- 8.1 These have effective interest rate of 21.91% (June 30, 2023: 15.62% to 21.99%) per annum.
- 8.2 Mark-up on term-deposits denominated in local currency is 22.44% (June 30, 2023: 15.5% to 16.65%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 7.25% to 8.50% (June 30, 2023: 3% to 6.5%) per annum.

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
	Note	(Rupees in '000)	
8.3 Movement of mutual funds			
Opening		3,232,258	104,890
Purchased during the period / year		32,787,266	3,758,000
Dividend reinvested during the period / year		1,724,248	167,355
Redeemed during the period / year		(16,176,412)	(797,987)
Closing		<u>21,567,360</u>	<u>3,232,258</u>
9. LONG TERM FINANCING - secured			
- Financing under syndicate term-finance agreement	9.1	-	2,199,726
- Financing under musharika agreement	9.1 & 9.2	<u>3,037,831</u>	<u>5,044,497</u>
Current portion of long-term financing		<u>(868,800)</u>	<u>(4,422,203)</u>
		<u>2,169,031</u>	<u>2,822,020</u>

9.1 The financing facilities under syndicate term-finance and musharika agreements obtained during the year ended June 30, 2019, amounting to Rs. 6,500 million and Rs. 4,000 million respectively with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.35% per annum each. The loan, along with mark-up, has been paid in full on September 22, 2023.

9.2 The Holding Company has obtained financing facility during the year ended June 30, 2023 amounting to Rs.11,825 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.12% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on July 27, 2027. As of the reporting date, the Holding Company has drawn Rs.2,064 million and Rs.2,280 million to finance its subsidiary companies namely Lalazar Shipping (Private) Limited and Sargodha Shipping (Private) Limited respectively for the purchase of vessels. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiaries.

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
		(Rupees in '000)	
10. TRADE AND OTHER PAYABLES			
Creditors		527,755	481,697
Advance from charterers		82,051	45,557
Accrued liabilities		6,809,912	4,850,248
Agents' and owners' balances		314,431	351,668
Deposits		59,456	53,735
Withholding tax payable		72,394	49,187
Other liabilities		<u>8,054</u>	<u>8,054</u>
		<u>7,874,053</u>	<u>5,840,146</u>
11. CONTINGENCIES AND COMMITMENTS			
Contingencies			

11.1 There are no major changes in the status of contingencies as reported in the annual audited consolidated financial statements for the year ended June 30, 2023, except for the following:

During the year ended June 30, 2023, the Assistant commissioner inland revenue (ACIR) vide order dated January 23, 2023 proceeded to amend the assessment under the provisions of section 122(5A) of the Income Tax Ordinance, 2001 in respect of tax year 2022. The taxable income was recomputed by locating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs 658 million was raised. During the nine months period ended March 31, 2024, the Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals) (CIR (A)) , which was decided vide order dated November 13, 2023. The CIR(A) in its order remanded back certain matters, while giving decision in favour and against of the Holding Company on certain other matters. Being aggrieved with the order, management filed an appeal with Appellate tribunal inland revenue (ATIR). The management, in consultation with its tax advisor, is confident that the above matter will eventually be decided in favour of the Holding Company.

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
		(Rupees in '000)	
11.2 Commitments			
Outstanding letters of guarantee		<u>24,082</u>	<u>19,669</u>

