

Pakistan National Shipping Corporation



# Breaking Barriers - Achieving **Milestones**



**HALF YEARLY REPORT  
DECEMBER 31, 2022**



Years of Independence

# Contents

Corporate Information	1
Directors' Report	2
Directors' Report (in Urdu) ڈائریکٹرز رپورٹ	5
Independent Auditors' Review Report	6

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

Unconsolidated Condensed Interim Statement of Financial Position	10
Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	11
Unconsolidated Condensed Interim Statement of Changes in Equity	12
Unconsolidated Condensed Interim Statement of Cash Flows	13
Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements	14

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

Consolidated Condensed Interim Statement of Financial Position	25
Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	26
Consolidated Condensed Interim Statement of Changes in Equity	27
Consolidated Condensed Interim Statement of Cash Flows	28
Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements	29



# Corporate Information

## Board of Directors

1. Rear Admiral Jawad Ahmed, SI(M)	Chairman
2. Mr. Muhammad Anwer Additional Secretary Finance (Corporate Finance), Finance Division Islamabad.	Member
3. Mr. Asad Rafi Chandna Additional Secretary Ministry of Maritime Affairs, Islamabad.	Member
4. Ms. Alia Shahid Director General (Ports & Shipping) Ministry of Maritime Affairs, Karachi.	Member
5. Mr. Ahsan Ali Malik	Member
6. Capt. Sarfaraz Inayatullah Qureshi	Member
7. Mr. Muhammad Ali	Member

## Audit & Finance Committee

1. Mr. Muhammad Ali	Chairman
2. Mr. Muhammad Anwer	Member
3. Mr. Asad Rafi Chandna	Member
4. Ms. Alia Shahid	Member
5. Mr. Ahsan Ali Malik	Member

## HR, Nomination and CSR Committee

1. Mr. Ahsan Ali Malik	Chairman
2. Rear Admiral Jawad Ahmed, SI(M)	Member
3. Ms. Alia Shahid	Member
4. Capt. Sarfaraz Inayatullah Qureshi	Member
5. Mr. Atique Sultan Raja	Secretary

## Strategy and Risk Management Committee

1. Capt. Sarfaraz Inayatullah Qureshi	Chairman
2. Mr. Muhammad Anwer	Member
3. Mr. Asad Rafi Chandna	Member
4. Mr. Muhammad Ali	Member
5. Mr. S. Jarar Haider Kazmi	Secretary

## Vessels Procurement Committee

1. Rear Admiral Jawad Ahmed, SI(M)	Chairman
2. Mr. Muhammad Ali	Member
3. Mr. Muhammad Anwar	Member
4. Capt. Sarfaraz Inayatullah Qureshi	Member
5. Mr. Khurum Mirza	Secretary

## Chief Financial Officer

Mr. S. Jarar Haider Kazmi

## Company Secretary

Mr. Muhammad Javid Ansari

## 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

## Shares Registrar

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

## Bankers

Al Baraka Bank (Pakistan) Limited  
Bank Al Habib Limited, Bahrain  
Bank Alfalah Limited, Bahrain  
BankIslami Pakistan Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank  
JS Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
National Bank of Pakistan, Hong Kong  
National Bank of Pakistan, Tokyo  
Silk Bank Limited  
Sindh Bank Limited  
UniCredit Bank, Italy  
United Bank Limited, London

## **PAKISTAN NATIONAL SHIPPING CORPORATION**

### **DIRECTORS' REPORT**

### **FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

The Board of Directors of Pakistan National Shipping Corporation (PNSC) is pleased to present the consolidated and unconsolidated condensed interim financial statements of Group and PNSC for the six months period ended December 31, 2022. These financial statements of the Corporation have undergone a limited scope review by the external auditors pursuant to the statutory requirements of the Companies Act, 2017.

#### **PERFORMANCE REVIEW**

The trend movement of macro-economic factors like PKR v/s USD exchange rate parity, interest rate (Kibor), and decline in import and export business have also had significant impact on maritime sector of Pakistan.

Under the influence of global economic conditions and trend, despite the current adverse economic condition of the country, the PNSC Group has managed to achieve 742% increase in profit after tax to Rs.11,983 million as against Rs.1,423 million in the corresponding period last year. Group earnings per share increased to Rs.90.74 as against Rs.10.77 in the corresponding period last year.

The factors leading to improved financial performance of the group is due to increase in liquid cargo carrying capacity (DWT) by 214,246 Metric Tons and average growth in AFRA from 100 to 219 and World scale from 4.98 to 5.29. Additionally, average exchange rate against USD during the period was Rs.227 as compared to Rs.171 in the corresponding period last year.

Cumulatively, the Group achieved a turnover of Rs.29,038 million (PNSC: Rs.8,022 million) as compared to Rs.10,106 million (PNSC: Rs.3,926 million) for the corresponding period last year.

There was increase in the Dry Cargo segment by Rs.3,062 million including significant increase in revenue from slot charter business by Rs.1,972 million.

Further, the business with Trading Corporation of Pakistan (TCP) through performance of four voyages of foreign flag vessel has resulted in revenue of Rs.1,772 million.

Additionally; the major increase was also seen in revenue from Liquid Cargo segment by Rs.15,863 million, this includes the increase of Rs.14,280 million from owned oil tankers.

The PNSC standalone results reflect a profit after tax of Rs.1,488 million as compared to loss after tax of Rs.11 million in the corresponding period of the last year, the major reason is increase of slot chartering and TCP business activities.

Due to exponential increase in revenue, the gross profit margin and net profit margin at group level is 46% and 41% as compared to 24% and 14% respectively in the corresponding period last year.

During the current period the finance cost increased by Rs.407 million (168%) compared to corresponding period last year, due to increase in long-term financing by Rs.4,344 million. Major reason for increase in finance cost is due to the borrowing obtained for the induction of two oil tanker vessels M.T. Mardan and M.T. Sargodha.

#### **FUTURE PROSPECTS**

##### **Dry Bulk Sector**

The dry bulk carrier market has softened significantly towards the end of 2022 and despite signs that some sectors may have 'found a floor' in September, earnings remain well below 2021 peak levels. Previously bullish sentiment in 2021 has weakened on easing congestion and building demand headwinds and the short-term market outlook now appears for more 'normal' market levels to persist going forwards. However, some market improvements in the rest of the year cannot be ruled out and full year earnings are on track to remain well above long-term averages. Overall in 2023, underlying supply-demand fundamentals could see

some improvements; with tonne-mile demand growth projected to outpace fleet growth. Easing congestion looks likely to see earnings remain below 2021's 'high water mark', but there seems support for markets to remain healthy by historical standards, in particular as environmental regulations are expected to curb active supply. The prospects of a global recession remain very real and international vessel owners remain skeptical of any major increase in the Baltic Dry Index (BDI) during 2023. The size of the global fleet at 970.6 Metric Dead Weight Tons (MDWT) and the size of the order books at 71.5 MDWT both remain firm while demolitions remain weak in the current market indicating that the supply of tonnage may outstrip demand during 2023.

### **Tanker Sector**

The crude tanker market outlook for 2023 appears positive with 2023 predicted to be a high-earning year. However, it is expected to be much lower than the super cycle experienced in 2022. Tanker demand is projected to firm further next year, and with limited supply side growth expected, fundamentals appear supportive. The international crude tanker fleet size at 441.5 mdwt and the order book size at 14.9 MDWT both remain firm with low prospects of any significant demolitions during 2023. Despite the output cuts announced by the Organization of the Petroleum Exporting Countries (OPEC+), the resultant impact on seaborne trade is likely to remain small. The overall effects of the 'dark fleet' and changes in the international trade patterns of the unsanctioned global fleet still remain to be conclusively determined with several mutually contradictory scenarios being suggested by international brokerage firms and industry pundits. These major changes are not expected to be clearly known until the end of Q1 2023. While the news may reduce near-term market upside, underlying demand trends still seem positive. There are a range of risks to the demand outlook, notably potential for a lack of clear improvement in Chinese demand next year and from the slowing global economy. However, even if macro-economic headwinds build further, shifts to longer routes, ongoing support from gas-to-oil switching, and low oil stocks (which could insulate oil trade to some extent from weaker oil demand if key regions attempt to rebuild stocks) suggest that overall demand trends will likely remain supportive. Further, demand side market support is also expected in from the introduction of new environmental regulations (e.g. Energy Efficiency Existing Ship Index - EEXI and Carbon Intensity Indicator - CII), which could lead to increased recycling, slower vessel speeds and time out of service for retrofitting.

