

Pakistan National Shipping Corporation



PATH TO SUSTAINABLE GROWTH

UN-AUDITED REPORT
FOR THE QUARTER ENDED
SEPTEMBER 30, 2021

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CORPORATE INFORMATION

Board of Directors

1. Mr. Shakeel Ahmed Mangnejo

Chairman Member

2. Mr. Imdad Ullah Bosal

Additional Finance Secretary (Expenditure) Finance Division

Islamabad.

3. Mr. Khowaja Obaid Imran Ilyas

Member

4. Capt. Anwar Shah

Member

Strategy and Risk Management Committee

1. Mr. Shakeel Ahmed Mangnejo

Member

2. Capt. Anwar Shah

Member

3. Mr. S. Jarar Haider Kazmi

Secretary

Audit & Finance Committee

1. Mr. Khowaja Obaid Imran Ilyas

Chairman

Member

2. Mr. Imdad Ullah Bosal

Additional Finance Secretary

(Expenditure) Finance Division Islamabad, (Ex-Officio Member).

3. Capt. Anwar Shah

Member

HR. Nomination and CSR Committee

1. Mr. Khowaja Obaid Imran Ilyas

Member

2. Capt. Muhammad Shakil

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

Bank Al Habib Limited, Pakistan

Bank Al Habib Limited, Bahrain

Bank Alfalah Limited, Bahrain

BankIslami Pakistan Limited

Faysal Bank Limited

Habib Bank Limited

JS Bank Limited

MCB Bank Limited

MCB Islamic Bank Limited

National Bank of Pakistan

National Bank of Pakistan, Hong Kong

National Bank of Pakistan, Tokyo

Sindh Bank Limited

UniCredit Bank, Italy

United Bank Limited, London

PAKISTAN NATIONAL SHIPPING CORPORATION DIRECTORS' REPORT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

The Board of Directors of Pakistan National Shipping Corporation Group (the Group/PNSC) are pleased to submit the consolidated and unconsolidated condensed interim financial statements of PNSC and Group respectively for the first quarter ended September 30, 2021.

OVERVIEW

The PNSC Group has financial results for the period ended September 30, 2021 of Rs 635 million as against Rs 859 million in the corresponding period last year. Group earnings per share decreased to Rs 4.81 as against Rs 6.50 in the corresponding period last year.

The Group achieved a turnover of Rs 4,700 million (including Rs 1,822 million from PNSC-standalone) as compared to Rs 3,971 million (including Rs 885 million from PNSC-standalone) for the corresponding period last year. This includes substantial growth in revenue of 132% from Rs 549 million to Rs 1,272 million in foreign tankers segment, however, the Group faced decline in revenue of 25% from Rs 2,736 million to Rs 2,062 million in managed tankers segment.

There is a significant escalation in bulk carrier revenue of 97% from Rs 468 million to Rs 923 million due to increase in average charter rates from \$ 6,393 to \$ 12,268 and increase in average Baltic Dry Index from 1,510 to 3,718 in the current reporting period as compared to corresponding period last year.

The fleet expenses during the period under review increased to Rs 3,748 million (including Rs 1,608 million from PNSC-standalone) from Rs 2,663 million (including Rs 666 million from PNSC-standalone). The Gross profit is decreased by 27% from Rs 1,308 million as against Rs 952 million in current reporting period.

The PNSC standalone results reflect a profit after tax of Rs. 88 million as compared to loss after tax of Rs 24 million in the corresponding period last year mainly due to increment in volume of slot chartering activities. PNSC earning per share to Rs 0.67 as against loss per share of Rs 0.18 in the corresponding period last year.

The finance cost on long-term financing decreased by 22% to Rs 119 million in the current period as against Rs 151 million in the same period last year. Coupled with decrease in quantum of long term borrowing.

FUTURE PROSPECTS

Since the beginning of 2021, charter rates and asset prices in the dry bulk shipping markets have been moving upwards. The Baltic Dry Index has increased 3.8 times in last 9 months of this calendar year. The worldwide demand for dry bulk commodities has significantly recovered, especially in China, following economies re-opening post COVID-19 lockdowns. As reported by some observers, going forward, the industry may become a victim to its own success as shipping backlogs and surges in commodity prices globally cause factories to decline in productivity. Even as efforts are being made internationally to resolve supply chain bottlenecks, a temporary reduction in raw material demand may damage the recent positive sentiment for the dry bulk sector.