		(Unaudited)	
		Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
		(Rupees in '000)	
12. FINANCE COST			
Mark-up on long-term financing		747,779	992,688
Mark-up on lease liability		1,259	4,364
Bank charges		9,825	8,377
		<u>758,863</u>	<u>1,005,429</u>
13. TAXATION			
Tax charge for:			
- current year		2,079,745	831,503
- prior year expense / (income)		10,130	(160,311)
		2,089,875	671,192
- Deferred tax expense / (income)		13,903	(30,355)
Taxation expense / (income)		<u>2,103,778</u>	<u>640,837</u>
14. CASH GENERATED FROM OPERATIONS			
Profit before taxation		16,789,559	24,596,932
Adjustments for non-cash charges and other items:			
Depreciation on:			
Property, plant and equipments		2,656,850	1,964,498
Right-of-use assets		2,234	6,140
Amortization		580	-
Provision for employees' gratuity		(96,083)	83,121
Provision for employees' compensated absences		70,713	57,218
Provision for post-retirement medical benefits		7,444	6,567
Provision for workers' profit participation fund		211,691	-
Provision no longer required written back		(26,967)	(24,889)
Provision for slow moving stores and spares		-	61,736
Income from saving accounts and term-deposits		(2,992,409)	(1,252,800)
Finance cost:			
Long-term financing		757,604	992,688
Lease liabilities		1,259	4,364
Dividend income:			
Mutual funds		(1,967,160)	(49,484)
Listed Companies		(1,495)	(2,312)
Impairment loss / (reversal) on:			
Trade debts		246,638	897,733
Other receivables		30,186	(5,368)
Agents' and owners' balances		1,865	1,120
(Gain) / loss on revaluation of long-term investments in listed securities		(11,416)	11,101
Gain on termination of lease contracts		(6,989)	-
Gain on sale of property, plant and equipment		-	(3,338,184)
Unrealised (gain) / loss on revaluation of foreign currency trade balances		(506,933)	493,855
Loss / (gain) on revaluation of foreign currency cash and cash equivalent		364,903	(2,939,218)
Working capital changes	14.1	<u>1,078,308</u>	<u>(3,027,067)</u>
		<u>16,610,382</u>	<u>18,537,751</u>
14.1 Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		(700,484)	(1,353,899)
Trade debts - unsecured		2,002,088	(1,203,167)
Agents' and owners' balances - unsecured		(8,514)	10,199
Loans and advances		(578,849)	(86,532)
Trade deposits and short-term prepayments		(2,056)	(4,957)
Contract assets		(654,496)	-
Other receivables		(1,269,996)	(426,375)
Incomplete voyages		345,202	(333,755)
		(867,105)	(3,398,486)
Increase / (decrease) in current liabilities			
Trade and other payables		2,355,186	(30,313)
Provision for damage claims		(628)	(9,401)
Contract liabilities		(409,145)	411,133
		<u>1,945,413</u>	<u>371,419</u>
		<u>1,078,308</u>	<u>(3,027,067)</u>

		(Unaudited)	
		Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
Note		(Rupees in '000)	
15. CASH AND CASH EQUIVALENTS			
Short-term investments having maturity of three months or less	8	9,436,934	19,910,589
Cash and bank balances		5,618,832	8,486,099
		<u>15,055,766</u>	<u>28,396,688</u>

16. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

16.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk.

These consolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended June 30, 2023. There have been no changes in risk management policies since the year end.

16.2 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value hierarchy

As at March 31, 2024, the Group's all assets and liabilities are carried at cost / revalued less accumulated depreciation / impairment, if any, or at amortised cost except for those mentioned below:

The Group's leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Group's leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment as at June 30, 2021.

The Group classifies investment properties and long-term investments in listed companies measured at fair value in the statement of financial position. The latest fair valuation of the Holding Company's investment properties was performed by an independent valuer as at June 30, 2023.

The valuation techniques and inputs used to develop fair value measurements of aforementioned assets are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the period.

Details of fair value hierarchy and information relating to fair value of Group's leasehold land, buildings on leasehold land, beach huts, workshop machinery and equipments, investments categorised as fair value through profit or loss and investment properties are as follows:

					(Unaudited)			
					March 31, 2024			
					Level 1	Level 2	Level 3	Total
					(Rupees in '000)			
Assets carried at fair value								
Long-term investments in listed companies and other entity					38,443	-	-	38,443
Short-term investments - mutual funds					21,567,360	-	-	21,567,360
					<u>21,605,803</u>	<u>-</u>	<u>-</u>	<u>21,605,803</u>
Leasehold land					-	-	1,399,780	1,399,780
Buildings on leasehold land					-	-	673,159	673,159
Beach huts					-	-	13,048	13,048
Workshop machinery and equipments					-	-	4,830	4,830
Investment properties					-	-	4,100,505	4,100,505
					<u>-</u>	<u>-</u>	<u>6,191,322</u>	<u>6,191,322</u>

	(Audited)			
	June 30, 2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets carried at fair value				
Long-term investments in listed companies and other entity	27,027	-	-	27,027
Short-term investments - mutual funds	3,232,258	-	-	3,232,258
	<u>3,259,285</u>	<u>-</u>	<u>-</u>	<u>3,259,285</u>
Leasehold land	-	-	1,399,780	1,399,780
Buildings on leasehold land	-	-	714,565	714,565
Beach huts	-	-	14,590	14,590
Workshop machinery and equipments	-	-	5,727	5,727
Investment properties	-	-	4,100,505	4,100,505
	<u>-</u>	<u>-</u>	<u>6,235,167</u>	<u>6,235,167</u>

17. TRANSACTIONS WITH RELATED PARTIES

The Group has related party relationships with its associate, Government of Pakistan and its related entities, employee benefit plans and its directors and executive officers (including their associates). Transactions with related parties essentially entail freight income, chartering revenue recovered, recovery of demurrage, rental income and employee funds maintained by the Holding Company. Balances with related parties have been disclosed in the relevant notes to these consolidated 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	(Unaudited)	
	Relationship with the Group	Nine months period ended March 31, 2024
		Nine months period ended March 31, 2023
(Rupees in '000)		