### **ACKNOWLEDGMENT**

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

**Rear Admiral Jawad Ahmed, SI(M)**  
Chairman & Chief Executive Officer

Karachi

February 23<sup>rd</sup>, 2023

**Muhammad Ali**  
Director

## مستقبل کے امکانات

### خشک بلک شعبہ

خشک بلک کیریڈر مارکیٹ 2022 کے آخر تک نمایاں تنزلی کا شکار ہوئی ہے اور ان علامات کے باوجود کہ ستمبر میں کچھ شعبوں میں استحکام آ سکتا ہے، آمدنی 2021 کی بلند سطح سے کافی کم رہی ہے۔ اس سے قبل 2021 کا تیزی کا رجحان جمود میں کمی اور طلب میں رکاوٹیں بڑھنے سے کمزور ہوا ہے اور قلیل مدتی مارکیٹ کا تناظر اب ”معمول“ کی مارکیٹ کی سطح پر آ رہا ہے جو پیش رفت جاری رکھنے میں مدد دے گا۔ تاہم، بقیہ سال مارکیٹ میں ہونے والی کچھ بہتریوں کو نظر انداز نہیں کیا جاسکتا اور پورے سال کی کمائی طویل مدتی اوسط سے اوپر رہنے کی جانب گامزن ہے۔ مجموعی طور پر 2023 میں، رسد اور طلب کے مبادیات میں کچھ بہتری دیکھی جاسکتی ہے؛ جبکہ ٹن میل کی طلب میں اضافہ فلیٹ کی ترقی سے بڑھنے کا امکان ہے۔ جمود میں کمی سے 2021 کے ”بہتر آبی اشاریہ“ کی نسبت کمائی میں کمی رہنے کا امکان نظر آتا ہے، لیکن تاریخی معیارات کے لحاظ سے مارکیٹ کے مستحکم رہنے میں مدد ملتی نظر آتی ہے، خاص طور پر اس وجہ سے کہ ماحولیاتی ضوابط جاری رسد کو کم کر سکتے ہیں۔ عالمی کساد بازاری کے امکانات اب بھی کافی حقیقی ہیں اور بین الاقوامی جہازوں کے مالکان 2023 کے دوران (بالک ڈرائی انڈیکس-BDI) میں کسی بڑے اضافے کے بارے میں شکوک کا شکار ہیں۔ عالمی فلیٹ کا سائز 970.6 (میٹرک ڈریڈ ویٹ ٹن-mdwt) اور آرڈر بک کا سائز mdwt 71.5 دونوں ہی مستحکم ہیں جبکہ موجودہ مارکیٹ میں جہازوں کو مسمار کرنا کم رہا ہے جو اس بات کی نشاندہی کرتا ہے کہ 2023 کے دوران ٹنوں میں رسد طلب سے زیادہ ہو سکتی ہے۔

### ٹینکر کا شعبہ

2023 کے لیے خام ٹینکر مارکیٹ کا تناظر مثبت دکھائی دیتا ہے جس میں 2023 کے بہتر آمدنی والا سال ہونے کی پیش گوئی کی گئی ہے، تاہم، 2022 کے سپر سائیکل سے کافی کم ہونے کی توقع ہے۔ اگلے سال ٹینکر کی طلب مستحکم ہونے کا اندازہ ہے اور رسد میں محدود سطح پر اضافے کے ساتھ مبادیات معاون دکھائی دیتی ہیں۔ بین الاقوامی خام ٹینکر فلیٹ کا سائز 441.5 mdwt اور آرڈر بک کا سائز 14.9 mdwt ہے جبکہ توقع ہے کہ 2023 کے دوران دونوں کسی اہم تنزلی کے کم امکانات کے ساتھ مستحکم رہیں گے۔ (پیٹرولیم برآمد کرنے والے ممالک کی تنظیم-OPEC+) کی اعلان کردہ پیداوار میں کمی کے باوجود اس کے بحری تجارت پر اثرات کم رہنے کا امکان ہے۔ ”ڈارک فلیٹ“ اور غیر منظور شدہ عالمی فلیٹ کے بین الاقوامی تجارتی طرز عمل کے مجموعی اثرات میں تبدیلیوں کا حتمی تعین ہونا ابھی باقی ہے، جس میں بین الاقوامی بروکر تاج فرمز اور صنعتی پنڈتوں کی جانب سے متعدد باہمی متضاد منظر نامے تجویز کیے گئے ہیں۔ ان اہم تبدیلیوں کے متعلق 2023 کی پہلی تین ماہی تک ٹھیک سے معلوم ہونے کی توقع نہیں ہے۔ اگرچہ خبریں مستقبل قریب میں مارکیٹ میں کمی لاسکتی ہیں، تاہم بنیادی طلب کے رجحانات اب بھی مثبت معلوم ہوتے ہیں۔ طلب کے تناظر میں کمی کے متعدد خطرات موجود ہیں، خاص طور پر اگر آئندہ سال چین کی طلب میں نمایاں بہتری کی کمی کا امکان اور عالمی معیشت کی سست روی کا جاری رہنا ہے۔ تاہم، خواہ میکرو اکنامک رکاوٹیں مزید بڑھتی ہیں، طویل راستوں پر منتقلی، گیس سے تیل پر تبدیلی کی جاری معاونت اور تیل کا محدود اسٹاک (جو تیل کی تجارت کو تیل کی محدود طلب سے کسی حد تک محفوظ رکھ سکتے ہیں، اگر اہم خطوں کے اسٹاک میں اضافہ کرنے کی کوشش کی جائے) تجویز کرتے ہیں کہ مجموعی طلب کے رجحانات ممکنہ طور پر معاون رہیں گے۔ مزید برآں، نئے ماحولیاتی ضوابط (مثلاً توانائی کی استعداد کا موجودہ شپ انڈیکس-EEXI اور کاربن کی شدت کا انڈیکس-CII) کے متعارف ہونے سے طلب کے حوالے سے مارکیٹ سے معاونت ملنے کی بھی توقع ہے، جو ری سائیکلنگ میں اضافہ، جہازوں کی کم رفتار اور ریٹرو فٹنگ کی سروس میں وقفے کا باعث بن سکتا ہے۔

### اظہار تشکر

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

محمد علی  
ڈائریکٹر

ریزائیڈرل جواد احمد (SI)  
چیئرمین اور چیف ایگزیکٹو آفیسر  
کراچی

23 فروری، 2023

# پاکستان نیشنل شپنگ کارپوریشن

## ڈائریکٹر ز رپورٹ

برائے ششماہی اختتام از 31 دسمبر، 2022

پاکستان نیشنل شپنگ کارپوریشن (پی این ایس سی) کا بورڈ آف ڈائریکٹر ز گروپ اور پی این ایس سی کے منظم اور متفرق عبوری مالیاتی گوشوارے برائے ششماہی، اختتام از 31 دسمبر، 2022 خوشی پیش کر رہا ہے۔ کارپوریشن کے ان مالیاتی گوشواروں کا کمپنیز ایکٹ 2017 کے قانونی تقاضوں کے مطابق بیرونی آڈیٹر نے محدود جائزہ لیا ہے۔

## کارکردگی کا جائزہ

روپے اور امریکی ڈالر کے مبادلہ کے مساوی نرخ، شرح سود (Kibor) اور درآمدی و برآمدی کاروبار میں کمی کارحجان رکھنے والے میکرو اکنامک عوامل بھی پاکستان کے میری ٹائم شعبہ پر نمایاں اثرات مرتب کرتے ہیں۔

عالمی اقتصادی حالات اور رجحان کے زیر اثر، ملک کی موجودہ منفی اقتصادی صورتحال کے باوجود پی این ایس سی گروپ نے 742% اضافے کے ساتھ بعد از ٹیکس 11,983 ملین روپے تک کا منافع حاصل کیا ہے جو گزشتہ سال اسی دورانیے میں 1,423 ملین روپے تھا۔ گروپ کی فی حصص آمدن میں گزشتہ سال اسی دورانیے کے مقابلے میں 10.77 روپے فی حصص کے مقابلے میں 90.74 روپے فی حصص تک اضافہ ہوا۔

گروپ کی بہتر مالی کارکردگی کے باعث عوامل میں مائع کارگو لے جانے کی صلاحیت (DWT) میں 214,246 میٹرک ٹن اور AFRA میں اوسطاً 100 سے 219 تک اور عالمی پیمانے پر 4.98 سے 5.29 تک اضافہ ہوا ہے۔ نیز، اس دورانیے میں امریکی ڈالر کے مقابلے میں اوسط شرح مبادلہ 227 روپے رہی جو گزشتہ سال اسی دورانیے میں 171 روپے تھی۔

مجموعی طور پر، گروپ نے گزشتہ سال اسی دورانیے میں 10,106 ملین روپے (پی این ایس سی: 3,926 ملین روپے) کے مقابلے میں 29,038 ملین روپے (پی این ایس سی: 8,022 ملین روپے) کا کاروبار حاصل کیا۔

خشک کارگو کے شعبہ میں 3,062 ملین روپے کا اضافہ ہوا، جس میں سلاٹ چارٹر کے کاروبار سے آمدنی میں 1,972 ملین روپے کا نمایاں اضافہ بھی شامل ہے۔

مزید برآں، ٹریڈنگ کارپوریشن آف پاکستان (TCP) کے ساتھ غیر ملکی پرچم بردار جہاز کے چار سفروں کے ذریعے کاروبار سے 1,772 ملین روپے کی آمدن ہوئی ہے۔

نیز، مائع کارگو کے شعبہ کی آمدن میں 15,863 ملین روپے کا نمایاں اضافہ دیکھا گیا جس میں زیر ملکیت آئل ٹینکرز سے 14,280 ملین روپے کا اضافہ بھی شامل ہے۔