Transactions with State owned / controlled entities

Freight income	17,562,082	20,283,173
Income from other operating activities	1,037,589	917,588
Rental income	21,612	19,428
Rental and other expenses	33,243	22,534

Transactions with other related parties

Employees' retirement benefit funds	Employees benefit plan	39,107	30,680
Directors' fee and traveling allowances	Key management personnel	8,594	7,733
Remuneration and other benefits	Key management personnel	100,566	72,162
Dividend paid to Government of Pakistan	Government holding	2,890,843	1,156,337

18. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation in these consolidated condensed interim financial statements.

19. GENERAL

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

20. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 26, 2024 by the Board of Directors of the Holding Company.


Syed Jarar Haider Kazmi
 Chief Financial Officer


Muhammad Ali
 Director


Mr. Ahsan Ali Malik
 Director



**(UNAUDITED)
UNCONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS
OF PAKISTAN NATIONAL
SHIPPING CORPORATION
(HOLDING COMPANY)**

For the Quarter and nine month
Period ended
MARCH 31, 2024

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
ASSETS			
	Note	------(Rupees in '000)-----	
Non-current assets			
Property, plant and equipment	5	2,231,934	2,262,334
Right-of-use assets		9,416	80,971
Intangible assets		131,833	73,559
Investment properties		4,100,505	4,100,505
Long-term investments in:			
- Related parties (subsidiaries and an associate)		37,140,378	37,140,378
- Listed companies and an other entity		38,443	27,027
		37,178,821	37,167,405
Long-term loans		18,465	29,454
Deferred taxation		79,429	88,651
		43,750,403	43,802,879
Current assets			
Stores and spares		9,296	9,296
Trade debts - unsecured	6	933,542	1,287,505
Agents' and owners' balances - unsecured		19,385	12,736
Loans and advances		9,216,243	9,211,271
Trade deposits and short-term prepayments		43,997	39,300
Interest accrued on bank deposits and short-term investments		721,154	135,116
Other receivables	7	480,160	306,905
Taxation - net		1,111,365	1,411,725
Short-term investments	8	36,970,564	26,482,673
Cash and bank balances		5,615,279	8,378,015
		55,154,479	47,274,542
		98,904,882	91,077,421
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		2,000,000	2,000,000
Issued, subscribed and paid-up share capital		1,320,634	1,320,634
Reserves			
Capital reserve		126,843	126,843
Revenue reserve - unappropriated profit		10,616,457	12,840,594
Remeasurement of post retirement benefits obligation - net of tax		(194,032)	(194,032)
Surplus on revaluation of property, plant and equipment - net of tax		1,613,189	1,612,524
		12,162,457	14,385,929
		13,483,091	15,706,563
Non-current liabilities			
Long-term financing - secured	9	2,169,031	2,822,020
Lease liabilities		10,696	88,547
Employee's benefits		610,603	739,613
		2,790,330	3,650,180
Current liabilities			
Trade and other payables	10	79,212,220	66,340,900
Contract liabilities		183,050	642,913
Provision against damage claims		22,607	23,235
Current portion of long-term financing - secured	9	868,800	4,422,203
Current portion of lease liabilities		2,571	9,648
Unclaimed dividend		231,702	120,573
Accrued markup on long-term financing		110,511	161,206
		80,631,461	71,720,678
		83,421,791	75,370,858
		96,904,882	91,077,421
TOTAL LIABILITIES			
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			

11

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Syed Jarar Haider Kazmi
Chief Financial Officer



Muhammad Ali
Director



Mr. Ahsan Ali Malik
Director

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UNAUDITED)

	Quarter ended March 31, 2024	Quarter ended March 31, 2023	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
Note -----(Rupees in '000)-----				
REVENUE FROM CONTRACT WITH CUSTOMERS				
Freight income - foreign flag vessels	149,940	1,879,535	5,520,555	7,907,044
Service fees	404,362	399,124	994,333	1,160,148
Other operating activities	33,928	1,720	239,205	1,070,883
Workshop income	42,231	19,628	136,298	131,925
Income from manning service	12,624	(5,452)	31,318	2,653
	643,085	2,294,555	6,921,709	10,272,653
REVENUE FROM OTHERS				
Rental income	69,519	67,270	215,273	191,762
	712,604	2,361,825	7,136,982	10,464,415
EXPENDITURE				
Fleet expenses	(104,949)	(1,354,330)	(4,016,410)	(6,778,299)
Vessel management expenses	(398,237)	(263,208)	(1,026,341)	(747,511)
Real estate expenses	(35,238)	(27,544)	(93,762)	(82,839)
	(538,424)	(1,645,082)	(5,136,513)	(7,608,649)
	174,180	716,743	2,000,469	2,855,766
GROSS PROFIT				
Administrative expenses	(46,546)	(103,672)	(288,220)	(356,389)
Impairment loss on financial assets	(290,321)	(12,105)	(404,862)	(644,742)
Other expenses	(251,348)	(69,545)	(537,848)	(189,728)
Other income	1,703,036	2,582,611	5,049,190	3,853,701
	1,114,821	2,397,289	3,818,260	2,662,842
OPERATING PROFIT				
	1,289,001	3,114,032	5,818,729	5,518,608
Finance costs	12 (164,556)	(352,476)	(750,366)	(998,508)
	1,124,445	2,761,556	5,068,363	4,520,100
PROFIT BEFORE TAXATION				
Taxation	13 (451,818)	(281,183)	(1,994,931)	(551,571)
	672,627	2,480,373	3,073,432	3,968,529
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be transferred subsequently to profit or loss</i>				
Deferred tax related to change of rate on surplus of revaluation	-	1,035	4,681	3,756
	672,627	2,481,408	3,078,113	3,972,285
----- (Rupees) -----				
EARNINGS PER SHARE - basic and diluted	5.09	18.78	23.27	30.05

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


Syed Jarar Haider Kazmi
 Chief Financial Officer


Muhammad Ali
 Director


Mr. Ahsan Ali Malik
 Director

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UNAUDITED)

	Issued, subscribed and paid-up share capital	Capital reserve*	Revenue reserve - unappropriated profit	Remeasurement of post-retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total equity
(Rupees in '000)						
Balance as at July 01, 2022	1,320,634	126,843	9,321,161	(221,781)	1,623,362	12,170,219
Transactions with owners						
Final cash dividend for the year ended June 30, 2022 (Rs. 5 per ordinary share of Rs.10 each)	-	-	(660,317)	-	-	(660,317)
Interim dividend for the half year ended December 31, 2022 (Rs. 5 per ordinary share of Rs.10 each)	-	-	(660,317)	-	-	(660,317)
Profit for the period	-	-	3,968,529	-	-	3,968,529
Other comprehensive income	-	-	-	-	3,756	3,756
Total comprehensive income for the nine months ended March 31, 2023	-	-	3,968,529	-	3,756	3,972,285
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	5,312	-	(5,312)	-
Balance as at March 31, 2023	1,320,634	126,843	11,974,368	(221,781)	1,621,806	14,821,870
Balance as at July 01, 2023	1,320,634	126,843	12,840,594	(194,032)	1,612,524	15,706,563
Transactions with owners						
Final cash dividend for the year ended June 30, 2023 (Rs. 15 per ordinary share of Rs.10 each)	-	-	(1,980,951)	-	-	(1,980,951)
Interim dividend for the half year ended December 31, 2023 (Rs. 10 per ordinary share of Rs.10 each)	-	-	(1,320,634)	-	-	(1,320,634)
Profit for the period	-	-	3,073,432	-	-	3,073,432
Other comprehensive income	-	-	-	-	4,681	4,681
Total comprehensive income for the nine months ended March 31, 2024	-	-	3,073,432	-	4,681	3,078,113
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	4,016	-	(4,016)	-
Balance as at March 31, 2024	1,320,634	126,843	12,616,457	(194,032)	1,613,189	15,483,091

* This includes an amount transferred from shareholder's equity at the time of merger between former National Shipping Corporation (NSC) and Pakistan Shipping Corporation (PSC). The reserve is not utilisable for the purpose of distribution to shareholders.

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Syed Jarar Haider Kazmi
Chief Financial Officer



Muhammad Ali
Director



Mr. Ahsan Ali Malik
Director

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UNAUDITED)

	Note	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	13,796,534	12,440,255
Employees' gratuity paid		(39,107)	(30,680)
Employees' compensated absences paid		(59,474)	(52,661)
Post-retirement medical benefits paid		(12,501)	(16,275)
Finance costs paid		(799,802)	(866,047)
Taxes paid		(1,680,671)	(807,196)
Long-term loans		10,989	(19,026)
Net cash generated from operating activities		11,215,968	10,648,370
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(31,224)	(31,281)
Purchase of intangible assets		(58,854)	(8,949)
Additions to investment properties		-	(2,079)
Short-term investments (made) / redeemed		(24,301,372)	24,493
Return on short term investments and bank balances received		2,406,342	1,275,463
Dividend received		1,964,550	51,796
Net cash (used in) investing activities		(20,020,558)	1,309,443
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing repaid		(4,206,392)	(1,143,059)
Long-term financing obtained		-	4,344,000
Lease rentals paid		(9,876)	(1,796)
Dividend paid		(3,190,456)	(1,287,198)
Net cash (used in) / generated from financing activities		(7,406,724)	1,911,947
Net decrease in cash and cash equivalents		(16,211,314)	13,869,760
Cash and cash equivalents at the beginning of the year		31,628,430	11,582,744
Exchange (loss) / gain on cash and cash equivalents		(364,903)	2,939,218
Cash and cash equivalents at the end of the year	15	15,052,213	28,391,722