صرف پی این ایس سی کے نتائج گزشتہ سال اسی دورانیے میں 11 ملین روپے بعد از ٹیکس نقصان کے مقابلے میں 1,488 ملین روپے بعد از ٹیکس منافع ظاہر کرتے ہیں، جس کی بڑی وجہ سلاٹ چارٹرنگ اور ٹریڈنگ کارپوریشن آف پاکستان سے کاروباری سرگرمیوں میں اضافہ ہے۔

آمدن میں غیر معمولی اضافے کے باعث، گروپ کی سطح پر مجموعی منافع کا مارجن اور خالص منافع کا مارجن بالترتیب 46% اور 41% رہا جو گزشتہ سال اسی دورانیے میں بالترتیب 24% اور 14% تھا۔

گزشتہ سال اسی دورانیے کے مقابلے میں طویل مدتی سرمایہ کاری میں 4,344 ملین روپے اضافے کے نتیجے میں موجودہ دورانیے میں مالیاتی لاگت میں 407 ملین روپے (168%) کا اضافہ ہوا۔ مالیاتی لاگت میں اضافے کی بڑی وجہ دو آئل ٹینکر جہازوں ایم ٹی مردان اور ایم ٹی سرگودھا کی شمولیت کے لیے حاصل کردہ قرض ہے۔



## INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Pakistan National Shipping Corporation

Report on review of unconsolidated condensed interim financial statements

### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Pakistan National Shipping Corporation (the Corporation) as at December 31, 2022, and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the 'unconsolidated condensed interim financial statements'). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 'Review of Interim Financial Statements Performed by the Independent Auditor of the Entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

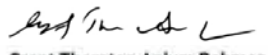
### Other Matters

The figures for the quarter ended December 31, 2022 and December 31, 2021 in the unconsolidated condensed interim financial statements have not been reviewed and we do not express a conclusion on them.

The engagement partners on the engagement resulting in this independent auditors' review report are Shafqat Ali (Yousuf Adil) and Khurram Jameel (Grant Thornton Anjum Rahman).

  
Yousuf Adil  
Chartered Accountants

Place: Karachi  
Date: February 27, 2023  
UDIN: RR202210186c07E0mUaA

  
Grant Thornton Anjum Rahman  
Chartered Accountants

Place: Karachi  
Date: February 27, 2023  
UDIN: RR202210093RAziCqjXL



**TANKERS**

Vessel: **M.T. MARDAN** Built: Japan 2007



Deadweight (MT): 107,123      Length Overall (M): 246.80  
Gross Tonnage (MT): 58,168

Vessel: **M.T SARGODHA** Built: Japan 2008



Deadweight (MT): 107,123      Length Overall (M): 246.80  
Gross Tonnage (MT): 58,168

Vessel: **M.T BOLAN** Built: South Korea 2013



Deadweight (MT): 74,919      Length Overall (M): 220.89  
Gross Tonnage (MT): 42,411

Vessel: **M.T KHAIRPUR** Built: South Korea 2012



Deadweight (MT): 74,986      Length Overall (M): 220.89  
Gross Tonnage (MT): 42,411

Vessel: **M.T SHALAMAR** Built: Japan 2006



Deadweight (MT): 105,315      Length Overall (M): 228.60  
Gross Tonnage (MT): 55,894

Vessel: **M.T QUETTA** Built: Japan 2003



Deadweight (MT): 107,215      Length Overall (M): 246.80  
Gross Tonnage (MT): 58,118

Vessel: **M.T KARACHI** Built: Japan 2003



Deadweight (MT): 107,081      Length Overall (M): 246.80  
Gross Tonnage (MT): 58,127

Vessel: **M.T LAHORE** Built: Japan 2003



Deadweight (MT): 107,018      Length Overall (M): 246.80  
Gross Tonnage (MT): 58,157

## 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

Vessel: **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

Vessel: **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	790,780	431,454
BULK CARRIERS	255,177	140,804
TOTAL	1,045,957	572,258

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



for the half year ended  
December 31, 2022

# PAKISTAN NATIONAL SHIPPING CORPORATION

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

### AS AT DECEMBER 31, 2022

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,266,275	2,271,281
Right-of-use assets		87,173	93,312
Intangible assets		51,806	51,806
Investment properties		3,951,663	3,949,584
Long-term investments in:			
- Related parties (subsidiaries and an associate)		37,140,378	37,140,378
- Listed companies and other entity		34,063	38,858
		37,174,441	37,179,236
Long-term loans		28,243	20,374
Deferred taxation - net		71,439	47,246
		43,631,040	43,612,839
<b>Current assets</b>			
Stores and spares	6	-	-
Trade debts - unsecured	7	2,614,501	1,986,270
Agents' and owners' balances - unsecured		15,449	15,707
Loans and advances		143,982	113,750
Trade deposits and short-term prepayments		34,929	35,643
Interest accrued on bank deposits and short-term investments		6,714	114,970
Other receivables	8	346,819	222,150
Incomplete voyages	9	668,015	46,524
Taxation - net		1,806,874	1,466,246
Short-term investments	10	9,457,982	7,404,491
Cash and bank balances		3,985,159	5,410,043
		19,080,424	16,815,794
		62,711,464	60,428,633
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital		2,000,000	2,000,000
Issued, subscribed and paid-up share capital		1,320,634	1,320,634
<b>Reserves</b>			
Capital reserve		126,843	126,843
Revenue reserve - unappropriated profit		10,152,600	9,321,161
Remeasurement of post retirement benefits obligation - net of tax		(221,781)	(221,781)
Surplus on revaluation of property, plant and equipment - net of tax		1,622,483	1,623,362
		11,680,145	10,849,585
		13,000,779	12,170,219
<b>Non-current liabilities</b>			
Long-term financing - secured	11	6,329,409	3,547,219
Lease liabilities		81,999	104,746
Employee benefits		725,276	713,135
		7,136,684	4,365,100
<b>Current liabilities</b>			
Trade and other payables	12	40,363,385	42,717,103
Contract liabilities		102,340	99,353
Provision against damage claims		18,956	17,858
Current portion of long-term financing - secured	11	1,818,593	949,793
Current portion of lease liabilities		32,119	6,804
Unclaimed dividend		104,469	87,245
Accrued mark-up on long-term financing		134,139	15,158
		42,574,001	43,893,314
		49,710,685	48,258,414
		62,711,464	60,428,633
<b>TOTAL LIABILITIES</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

Syed Jamar Haider Kazmi  
Chief Financial Officer

Rear Admiral Jawad Ahmed, SI(M)  
Chairman & Chief Executive

Muhammad Ali  
Director

**PAKISTAN NATIONAL SHIPPING CORPORATION**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)**

	Note	Quarter ended December 31, 2022	Quarter ended December 31, 2021	Half year ended December 31, 2022	Half year ended December 31, 2021
<b>(Rupees in '000)</b>					
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>					
Freight income - foreign flag vessels		3,008,031	1,407,192	6,027,509	2,949,976
Service fees - net		410,980	120,519	761,024	227,175
Rental income		63,227	64,272	124,492	117,691
Other operating activities		6,777	512,132	1,108,940	630,869
		<b>3,489,015</b>	<b>2,104,115</b>	<b>8,021,965</b>	<b>3,925,711</b>
<b>EXPENDITURE</b>					
Fleet expenses - direct		(2,389,632)	(1,561,823)	(5,435,086)	(2,999,483)
Fleet expenses - indirect		(1,514)	(3,674)	(3,015)	(5,090)
Vessel management expenses		(261,625)	(186,744)	(475,732)	(328,511)
Real estate expenses		(23,435)	(27,005)	(55,295)	(54,373)
		<b>(2,676,206)</b>	<b>(1,779,246)</b>	<b>(5,969,128)</b>	<b>(3,387,457)</b>
<b>GROSS PROFIT</b>		<b>812,809</b>	<b>324,869</b>	<b>2,052,837</b>	<b>538,254</b>
Administrative expenses		(124,941)	(105,366)	(252,805)	(210,192)
Impairment loss on financial assets	7.2 & 8.2	(398,197)	(206,727)	(598,197)	(206,727)
Other expenses		(63,972)	(77,894)	(154,623)	(125,483)
Other income	14	707,384	107,981	1,357,318	347,724
		<b>120,274</b>	<b>(282,006)</b>	<b>351,693</b>	<b>(194,678)</b>
<b>OPERATING PROFIT</b>		<b>933,083</b>	<b>42,863</b>	<b>2,404,530</b>	<b>343,576</b>
Finance costs	15	(352,390)	(122,005)	(645,986)	(240,743)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<b>580,693</b>	<b>(79,142)</b>	<b>1,758,544</b>	<b>102,833</b>
Taxation	16	57,828	(20,044)	(270,388)	(113,583)
<b>PROFIT / (LOSS) FOR THE PERIOD</b>		<b>638,521</b>	<b>(99,186)</b>	<b>1,488,156</b>	<b>(10,750)</b>
<i>Items that will not be transferred subsequently to profit or loss</i>					
Deferred tax related to change of rate on surplus of revaluation		2,721	-	2,721	(8,258)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>		<b>641,242</b>	<b>(99,186)</b>	<b>1,490,877</b>	<b>(19,008)</b>
<b>(Rupees)</b>					
<b>EARNINGS / (LOSS) PER SHARE - basic and diluted</b>		<b>4.83</b>	<b>(0.75)</b>	<b>11.27</b>	<b>(0.08)</b>