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


Syed Jarar Haider Kazmi
 Chief Financial Officer


Muhammad Ali
 Director


Mr. Ahsan Ali Malik
 Director

PAKISTAN NATIONAL SHIPPING CORPORATION
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UNAUDITED)

1. THE CORPORATION AND ITS OPERATIONS

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 its subsidiaries and 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 Pakistan Stock Exchange. The Corporation's registered office is situated at PNSC Building, Moulvi Tamizuddin Khan Road, Karachi.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the financial statements for the year ended June 30, 2023 as these provide an update of previously reported information.

2.2 These unconsolidated condensed interim financial statements comprise of the unconsolidated condensed interim statement of financial position as at March 31, 2024 and the unconsolidated condensed interim statement of profit or loss and other comprehensive income, the unconsolidated condensed interim statement of changes in equity, the unconsolidated condensed interim statement of cash flows and notes thereto for the nine months period ended March 31, 2024.

2.3 The comparative statement of financial position presented in these unconsolidated condensed interim financial statements as at June 30, 2023 has been extracted from the annual audited financial statements of the Corporation for the year ended June 30, 2023 whereas the comparative unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows for the nine months period ended March 31, 2023 have been extracted from the unconsolidated condensed interim financial statements of the Corporation for the nine months period ended.

2.4 These unconsolidated condensed interim financial statements are separate financial statements of the Corporation in which investments in subsidiaries and associate are accounted for at cost less accumulated impairment losses, if any.

2.5 These unconsolidated condensed interim financial statements are unaudited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.6 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except as otherwise stated in the respective notes to the unconsolidated condensed interim financial statements.

2.7 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistan Rupees which is also the Corporation's functional currency and all financial information presented has been rounded-off to the nearest thousand Rupees except where stated otherwise.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2023.

3.1 Amendments to accounting standards that are effective

There are certain amendments to accounting standards which are mandatory for the Corporation's annual accounting period which began on July 1, 2023, however, these do not have any significant impact on the Corporation's financial reporting and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

3.2 Amendments to accounting standards that are not yet effective

Certain amendments to the accounting standards which are not yet effective, however, these amendments will not have any significant impact on the financial reporting of the Corporation and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, however, actual results may differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the Corporation's unconsolidated annual financial statements for the year ended June 30, 2023.

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1 & 5.2	2,177,864	2,208,264
Capital work-in-progress (CWIP)		54,070	54,070
		<u>2,231,934</u>	<u>2,262,334</u>

		(Unaudited) Nine months period ended March 31, 2024	(Unaudited) Nine months period ended March 31, 2023
		----- (Rupees in '000) -----	
5.1 Additions (including transfers from CWIP) during the period:			
Office equipment		4,050	2,593
Furniture and fittings		2,594	1,516
Computer equipment		10,546	25,594
Vehicles		14,034	9,852
		<u>31,224</u>	<u>39,555</u>
5.2 Depreciation charge for the period		<u>61,624</u>	<u>50,559</u>

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
6. TRADE DEBTS - unsecured			

- Due from related parties	6.1	2,829,416	2,789,168
- Due from others		402,597	427,720
		<u>3,232,013</u>	<u>3,216,888</u>
Allowance for expected credit loss	6.2	<u>(2,298,471)</u>	<u>(1,929,383)</u>
		<u>933,542</u>	<u>1,287,505</u>

6.1 Ageing analysis of amounts due from related parties, included in trade debts, is as follows:

	(Unaudited)				(Audited)
	Upto 1 month	1 to 6 months	More than 6 months	As at March 31, 2024	As at June 30, 2023
	----- (Rupees in '000) -----				
Pakistan State Oil Company Limited	-	-	1,849,833	1,849,833	1,849,833
Pak Arab Refinery Limited	-	-	68,760	68,760	64,260
Pakistan Refinery Limited	-	-	12,384	12,384	11,219
Sui Northern Gas Pipelines Limited	7,009	-	-	7,009	5,381
District Controller of Stores	163	-	2,749	2,912	33,372
Embarkation Commandant	437	21,830	499,505	521,772	329,995
Officer Commanding (PAF)	4,417	137,690	78,425	220,532	298,752
Pakistan Ordnance Factory	-	22,268	5,155	27,423	67,847
Others	9,380	25,561	83,850	118,791	128,509
	<u>21,406</u>	<u>207,349</u>	<u>2,600,661</u>	<u>2,829,416</u>	<u>2,789,168</u>

(Unaudited) (Audited)
 March 31, June 30,
 2024 2023
 Note ----- (Rupees in '000) -----

6.2 Allowance for expected credit loss

Opening balance	1,929,383	1,296,575
Charged during the period / year	372,810	632,808
Written-off	(3,722)	-
Closing balance	<u>2,298,471</u>	<u>1,929,383</u>

7. OTHER RECEIVABLES

- Due from related parties	7.1	424,599	304,208
- Due from others		166,384	83,334
		<u>590,983</u>	<u>387,542</u>
Allowance for expected credit loss	7.2	(110,823)	(80,637)
		<u>480,160</u>	<u>306,905</u>

7.1 Related parties:

- Government of Pakistan	231,612	152,184
- Port Qasim Authority	190,009	149,046
- Karachi Port Trust	2,978	2,978
	<u>424,599</u>	<u>304,208</u>

7.2 Allowance for expected credit loss

Opening balance	80,637	46,572
Charged during the period / year	30,186	68,505
Written-off	-	(34,440)
Closing balance	<u>110,823</u>	<u>80,637</u>

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
	Note	(Rupees in '000)	
8. SHORT-TERM INVESTMENTS			
Amortised cost			
Treasury-bills having maturity of three months or less	8.1	443,317	15,376,043
Term-deposits with banks having maturity of three months or less	8.2	8,993,617	7,874,372
Term-deposits with banks having maturity of more than three months	8.2	6,000,000	-
Fair value through profit or loss			
- Units of Mutual funds	8.3	21,533,630	3,232,258
		<u>36,970,564</u>	<u>26,482,673</u>
8.1	These have effective interest rate of 21.91% (June 30, 2023: 15.62% to 21.99%) per annum.		
8.2	Mark-up on term-deposits denominated in local currency ranges between is 21.20% to 22.44% (June 30, 2023: 15.5% to 16.65%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges between 7.25% to 8.50% (June 30, 2023: 3% to 6.5%) per annum.		
		(Unaudited) March 31, 2024	(Audited) June 30, 2023
8.3 Movement of mutual funds	Note	(Rupees in '000)	
Opening		3,232,258	104,890
Purchased during the period / year		32,757,266	3,758,000
Dividend reinvested during the period / year		1,724,248	167,355
Redeemed during the period / year		<u>(16,180,142)</u>	<u>(797,987)</u>
Closing		<u>21,533,630</u>	<u>3,232,258</u>
9. LONG-TERM FINANCING - secured			
- Financing under syndicate term-finance agreement	9.1	-	2,199,726
- Financing under musharika agreement	9.1 & 9.2	3,037,831	5,044,497
		<u>3,037,831</u>	<u>7,244,223</u>
Current portion of long-term financing		<u>(868,800)</u>	<u>(4,422,203)</u>
		<u>2,169,031</u>	<u>2,822,020</u>
9.1	The financing facilities under syndicate term-finance and musharika agreements obtained during the year ended June 30, 2019, amounting to Rs. 6,500 million and Rs. 4,000 million respectively with a consortium led by Faysal Bank Limited carried mark-up at the rate of 3 months KIBOR + 0.35% per annum each. The loan, along with mark-up, has been paid in full on September 22, 2023.		
9.2	The Corporation has obtained financing facility during the year ended June 30, 2023 amounting to Rs.11,825 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.12% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on July 27, 2027. As of the reporting date, the Corporation has drawn Rs. 2,064 million and Rs. 2,280 million to finance its subsidiary companies namely Lalazar Shipping (Private) Limited and Sargodha Shipping (Private) Limited respectively for the purchase of vessels. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiaries.		
		(Unaudited) March 31, 2024	(Audited) June 30, 2023
10. TRADE AND OTHER PAYABLES		(Rupees in '000)	
Creditors		59,447	104,621
Current account balances with subsidiary companies		77,381,263	64,483,208
Agents' and owners' balances		313,938	351,668
Accrued liabilities		1,317,940	1,290,704
Deposits		59,456	53,735
Withholding tax payable		72,122	48,910
Other liabilities		8,054	8,054
		<u>79,212,220</u>	<u>66,340,900</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There are no major changes in the status of contingencies as reported in the annual unconsolidated financial statements for the year ended June 30, 2023, except for the following:

During the year ended June 30, 2023, the Assistant commissioner inland revenue (ACIR) vide order dated January 23, 2023 proceeded to amend the assessment under the provisions of section 122(5A) of the Income Tax Ordinance, 2001 in respect of tax year 2022. The taxable income was recomputed by locating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 658 million was raised. During the nine months period year ended March 31, 2024, the Corporation filed an appeal with the Commissioner Inland Revenue (Appeals) CIR (A), which was decided vide order dated November 13, 2023. The CIR(A) in its order remanded back certain matters, while giving decision in favour and against of the Corporation on certain other matters. Being aggrieved with the order, management filed an appeal with Appellate Tribunal Inland Revenue (ATIR). The management, in consultation with its tax advisor, is confident that the above matter will eventually be decided in favour of the Corporation.

	(Unaudited) March 31, 2024	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
11.2 Commitments		
Outstanding letters of guarantee	24,082	19,669
	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
	----- (Rupees in '000) -----	
12. FINANCE COST		
Mark-up on long-term financing	747,779	992,688
Mark-up on lease liabilities	1,259	4,364
Bank charges	1,328	1,456
	750,366	998,508
13. TAXATION		
Tax charge for:		
- current year	1,970,898	742,237
- prior year expense / (income)	10,130	(160,311)
	1,981,028	581,926
- Deferred tax expense / (income)	13,903	(30,355)
Taxation expense	1,994,931	551,571
	Unaudited March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
14. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit before taxation	5,068,363	4,520,100
Adjustments for non-cash charges and other items:		
Depreciation on:		
Property, plant and equipment	61,624	50,559
Right-of-use assets	2,234	6,140
Amorization	580	-
Provision for employees' gratuity	(96,083)	83,121
Provision for employees' compensated absences	70,713	57,218
Provision for post-retirement medical benefits	7,444	6,567
Provision for workers' profit participation fund	211,691	-
Income from saving accounts and term deposits	(2,992,380)	(1,250,149)

	Note	Unaudited	
		March 31, 2024	March 31, 2023
(Rupees in '000)			
Finance cost:			
Long term financing		749,107	992,688
Lease liabilities		1,259	4,364
Dividend income:			
Mutual funds		(1,963,055)	(49,484)
Listed Companies		(1,495)	(2,312)
Impairment loss / (reversal) on:			
Trade debts		372,810	614,118
Other receivables		30,186	(5,368)
Agents' and owners' balances		1,865	1,120
(Gain) / loss on revaluation of long-term investments in listed securities		(11,416)	11,101
Gain on termination of lease contracts		(6,989)	-
Unrealised (gain) / loss on revaluation of foreign currency trade balances		(514,845)	530,376
Loss / (gain) on revaluation of foreign currency cash and cash equivalent		364,903	(2,939,218)
Working capital changes	14.1	12,440,018	9,809,314
		<u>13,796,534</u>	<u>12,440,255</u>

14.1 Working capital changes

(Increase) / decrease in current assets

Stores and Spares	-	(9,286)
Trade debts - unsecured	(18,847)	(15,763)
Agents' and owners' balances - unsecured	(8,514)	10,199
Loans and advances	(4,972)	(44,715)
Trade deposits and short-term prepayments	(4,697)	(3,245)
Other receivables	(203,441)	(86,788)
Incomplete voyages	-	24,589
	<u>(273,965)</u>	<u>(125,009)</u>

Increase / (decrease) in current liabilities

Trade and other payables	13,174,474	9,901,327
Provision for damage claims	(628)	5,009
Contract liabilities	(459,863)	27,987
	<u>12,713,983</u>	<u>9,934,323</u>
	<u>12,440,018</u>	<u>9,809,314</u>

15. CASH AND CASH EQUIVALENTS

Short-term investments having maturity of three months or less	8	9,436,934	19,910,589
Cash and bank balances		5,615,279	8,481,133
		<u>15,052,213</u>	<u>28,391,722</u>

16. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

16.1 Financial risk factors

The Corporation's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk.

These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Corporation's annual unconsolidated financial statements for the year ended June 30, 2023. There have been no changes in risk management policies since the year end.

16.2 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value hierarchy

As at March 31, 2024, the Corporation's all assets and liabilities are carried at cost / revalued amount less accumulated depreciation / impairment, if any, or at amortised cost except for those mentioned below:

The Corporation's leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Corporation's leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment was performed by an independent valuer on June 30, 2021.

The Corporation classifies investment properties and long-term investments in listed companies measured at fair value in the statement of financial position. The latest fair valuation of the Corporation's investment properties was performed by an independent valuer as at June 30, 2023.