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Syed Jarar Haider Kazmi  
Chief Financial Officer



Rear Admiral Jawad Ahmed, SI(M)  
Chairman & Chief Executive



Muhammad Ali  
Director

**PAKISTAN NATIONAL SHIPPING CORPORATION**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (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) -----						
<b>Balance as at July 01, 2021</b>	1,320,634	126,843	8,840,694	(228,096)	1,624,111	11,684,186
<b>Transactions with owners</b>						
Final cash dividend for the year ended June 30, 2021 (Rs. 3 per ordinary share of Rs.10 each)	-	-	(396,190)	-	-	(396,190)
Loss after taxation	-	-	(10,750)	-	-	(10,750)
Other comprehensive loss	-	-	-	-	(8,258)	(8,258)
Total comprehensive loss for the half year ended December 31, 2021	-	-	(10,750)	-	(8,258)	(19,008)
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	3,306	-	(3,306)	-
<b>Balance as at December 31, 2021</b>	<u>1,320,634</u>	<u>126,843</u>	<u>8,437,060</u>	<u>(228,096)</u>	<u>1,612,547</u>	<u>11,268,988</u>
<b>Balance as at July 01, 2022</b>	<b>1,320,634</b>	<b>126,843</b>	<b>9,321,161</b>	<b>(221,781)</b>	<b>1,623,362</b>	<b>12,170,219</b>
<b>Transactions with owners</b>						
Final cash dividend for the year ended June 30, 2022 (Rs. 5 per ordinary share of Rs.10 each)	-	-	(660,317)	-	-	(660,317)
Profit after taxation	-	-	1,488,156	-	-	1,488,156
Other comprehensive income	-	-	-	-	2,721	2,721
Total comprehensive income for the half year ended December 31, 2022	-	-	1,488,156	-	2,721	1,490,877
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	3,600	-	(3,600)	-
<b>Balance as at December 31, 2022</b>	<u>1,320,634</u>	<u>126,843</u>	<u>10,152,600</u>	<u>(221,781)</u>	<u>1,622,483</u>	<u>13,000,779</u>

\* 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 22 form an integral part of these unconsolidated condensed interim financial statements.



**Syed Jamar Haider Kazmi**  
Chief Financial Officer



**Rear Admiral Jawad Ahmed, SI(M)**  
Chairman & Chief Executive



**Muhammad Ali**  
Director

**PAKISTAN NATIONAL SHIPPING CORPORATION**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)**

	Note	Half year ended December 31, 2022	Half year ended December 31, 2021
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	17	(1,823,356)	1,435,178
Employees' gratuity paid		(29,486)	(22,213)
Employees' compensated absences paid		(43,379)	(55,479)
Post-retirement medical benefits paid		(13,484)	(10,115)
Long-term loans		(7,869)	(3,659)
Finance costs paid		(521,477)	(239,421)
Taxes paid		(632,489)	(147,326)
<b>Net cash (used in) / generated from operating activities</b>		<b>(3,071,540)</b>	<b>956,965</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(28,534)	(6,795)
Additions to investment properties		(2,079)	(17,515)
Short-term investments (acquired) / redeemed		(3,897,601)	4,084,412
Interest received on short-term investments		713,734	129,369
Dividend received		10,925	3,101
<b>Net cash (used in) / generated from investing activities</b>		<b>(3,203,555)</b>	<b>4,192,572</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term financing obtained		4,344,000	-
Long-term financing repaid		(693,010)	(1,048,836)
Lease rentals paid		(1,796)	(2,177)
Dividend paid		(643,093)	(384,414)
<b>Net cash generated from / (used in) financing activities</b>		<b>3,006,101</b>	<b>(1,435,427)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,268,994)</b>	<b>3,714,110</b>
Cash and cash equivalents at the beginning of the period		11,582,744	1,727,181
<b>Cash and cash equivalents at the end of the period</b>	18	<b>8,313,750</b>	<b>5,441,291</b>

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



**Syed Jara Haider Kazmi**  
Chief Financial Officer



**Rear Admiral Jawad Ahmed, SI(M)**  
Chairman & Chief Executive



**Muhammad Ali**  
Director



# PAKISTAN NATIONAL SHIPPING CORPORATION

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (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, 2022 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 December 31, 2022 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 half year ended December 31, 2022.

2.3 The comparative statement of financial position presented in these unconsolidated condensed interim financial statements as at June 30, 2022 has been extracted from the annual audited financial statements of the Corporation for the year ended June 30, 2022 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 half year ended December 31, 2021 have been extracted from the unconsolidated condensed interim financial statements of the Corporation for the half year then 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 Pakistani 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. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 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, 2022.

#### 3.2 Amendments to published approved accounting standards that are effective

There are certain amendments to approved accounting standards which are mandatory for the Corporation's annual accounting period which began on July 1, 2022, 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.

#### 3.3 Amendments to published approved accounting standards that are not yet effective

Certain amendments to the approved accounting standards which are mandatory for the Corporation's annual accounting periods beginning after July 01, 2023, 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, 2022.

### 5. PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in '000) -----			
Operating fixed assets	5.1 & 5.2	2,211,931	2,209,276
Capital work-in-progress (CWIP)		54,344	62,005
		<u>2,266,275</u>	<u>2,271,281</u>

	(Unaudited) Half year ended December 31, 2022	Half year ended December 31, 2021
----- (Rupees in '000) -----		

#### 5.1 Additions (including transfers from CWIP) during the period:

Buildings on leasehold land	288	16,044
Office equipment	958	511
Furniture and fittings	489	31
Computer equipment	24,608	3,942
Vehicle	9,852	-
	<u>36,195</u>	<u>20,528</u>

5.2 Depreciation charge for the period	<u>33,540</u>	<u>30,567</u>
--	---------------	---------------

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in '000) -----			

## 6. STORES AND SPARES

Stores and spares		10,380	10,380
Provision for slow moving stores and spares		(10,380)	(10,380)
		-	-

## 7. TRADE DEBTS - unsecured

- Due from related parties	7.1	4,078,136	2,267,165
- Due from others		436,505	1,015,680
		4,514,641	3,282,845
Allowance for expected credit loss (ECL)	7.2	(1,900,140)	(1,296,575)
		2,614,501	1,986,270

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

Upto 1 month	1 to 6 months	More than 6 months	(Unaudited) As at December 31, 2022	(Audited) As at June 30, 2022
----- (Rupees in '000) -----				

Pakistan State Oil Company Limited	-	-	1,849,833	1,849,833	1,849,833
Pak Arab Refinery Limited	-	-	64,260	64,260	88,359
Pakistan Refinery Limited	-	-	11,219	11,219	13,657
Sui Northern Gas Pipelines Limited	48,736	-	-	48,736	950
District Controller of Stores	254	643,778	2,749	646,781	4,921
Embarkation Commandant	964	329,014	156,136	486,114	156,136
Naval Stores	29,621	444,084	34,511	508,216	78,065
Officer Commanding (PAF)	87,763	135,029	15,869	238,661	56,690
Others	30,441	189,401	4,474	224,316	18,554
	197,779	1,741,306	2,139,051	4,078,136	2,267,165

## 7.2 Allowance for ECL on trade debts

Opening balance	(Unaudited) December 31, 2022	(Audited) June 30, 2022
Charged during the period / year	1,296,575	725,989
	603,565	570,586
Closing balance	1,900,140	1,296,575

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
<b>8. OTHER RECEIVABLES</b>			
<b>Considered good</b>			
- Due from related parties	8.1	323,023	197,133
- Due from others		65,000	71,589
		388,023	268,722
Allowance for ECL	8.2	(41,204)	(46,572)
		346,819	222,150

#### 8.1 Related parties:

- Government of Pakistan	152,184	83,858
- Port Qasim Authority	167,860	95,073
- Karachi Port Trust	2,979	4,535
- Sindh Revenue Board	-	13,667
	323,023	197,133

#### 8.2 Allowance for ECL on other receivables

Opening balance	46,572	34,145
(Reversal) / charged during the period / year	(5,368)	12,427
Closing balance	41,204	46,572

### 9. INCOMPLETE VOYAGES

This mainly represents amount paid to the charterer for chartering in foreign flagged vessels. These voyages were incomplete as at the reporting date.

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
<b>10. SHORT-TERM INVESTMENTS</b>			
<b>Amortised cost</b>			
Term deposits with banks having maturity of:			
- more than three but upto six months		-	1,126,900
- three months or less		3,345,476	6,172,701
	10.1	3,345,476	7,299,601
Treasury bills having maturity of:			
- more than three but upto six months		4,131,516	-
- three months or less		983,115	-
	10.2	5,114,631	-
<b>Fair value through profit or loss</b>			
- Mutual funds		997,875	104,890
		9,457,982	7,404,491

- 10.1** Mark-up rate on term deposits denominated in local currency is 16.65% (June 30, 2022: 7.45% to 15.50%) per annum, whereas mark-up rate on term deposits denominated in foreign currency is 4.50% (June 30, 2022: 3%) per annum.
- 10.2** These treasury bills have effective interest rates ranging from 15.65% to 16.96% per annum and maturing at various dates up to April 06, 2023.