The valuation techniques and inputs used to develop fair value measurements of aforementioned assets are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the period.

Details of fair value hierarchy and information relating to fair value of Corporation's leasehold land, buildings on leasehold land, beach huts, workshop machinery and equipment, investments categorised as fair value through profit or loss and investment properties are as follows:

	(Unaudited) March 31, 2024			Total
	Level 1	Level 2	Level 3	
	(Rupees in '000)			
Assets carried at fair value				
Long-term investments in listed companies and other entity	38,343	-	-	38,343
Short-term investments - mutual funds	21,533,630	-	-	21,533,630
	<u>21,571,973</u>	-	-	<u>21,571,973</u>
Leasehold land	-	-	1,399,780	1,399,780
Buildings on leasehold land	-	-	673,159	673,159
Beach huts	-	-	13,048	13,048
Workshop machinery and equipment	-	-	4,830	4,830
Investment properties	-	-	4,100,505	4,100,505
	<u>21,571,973</u>	-	<u>6,191,322</u>	<u>27,763,295</u>
(Audited) June 30, 2023				
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets carried at fair value				
Long-term investments in listed companies and other entity	26,927	-	-	26,927
Short-term investments - mutual funds	3,232,258	-	-	3,232,258
	<u>3,259,185</u>	-	-	<u>3,259,185</u>
Leasehold land	-	-	1,399,780	1,399,780
Buildings on leasehold land	-	-	698,697	698,697
Beach huts	-	-	14,590	14,590
Workshop machinery and equipment	-	-	5,727	5,727
Investment properties	-	-	4,100,505	4,100,505
	<u>3,259,185</u>	-	<u>6,219,299</u>	<u>9,478,484</u>

17. TRANSACTIONS WITH RELATED PARTIES

The Corporation has related party relationships with its subsidiaries, associate, Government of Pakistan and its related entities, 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, recovery of demurrage, rental income, 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 unconsolidated 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:

Relationship with the Corporation	Unaudited	
	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
----- (Rupees in '000) -----		
Name and particulars		
Transactions with State owned / controlled entities		
Freight income - foreign flag vessels	3,538,533	6,471,646
Income from operating activities	143,593	28,634
Rental income	21,612	19,428
Rental expenses	1,336	22,534
Transactions with subsidiary companies		
Service fee charged to subsidiary companies	994,333	1,160,148
Retirement benefit costs charged to subsidiary companies	900	587
Employees' retirement benefit funds	Employees benefit plan	39,107
Directors' fee and traveling allowances	Key management personnel	8,594
Remuneration and other benefits	Key management personnel	100,566
Dividend paid to Government of Pakistan	Government holding	2,890,843

17.1 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 of the subsidiary companies.

18. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation in these unconsolidated condensed interim financial statements.

19. GENERAL

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

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 26, 2024 by the Board of Directors of the Corporation.



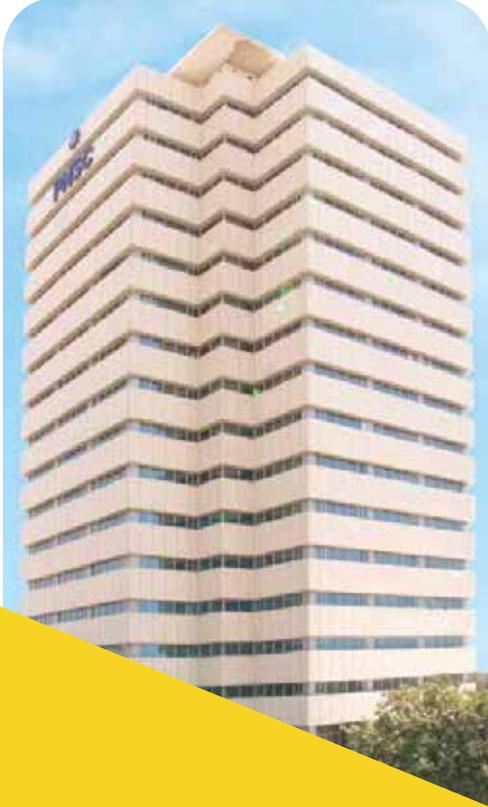
Syed Jarar Haider Kazmi
Chief Financial Officer



Muhammad Ali
Director



Mr. Ahsan Ali Malik
Director



PNSC BUILDING,
Moulvi Tamizuddin Khan Road,
P.o.box No. 5350, Karachi-74000 Pakistan.
Phone: (92-21) 99203980-99 (20 Lines)
Fax: (92-21) 99203974, 35636658
Email: communication@pns.com.pk
www.pns.com.pk