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in '000) -----			
<b>11. LONG-TERM FINANCING - secured</b>			
<b>Faysal Bank Limited</b>			
- Financing under syndicate term-finance agreement	11.1	2,492,161	2,783,865
- Financing under musharika agreement	11.2	5,655,841	1,713,147
		8,148,002	4,497,012
Current portion of long-term financing		(1,818,593)	(949,793)
		6,329,409	3,547,219

**11.1 Financing under syndicate term-finance agreement:**

Represents financing facility obtained during the year ended June 30, 2019, amounting to Rs 6,500 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 month KIBOR + 0.35% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on March 22, 2027. Till December 31, 2022, the Corporation has drawn Rs 2,340 million and Rs 2,363.734 million to finance its subsidiary companies namely Bolan Shipping (Private) Limited and Khairpur Shipping (Private) Limited respectively for purchase of vessels. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiary companies.

**11.2 Financing under musharika agreement:**

**11.2.1** This includes financing facility obtained during the year ended June 30, 2019, amounting to Rs 4,000 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 month KIBOR + 0.35% per annum. The loan, along with mark-up is repayable on a quarterly basis with the last repayment date on March 22, 2027. Till December 31, 2022, the Corporation has drawn Rs 1,440 million and Rs 1,455 million to finance its subsidiary companies namely Bolan Shipping (Private) Limited and Khairpur Shipping (Private) Limited respectively for purchase of vessels. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiary companies.

**11.2.2** During the period, the Corporation has obtained loan financing amounting to Rs 11,825 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 month 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 purchase of vessels. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiary companies.

	(Unaudited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in '000) -----		
<b>12. TRADE AND OTHER PAYABLES</b>		
Creditors	32,885	116,362
Current account balances with subsidiary companies	37,729,229	39,576,712
Agents' and owners' balances	426,120	942,913
Accrued liabilities	2,007,147	1,917,806
Deposits	47,046	47,805
Advance rent	70,371	81,733
Withholding tax payable	42,533	25,718
Other liabilities	8,054	8,054
	40,363,385	42,717,103

### 13. CONTINGENCIES AND COMMITMENTS

#### Contingencies

- 13.1** There are no major changes in the status of contingencies as reported in the annual audited unconsolidated financial statements for the year ended June 30, 2022, except for the following:

During the year ended June 30, 2015, the Sindh Revenue Board (SRB) issued show cause notice dated April 17, 2015 under the provisions of section 23 and 47 of the Sindh Sales Tax on Services Act, 2011. The SRB officer had selected the revenue from the unconsolidated financial statements and allegedly raised sales tax demand in respect of the revenue appearing in the audited unconsolidated financial statements for the years 2012-2014. The Corporation had filed a suit before the Honourable Sindh High Court in respect of the aforesaid show cause notice and the Honourable Sindh High Court had granted an interim stay order restraining SRB from taking any coercive action. However, in light of the Supreme Court order dated June 27, 2018 the Corporation had to withdraw from the suit and continued the proceedings of show cause notice. After, considering the submissions of the Corporation the SRB had passed an assessment order dated March 13, 2019 and raised Sales Tax demand of Rs. 2,935,797 million on the revenue of freight income and services fee for the financial years 2012-2014. The Corporation had filed an appeal before the Commissioner (Appeals) SRB dated March 11, 2019 and obtained stay from Honourable Sindh High Court against the sales tax demand, High Court made decision in favour of Corporation on December 04, 2022. However, during the period, Sindh Revenue Board filed a petition on October 21, 2022 in Supreme Court of Pakistan against the judgement of High Court and same is still pending at Supreme Court of Pakistan. The management, in consultation with its tax advisor, is confident that the subject matters will eventually be decided in favour of the Corporation.

	(Unaudited) December 31, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
<b>13.2</b> Commitments for capital expenditure	32,517	32,517
<b>13.3</b> Outstanding letters of guarantee	19,669	19,669
<b>13.4</b> The Corporation has provided an undertaking amounting to Rs 2,626.823 million (USD 11.6 million) to one of the vendor / supplier of another state owned entity. This undertaking has been provided due to arrest of two of its managed vessels operated by its subsidiaries which have been released subsequently. However, the Government of Pakistan has provided a counter guarantee to the Corporation in relation to the aforesaid undertaking.		
<b>13.5</b> Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounting to Rs 94.420 million (USD 0.417 million) and Rs 43.478 million (USD 0.192 million) respectively.		

	Quarter ended December 31, 2022	Quarter ended December 31, 2021	(Unaudited) Half year ended December 31, 2022	Half year ended December 31, 2021
	(Rupees in '000)			

### 14. OTHER INCOME

#### Income from financial assets

Income from saving accounts and term deposits	376,319	118,207	605,478	243,944
Dividend income	7,054	1,543	10,925	3,101
Exchange gain / (loss)	257,163	(29,965)	621,552	67,994
Income from loans to employees	1,065	428	2,547	819
	641,601	90,213	1,240,502	315,858

#### Income from non - financial assets

Liabilities no longer to pay or has been written back	(638)	4,076	-	4,290
Agency fee	15,237	6,633	19,816	10,920
Workshop income	31,026	-	78,123	-
Income from manning service	1,946	5,481	8,105	10,859
Income from recovery of HVAC charges	9,555	(895)	1,583	-
Others	8,657	2,473	9,189	5,797
	65,783	17,768	116,816	31,866
	707,384	107,981	1,357,318	347,724

(Unaudited)			
Quarter ended December 31, 2022	Quarter ended December 31, 2021	Half year ended December 31, 2022	Half year ended December 31, 2021
----- (Rupees in '000) -----			

## 15. FINANCE COST

Mark-up on long-term financing	347,086	116,799	640,458	235,108
Mark-up on lease liability	4,364	4,162	4,364	4,162
Bank charges	940	1,044	1,164	1,473
	<u>352,390</u>	<u>122,005</u>	<u>645,986</u>	<u>240,743</u>

## 16. TAXATION

Tax charge for:

- current year	123,955	12,230	452,171	105,769
- prior year	(160,311)	(24,221)	(160,311)	(24,221)
	<u>(36,356)</u>	<u>(11,991)</u>	<u>291,860</u>	<u>81,548</u>
- Deferred tax (income) / expense	(21,472)	32,035	(21,472)	32,035
Taxation (income) / expense	<u>(57,828)</u>	<u>20,044</u>	<u>270,388</u>	<u>113,583</u>

## 17. CASH (USED IN) / GENERATED FROM OPERATIONS

Profit before taxation		1,758,544	102,833
Adjustments for non-cash charges and other items:			
Depreciation on:			
Property, plant and equipment		33,540	30,567
Right-of-use assets		6,140	6,171
Provision for employees' gratuity		54,180	44,783
Provision for employees' compensated absences		38,145	34,390
Provision for post-retirement medical benefits		6,165	5,262
Income from saving accounts and term deposits		(605,478)	(243,944)
Finance cost:			
Long term financing		640,458	236,581
Lease liabilities		4,364	4,162
Impairment loss on financial assets	7.2 & 8.2	598,197	206,727
Provision no longer required written back		-	(4,290)
Dividend income		(10,925)	(3,101)
Loss on revaluation of long-term investments in listed securities		4,795	8,410
Trade debts and other receivables written-off		34,440	-
Working capital changes	17.1	(4,385,921)	1,006,627
		<u>(1,823,356)</u>	<u>1,435,178</u>

Note

Half year ended December 31, 2022	Half year ended December 31, 2021
----- (Rupees in '000) -----	



	Note	(Unaudited)	
		Half year ended	Half year ended
		December 31,	December 31,
		2022	2021
		------(Rupees in '000)-----	
<b>17.1 Working capital changes</b>			
Increase in current assets:			
Trade debts - unsecured		(1,231,796)	(596,223)
Agents' and owners' balances - unsecured		258	(3,739)
Loans and advances		(30,232)	(19,427)
Trade deposits and short-term prepayments		714	(17,178)
Other receivables		(153,741)	(21,554)
Incomplete voyages		(621,491)	(41,646)
		(2,036,288)	(699,767)
Increase / (decrease) in current liabilities:			
Trade and other payables		(2,353,718)	1,684,181
Net increase in provision for damage claims		1,098	19,319
Contract liabilities		2,987	2,894
		(2,349,633)	1,706,394
		(4,385,921)	1,006,627

## 18. CASH AND CASH EQUIVALENTS

Short-term investments having maturity of three months or less  
Cash and bank balances

	4,328,591	4,176,000
18.1	3,985,159	1,265,291
	8,313,750	5,441,291

**18.1** Mark-up on local saving accounts ranges from 14% to 15.50% (June 30, 2022: 6.14% to 14%) and foreign saving accounts ranges from 0.15% to 0.5% (June 30, 2022: 0.15% to 0.5%)

## 19. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

### 19.1 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, 2022. There have been no changes in risk management policies since the year end.

### 19.2 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 December 31, 2022, 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, 2022.

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) December 31, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Assets carried at fair value</b>				
Long-term investments in listed companies and other entity	34,063	-	-	34,063
Short-term investments - mutual funds	997,875	-	-	997,875
	1,031,938	-	-	1,031,938
Leasehold land	-	1,399,780	-	1,399,780
Buildings on leasehold land	-	714,845	-	714,845
Beach huts	-	15,513	-	15,513
Workshop machinery and equipment	-	6,378	-	6,378
Investment properties	-	3,951,663	-	3,951,663
	-	6,088,179	-	6,088,179

	(Audited) June 30, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Assets carried at fair value</b>				
Long-term investments in listed companies and other entity	38,858	-	-	38,858
Short-term investments - mutual funds	104,890	-	-	104,890
	143,748	-	-	143,748
Leasehold land	-	1,399,780	-	1,399,780
Buildings on leasehold land	-	732,082	-	732,082
Beach huts	-	16,416	-	16,416
Workshop machinery and equipment	-	7,040	-	7,040
Investment properties	-	3,949,584	-	3,949,584
	-	6,104,902	-	6,104,902

## 20. 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) Half year ended December 31, 2022	Half year ended December 31, 2021
------(Rupees in '000)-----			
Name and particulars			
Transactions with State owned / controlled entities			
Freight income - foreign flag vessels		4,819,036	1,944,628
Income from operating activities		28,634	52,274
Rental income		12,866	6,503
Rental expenses		2,228	1,650
Transactions with subsidiary companies			
Service fee charged to subsidiary companies		761,024	227,175
Retirement benefit costs charged to subsidiary companies		392	269
Transactions with other related parties			
Employees' retirement benefit funds	Employees benefit plan	13,533	2,493
Directors' fee and traveling allowances	Key management personnel	3,165	1,750
Remuneration and other benefits	Key management personnel	50,276	37,405
Dividend paid to Government of Pakistan	Government holding	578,169	346,501

20.1 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.

## 21. GENERAL

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

## 22. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on February 23, 2023 by the Board of Directors of the Corporation.



Syed Jamar Haider Kazmi  
Chief Financial Officer



Rear Admiral Jawad Ahmed, SI(M)  
Chairman & Chief Executive



Muhammad Ali  
Director

# **(Unaudited) Consolidated Condensed Interim Financial Statements of Pakistan National Shipping Corporation (Group)**



for the half year ended  
December 31, 2022

# PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

### AS AT DECEMBER 31, 2022

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	35,977,582	26,708,229
Right-of-use assets		87,173	93,312
Intangible assets		51,806	51,806
Investment properties		3,951,663	3,949,584
Long-term investments in:			
- Related party (associate)		-	-
- Listed companies and other entity		34,063	38,858
Long-term loans		28,243	20,374
Deferred taxation - net		71,439	47,246
		40,201,969	30,909,409
<b>Current assets</b>			
Stores and spares	6	2,515,804	1,767,463
Trade debts - unsecured	7	8,342,455	5,311,573
Agents' and owners' balances - unsecured		15,449	15,707
Loans and advances		553,219	365,002
Trade deposits and short-term prepayments		39,441	39,338
Interest accrued on bank deposits and short-term investments		8,488	114,970
Other receivables	8	607,949	360,085
Incomplete voyages	9	905,952	100,784
Insurance claims		116,976	81,495
Taxation - net		1,821,650	1,488,254
Short-term investments	10	9,480,982	7,427,491
Cash and bank balances		3,988,523	5,414,650
		28,396,888	22,486,812
		68,598,857	53,396,221
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY</b>			
Authorised share capital		2,000,000	2,000,000
Issued, subscribed and paid-up share capital		1,320,634	1,320,634
<b>Reserves</b>			
Capital reserves		131,344	131,344
Revenue reserves		50,844,583	39,518,993
Remeasurement of post-retirement benefits obligation - net of tax		(221,783)	(221,783)
Surplus on revaluation of property, plant and equipment - net of tax		1,622,483	1,623,362
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY</b>			
		52,376,627	41,051,916
<b>NON-CONTROLLING INTEREST</b>			
		11,354	10,783
<b>TOTAL EQUITY</b>			
		53,708,615	42,383,333
<b>Non-current liabilities</b>			
Long-term financing - secured	11	6,329,409	3,547,219
Lease liability		81,999	104,746
Employee benefits		725,276	713,135
		7,136,684	4,365,100
<b>Current liabilities</b>			
Trade and other payables	12	5,339,222	5,306,228
Contract liabilities		275,642	240,253
Provision against damage claims		49,374	42,307
Current portion of long-term financing - secured	11	1,818,593	949,793
Current portion lease liabilities		32,119	6,804
Unclaimed dividend		104,469	87,245
Accrued mark-up on long-term financing		134,139	15,158
		7,753,558	6,647,788
<b>TOTAL LIABILITIES</b>			
		14,890,242	11,012,888
<b>TOTAL EQUITY AND LIABILITIES</b>			
		68,598,857	53,396,221
<b>CONTINGENCIES AND COMMITMENTS</b>			

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.

Syed Jarar Haider Kazmi  
Chief Financial Officer

Rear Admiral Jawad Ahmed, SI(M)  
Chairman & Chief Executive

Muhammad Ali  
Director

**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)**

	Note	Quarter ended December 31, 2022	Quarter ended December 31, 2021	Half year ended December 31, 2022	Half year ended December 31, 2021
------(Rupees in '000)-----					
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>					
Income from shipping business		14,542,851	5,340,332	28,911,182	9,986,254
Rental income		64,200	65,157	126,438	119,460
		14,607,051	5,405,489	29,037,620	10,105,714
<b>EXPENDITURE</b>					
Fleet expenses - direct		(7,640,773)	(3,940,039)	(15,762,685)	(7,654,942)
Fleet expenses - indirect		(2,831)	(6,769)	(5,749)	(13,021)
Real estate expenses		(23,435)	(27,005)	(55,295)	(54,373)
		(7,667,039)	(3,973,813)	(15,823,729)	(7,722,336)
<b>GROSS PROFIT</b>		6,940,012	1,431,676	13,213,891	2,383,378
Administrative expenses	7.2 & 8.2	(394,636)	(296,349)	(743,497)	(548,553)
Impairment loss on financial assets		(498,585)	(267,156)	(728,921)	(267,156)
Other expenses		(33,727)	(79,416)	(189,650)	(128,192)
Other income		910,904	162,138	1,413,083	379,930
		(16,044)	(480,783)	(248,985)	(563,971)
<b>OPERATING PROFIT</b>		6,923,968	950,893	12,964,906	1,819,407
Finance costs	14	(355,256)	(123,131)	(650,506)	(243,147)
<b>PROFIT BEFORE TAXATION</b>		6,568,712	827,762	12,314,400	1,576,260
Taxation	15	26,490	(40,501)	(331,522)	(153,608)
<b>PROFIT AFTER TAXATION</b>		6,595,202	787,261	11,982,878	1,422,652
Other comprehensive income		2,721	(8,258)	2,721	(8,258)
<b>TOTAL COMPREHENSIVE INCOME</b>		6,597,923	779,003	11,985,599	1,414,394
<b>Attributable to:</b>					
Equity holders of the Holding Company		6,597,433	778,812	11,985,028	1,413,974
Non-controlling interest		490	191	571	420
		6,597,923	779,003	11,985,599	1,414,394
------(Rupees)-----					
<b>EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY - basic and diluted</b>					
		49.94	5.96	90.74	10.77

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.



**Syed Jarar Haider Kazmi**  
Chief Financial Officer



**Rear Admiral Jawad Ahmed, SI(M)**  
Chairman & Chief Executive



**Muhammad Ali**  
Director

# PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

	Attributable to the shareholders of the Holding Company						Total reserves	Non-controlling interest	Total	
	Issued, subscribed and paid-up share capital	Capital reserves*	Revenue reserves			Remeas-urement of post-retirement benefits obligation - net of tax				Surplus on revaluation of property, plant and equipment - net of tax
			General reserves	Unappropri-ated profit	Sub-total revenue reserves					
(Rupees in '000)										
Balance as at July 01, 2021	1,320,634	131,344	129,307	34,133,646	34,262,953	(228,098)	1,626,936	35,793,135	6,468	37,120,237
Transaction with owners										
Final cash dividend for the year ended June 30, 2021 paid to shareholders of the Holding Company @ Rs. 3 per ordinary share of Rs.10 each	-	-	-	(396,190)	(396,190)	-	-	(396,190)	-	(396,190)
Profit after tax				1,422,232	1,422,232			1,422,232	420	1,422,652
Other comprehensive income							(8,258)	(8,258)		(8,258)
Total comprehensive income for the half year ended December 31, 2021	-	-	-	1,422,232	1,422,232	-	(8,258)	1,413,974	420	1,414,394
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	3,306	3,306	-	(3,306)	-	-	-
Balance as at December 31, 2021	1,320,634	131,344	129,307	35,162,994	35,292,301	(228,098)	1,615,372	36,810,919	6,888	38,138,441
Balance as at July 01, 2022	1,320,634	131,344	129,307	39,389,686	39,518,993	(221,783)	1,623,362	41,051,916	10,783	42,383,333
Transaction 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)
Profit after tax				11,982,307	11,982,307			11,982,307	571	11,982,878
Other comprehensive income							2,721	2,721		2,721
Total comprehensive income for the half year ended December 31, 2022	-	-	-	11,982,307	11,982,307	-	2,721	11,985,028	571	11,985,599
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	3,600	3,600	-	(3,600)	-	-	-
Balance as at December 31, 2022	1,320,634	131,344	129,307	50,715,276	50,844,583	(221,783)	1,622,483	52,376,627	11,354	53,708,615

\* 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 22 form an integral part of these consolidated condensed interim financial statements.

Syed Jarar Haider Kazmi  
Chief Financial Officer

Rear Admiral Jawad Ahmed, SI(M)  
Chairman & Chief Executive

Muhammad Ali  
Director



**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)**

	Note	Half year ended December 31, 2022	Half year ended December 31, 2021
<b>------(Rupees in '000)-----</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	16	8,662,589	1,985,115
Employees' gratuity paid		(29,486)	(22,213)
Employees' compensated absences paid		(43,379)	(55,479)
Post-retirement medical benefits paid		(13,484)	(10,115)
Long-term loans		(7,869)	(3,659)
Finance costs paid		(521,477)	(239,421)
Taxes paid		(686,391)	(199,829)
<b>Net cash generated from operating activities</b>		<b>7,360,503</b>	<b>1,454,399</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(10,461,820)	(504,358)
Additions to investment properties		(2,079)	(17,515)
Short-term investments (acquired) / redeemed		(3,897,601)	4,084,412
Interest received on short-term investments		713,734	129,369
Dividend received		10,925	3,101
<b>Net cash (used in) / generated from investing activities</b>		<b>(13,636,841)</b>	<b>3,695,009</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term financing obtained		4,344,000	-
Long-term financing repaid		(693,010)	(1,048,836)
Lease rentals paid		(1,796)	(2,177)
Dividend paid		(643,093)	(384,414)
<b>Net cash generated from / (used in) financing activities</b>		<b>3,006,101</b>	<b>(1,435,427)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,270,237)</b>	<b>3,713,981</b>
Cash and cash equivalents at the beginning of the period		11,587,351	1,750,945
<b>Cash and cash equivalents at the end of the period</b>	17	<b>8,317,114</b>	<b>5,464,926</b>

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.



**Syed Jarar Haider Kazmi**  
Chief Financial Officer



**Rear Admiral Jawad Ahmed, SI(M)**  
Chairman & Chief Executive



**Muhammad Ali**  
Director

# PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES

## NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (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, Mouli 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
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\* 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, 2022 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 December 31, 2022 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 half year ended December 31, 2022.

**2.3** The comparative statement of financial position presented in these consolidated condensed interim financial statements as at June 30, 2022 has been extracted from the annual audited financial statements of the Group for the year ended June 30, 2022 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 half year ended December 31, 2021 have been extracted from the consolidated condensed interim financial statements of the Group for the half year then 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. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended June 30, 2022.

### 3.2 Amendments to published approved accounting standards which are effective

There are certain amendments to approved accounting standards which are mandatory for the Group's annual accounting period which began on July 01, 2022. 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.

### 3.3 Standards and amendments to published approved accounting standards that are not yet effective

Certain amendments to the approved accounting standards which are mandatory for the Group's annual accounting periods beginning after July 01, 2023, 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 and 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, 2022.

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
		------(Rupees in '000)-----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
- Operating fixed assets	5.1 & 5.2	34,826,147	25,799,614
- Major spare parts and stand-by equipments	5.1	1,020,667	781,917
- Capital work-in-progress (CWIP)		130,768	126,698
		<b>35,977,582</b>	<b>26,708,229</b>
		(Unaudited)	
		Half year ended December 31, 2022	Half year ended December 31, 2021
		------(Rupees in '000)-----	
<b>5.1 Additions (including transfers from CWIP) during the period:</b>			
Vessels		9,913,258	-
Spares capitalised		367,932	31,919
Computer equipments		27,794	994
Class renewal and dry docking		134,185	170,777
Equipment on board		2,331	11,079
Furniture and fittings		489	-
Buildings on leasehold land		288	3,632
Office equipments		958	110
Vehicle		9,852	-
		<b>10,457,087</b>	<b>218,511</b>
<b>5.2 Depreciation charge for the period</b>		<b>1,192,467</b>	<b>437,682</b>

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
------(Rupees in '000)-----			
<b>6. STORES AND SPARES</b>			
Stores and spares		855,687	756,911
Bunker on board		1,868,991	1,193,316
Provision for slow moving stores and spares		(208,874)	(182,764)
		<u>2,515,804</u>	<u>1,767,463</u>

#### 7. TRADE DEBTS - unsecured

- Due from related parties	7.1	7,247,334	4,559,312
- Due from others		4,073,473	2,996,324
		<u>11,320,807</u>	<u>7,555,636</u>
Allowance for expected credit loss (ECL)	7.2	(2,978,352)	(2,244,063)
		<u>8,342,455</u>	<u>5,311,573</u>

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

	Upto 1 month	1 to 6 months	More than 6 months	(Unaudited) As at December 31, 2022	(Audited) As at June 30, 2022
------(Rupees in '000)-----					
Pakistan State Oil Company Limited	-	-	2,436,165	2,436,165	2,436,165
Pak Arab Refinery Limited	1,403,689	533,990	304,501	2,242,180	1,571,374
Pakistan Refinery Limited	233,254	95,697	87,215	416,166	236,457
Sui Northern Gas Pipelines Limited	48,736	-	-	48,736	950
District Controller of Stores	254	643,778	2,749	646,781	4,921
Embarkation Commandant	964	329,014	156,135	486,113	156,134
Naval Stores	29,621	444,084	34,511	508,216	78,065
Officer Commanding (PAF)	87,763	135,029	15,869	238,661	56,690
Others	30,441	189,401	4,474	224,316	18,556
	<u>1,834,722</u>	<u>2,370,993</u>	<u>3,041,619</u>	<u>7,247,334</u>	<u>4,559,312</u>

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
------(Rupees in '000)-----			
<b>7.2 Allowance for ECL on trade debts</b>			
Opening balance		2,244,063	1,338,813
Charged during the period / year		734,289	905,250
Closing balance		<u>2,978,352</u>	<u>2,244,063</u>

#### 8. OTHER RECEIVABLES

- Due from related parties	8.1	323,023	197,133
- Due from others		389,448	272,842
		<u>712,471</u>	<u>469,975</u>
Allowance for ECL	8.2	(104,522)	(109,890)
		<u>607,949</u>	<u>360,085</u>

#### 8.1 Related parties:

- Government of Pakistan		152,184	83,858
- Port Qasim Authority		167,860	95,073
- Karachi Port Trust		2,979	4,535
- Sindh Revenue Board		-	13,667
		<u>323,023</u>	<u>197,133</u>

#### 8.2 Allowance for ECL on other receivables

Opening balance		109,890	88,100
(Reversal) / charged during the period / year		(5,368)	21,790
Closing balance		<u>104,522</u>	<u>109,890</u>

#### 9. INCOMPLETE VOYAGES

This mainly represents amount paid to the charterer for chartering in foreign flagged vessels. These voyages were incomplete as at the reporting date.

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
------(Rupees in '000)-----			
<b>10. SHORT-TERM INVESTMENTS</b>			
<b>Amortized Cost</b>			
Term deposits with banks having maturity of:			
- more than three but upto six months		23,000	1,149,900
- three months or less		3,345,476	6,172,701
	10.1	3,368,476	7,322,601
Treasury bills having maturity of:			
- more than three but upto six months		-	-
- three months or less		4,131,516	-
	10.2	983,115	-
		5,114,631	-
<b>Fair value through profit or loss</b>			
- Mutual funds		997,875	104,890
		9,480,982	7,427,491

**10.1** Mark-up on these term deposits denominated in local currency ranges from 15.30% to 16.65% (June 30, 2022: 7.45% to 15.50%) per annum, whereas mark-up on term deposits denominated in foreign currency is 4.50% (June 30, 2022: 3%) per annum.

**10.2** These treasury bills have effective interest rates ranging from 15.65% to 16.96% per annum and maturing at various dates up to April 06, 2023.

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
------(Rupees in '000)-----			
<b>11. LONG TERM FINANCING - secured</b>			
<b>Faysal Bank Limited</b>			
- Financing under syndicate term-finance agreement	11.1	2,492,161	2,783,865
- Financing under musharika agreement	11.2	5,655,841	1,713,147
		8,148,002	4,497,012
Current portion of long-term financing		(1,818,593)	(949,793)
		6,329,409	3,547,219

**11.1 Financing under syndicate term-finance agreement includes:**

Represents financing facility obtained during the year ended June 30, 2019, amounting to Rs 6,500 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 month KIBOR + 0.35% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on March 22, 2027. Till December 31, 2022, the Holding Company has drawn Rs 2,340 million and Rs 2,363.734 million to finance its subsidiary companies namely Bolan Shipping (Private) Limited and Khairpur Shipping (Private) Limited respectively for purchase of vessels. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiary companies.

**11.2 Financing under musharika agreement includes:**

**11.2.1** Represents financing facility obtained during the year ended June 30, 2019, amounting to Rs 6,500 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 month KIBOR + 0.35% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on March 22, 2027. Till December 31, 2022, the Holding Company has drawn Rs 2,340 million and Rs 2,363.734 million to finance its subsidiary companies namely Bolan Shipping (Private) Limited and Khairpur Shipping (Private) Limited respectively for purchase of vessels. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiary companies.

**11.2.2** During the period, the Holding Company has obtained loan financing amounting to Rs 11,825 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 month 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 purchase of vessels. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiary companies.

	(Unaudited) December 31, 2022	(Audited) June 30, 2022
------(Rupees in '000)-----		
<b>12. TRADE AND OTHER PAYABLES</b>		
Creditors	436,920	458,569
Advance from charterers	69,191	-
Accrued liabilities	4,238,715	3,741,164
Agents' and owners' balances	426,120	942,913
Deposits	47,046	47,805
Withholding tax payable	42,805	25,990
Advance rent	70,371	81,733
Other liabilities	8,054	8,054
	5,339,222	5,306,228

### 13. CONTINGENCIES AND COMMITMENTS

#### Contingencies

- 13.1** 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, 2022, except for the following:

During the year ended June 30, 2015, the Sindh Revenue Board (SRB) issued show cause notice dated April 17, 2015 under the provisions of section 23 and 47 of the Sindh Sales Tax on Services Act, 2011. The SRB officer had selected the revenue from the consolidated financial statements and allegedly raised sales tax demand in respect of the revenue appearing in the audited consolidated financial statements for the years 2012-2014. The Holding Company had filed a suit before the Honourable Sindh High Court in respect of the aforesaid show cause notice and the Honourable Sindh High Court had granted an interim stay order restraining SRB from taking any coercive action. However, in light of the Supreme Court order dated June 27, 2018 the Holding Company had to withdraw from the suit and continued the proceedings of show cause notice. After, considering the submissions of the Holding Company the SRB had passed an assessment order dated March 13, 2019 and raised Sales Tax demand of Rs. 2,935,797 million on the revenue of freight income and services fee for the financial years 2012-2014. The Holding Company had filed an appeal before the Commissioner (Appeals) SRB dated March 11, 2019 and obtained stay from Honourable Sindh High Court against the sales tax demand. High Court made decision in favour of Holding Company on December 04, 2022. However, during the period, Sindh Revenue Board filed a petition on October 21, 2022 in Supreme court against the judgement of High court and same is still pending at Supreme Court of Pakistan. The management, in consultation with its tax advisor, is confident that the subject matters will eventually be decided in favour of the Holding Company.

(Unaudited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in '000) -----	

#### Commitments

- 13.2** Commitments for capital expenditure
- 13.3** Outstanding letters of guarantee
- 13.4** The Group has provided an undertaking amounting to Rs 2,626.823 million (USD 11.6 million) to one of the vendor / supplier of another state owned entity. This undertaking has been provided due to arrest of two of its managed vessels operated by its subsidiaries which have been released subsequently. However, the Government of Pakistan has provided a counter guarantee to the Holding Company in relation to the aforesaid undertaking.
- 13.5** Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounting to Rs 94.420 million (USD 0.417 million) and Rs 43.478 million (USD 0.192 million) respectively.

Quarter ended December 31, 2022	(Unaudited)		Half year ended December 31, 2021
	Quarter ended December 31, 2021	Half year ended December 31, 2022	
----- (Rupees in '000) -----			

### 14. FINANCE COST

Mark-up on long-term financing	347,086	116,799	640,458	235,108
Mark-up on lease liability	4,364	4,162	4,364	4,162
Bank charges	5,460	3,448	5,684	3,877
	356,910	124,409	650,506	243,147

### 15. TAXATION

Tax charge for:				
- current year	185,089	52,255	513,305	145,794
- prior year	(160,311)	(24,221)	(160,311)	(24,221)
	24,778	28,034	352,994	121,573
- Deferred tax (income) / expense	(21,472)	32,035	(21,472)	32,035
Taxation	3,306	60,069	331,522	153,608

		(Unaudited)	
	Note	Half year ended December 31, 2022	Half year ended December 31, 2021
		----- (Rupees in '000) -----	
16. CASH GENERATED FROM OPERATIONS			
Profit before taxation		12,314,400	1,576,260
Adjustments for non-cash charges and other items:			
Depreciation on:			
Property, plant and equipments		1,192,467	819,923
Right-of-use assets		6,140	6,171
Finance cost:			
Long-term financing		640,458	236,581
Lease Liabilities		4,364	4,162
Provision for employees' gratuity		54,180	44,783
Provision for employees' compensated absences		38,145	34,390
Provision for post-retirement medical benefits		6,165	5,262
Provision no longer required written back		(12)	(4,341)
Income from saving accounts and term deposits		(607,252)	(244,735)
Trade debts and other receivables written-off		34,440	-
Provision for slow moving stores and spares		26,109	-
Impairment loss on financial assets	7.2 & 8.2	728,921	267,156
Loss on revaluation of long-term investments in listed securities		4,795	8,410
Dividend income		(10,925)	(3,101)
Working capital changes	16.1	(5,769,806)	(765,806)
		8,662,589	1,985,115

#### 16.1 Working capital changes

##### Increase in current assets:

Stores and spares	(774,450)	(206,109)
Trade debts - unsecured	(3,765,171)	(1,039,815)
Agents' and owners' balances - unsecured	258	(3,739)
Loans and advances	(188,217)	(23,425)
Trade deposits and short-term prepayments	(103)	(18,813)
Other receivables	(276,936)	(218,120)
Incomplete voyages	(805,168)	(4,800)
Insurance claims	(35,481)	(16,970)
	<b>(5,845,268)</b>	<b>(1,531,791)</b>

##### Increase in current liabilities:

Trade and other payables	33,006	741,617
Net increase in provision for damage claims	7,067	19,319
Contract liabilities	35,389	5,049
	<b>75,462</b>	<b>765,985</b>
	<b>(5,769,806)</b>	<b>(765,806)</b>

#### 17. CASH AND CASH EQUIVALENTS

Short-term investments having maturity of three months or less		4,328,591	4,176,000
Cash and bank balances	17.1	3,988,523	1,288,926
		<b>8,317,114</b>	<b>5,464,926</b>

**17.1** Mark-up on local saving accounts ranges from 14% to 15.50% (June 30, 2022: 6.14% to 14%) and foreign saving accounts ranges from 0.15% to 0.5% (June 30, 2022: 0.15% to 0.5%)

#### 18. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

##### 18.1 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, 2022. There have been no changes in risk management policies since the year end.



## 18.2 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 December 31, 2022, 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 Holding Company'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 Holding Company 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, 2022.

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) December 31, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Assets carried at fair value</b>				
Long-term investments in listed companies and other entity	34,063	-	-	34,063
Short-term investments - mutual funds	997,875	-	-	997,875
	<u>1,031,938</u>	<u>-</u>	<u>-</u>	<u>1,031,938</u>
Leasehold land	-	1,399,780	-	1,399,780
Buildings on leasehold land	-	714,845	-	714,845
Beach huts	-	15,513	-	15,513
Workshop machinery and equipments	-	6,378	-	6,378
Investment properties	-	3,951,663	-	3,951,663
	<u>-</u>	<u>6,088,179</u>	<u>-</u>	<u>6,088,179</u>
	(Audited) June 30, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Long-term investments in listed companies and other entity	38,858	-	-	38,858
Short-term investments - mutual funds	104,890	-	-	104,890
	<u>143,748</u>	<u>-</u>	<u>-</u>	<u>143,748</u>
Leasehold land	-	1,399,780	-	1,399,780
Buildings on leasehold land	-	732,082	-	732,082
Beach huts	-	16,416	-	16,416
Workshop machinery and equipments	-	7,040	-	7,040
Investment properties	-	3,949,584	-	3,949,584
	<u>-</u>	<u>6,104,902</u>	<u>-</u>	<u>6,104,902</u>

## 19. 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	Relationship with the Group	(Unaudited)	
		Half Year ended	Half Year ended
		December 31, 2022	December 31, 2021
----- (Rupees in '000) -----			
Transactions with State owned / controlled entities			
Freight income		13,119,581	3,762,659
Income from other operating activities		561,147	127,556
Rental income		12,866	6,503
Rental and other expenses		16,724	1,650
Transactions with other related parties			
Employees' retirement benefit funds	Employees benefit plan	13,533	2,493
Directors' fee and traveling allowances	Key management personnel	3,165	1,750
Remuneration and other benefits	Key management personnel	50,276	37,405
Dividend paid to Government of Pakistan	Government holding	578,169	346,901

## 20. SUBSEQUENT EVENT

Subsequent to the reporting date, the Holding Company has sold out a vessel M.T. Karachi (Aframax Tanker) on January 03, 2023 at the completion of useful life.

## 21. GENERAL

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

## 22. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on February 23, 2023 by the Board of Directors of the Holding Company.



Syed Jara Haider Kazmi  
Chief Financial Officer



Rear Admiral Jawad Ahmed, SI(M)  
Chairman & Chief Executive



Muhammad Ali  
Director





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