On the other hand, the liquid bulk tanker markets have largely remained muted with COVID-19 causing a reduction in oil consumption worldwide. With no major reduction in fleet capacity in sight, the market remains oversupplied thus contributing towards lower charter rates despite volatile and high asset pricings within this sector as compared with 2020 levels. Looking forward, growth in oil prices may cause a slow but gradual shift in demand to renewables, bringing the world closer to the reality of peak oil which does not bode well for the tanker markets at its current fleet capacity levels.

ACKNOWLEDGMENT

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

Chairman & Chief Executive Officer

Karachi

October 25, 2021

مستقبل کے امکانات

سال 2021ء کے آغاز سے ہی ڈرائی بلک شینگ مارکیٹ میں چارٹر نرخوں اور اثاثوں کی قیمتوں میں اضافہ شروع ہو گیا ہے۔ بالٹک ڈرائی انڈیکس میں رواں تقویمی سال کے 9 ماہ کے دوران 8. 3 گنااضافہ ہوا۔ کروناوائرس بندشوں کے بعد معیشت بحال ہونے پر خصوصاً چین میں خشک اشیائے ضروریہ کی عالمی سطح پر طلب میں نمایاں اضافہ ہوا ہے۔ تجزیہ کاروں کے مطابق مستقبل میں شینگ بیک لاگز اور عالمی سطح پر اشیائے ضروریہ کی قیمتوں میں اضافے کے باعث فیکٹریوں کی پیداوار میں کمی کے باعث صنعت اپنی ہی کامیائی کے مضر اثرات کا شکار ہو سکتی ہے۔ سپلائی چین رکاوٹوں کو دور کرنے کے لئے بین الاقوامی سطح پر اقد امات کئے جارہے ہیں مگر خام مال کی طلب میں عارضی کمی ڈرائی بلک کے شعبہ میں حالیہ مثبت بیش رفت کو متاثر کر سکتی ہے۔

دوسری جانب، مائع بلک ٹمینکر منڈیاں کروناوائرس کے باعث جمود کاشکار رہیں جس کی وجہ دنیا بھر میں تیل کی کھیت میں کی ہے۔ بیڑے کی صلاحیت میں بغیر مستکم اور زیادہ اثاثوں کی صلاحیت میں بغیر کسی کی کے مارکیٹ کوسیلائی حدسے زیادہ رہی لہٰذا2020 کے مقابلے میں اس شعبہ میں غیر مستکم اور زیادہ اثاثوں کی قیمتوں کی سے لیکن متواتر قیمتوں میں متال کے معالم کے علمہ میں سے لیکن متواتر اضافہ کا باعث بن سکتا ہے۔ دنیا اس وقت تیل کی قیمتوں میں تاریخی اضافہ کے دہانے پر ہے جو بیڑے کی حالیہ صلاحت پر ٹیمنکر مارکیٹ کے لئے موافق پیش رفت نہیں ہے۔

اظهارتشكر

. تمام اسٹیک ہولڈرز کے مسلسل تعاون اور اعتاد کے لئے بورڈ ان کاشکریہ اداکر تاہے۔

الريك داريكر

چيئز مين اور چيف انگيز يکڻو آفيسر

كراچى

2021 کتوبر، 2021

ياكستان نيشل شينك كاربوريش والزيكثر زربورك برائے پہلی سہ ماہی اختیام 30 ستمبر 2021ء

پاکستان نیشنل شپنگ کارپوریشن گروپ(پی این ایس سی گروپ) کے بورڈ آف ڈائر یکٹر ز30 متمبر 2021ء کو اختتام پذیر پہلی سہ ماہی کے لئے PNSC اور گروپ کی بالتر تیب مستحکم اور غیر مستحکم منجمد عبوری مالیاتی اسٹیٹمنٹس از راہِ مسرت پیش کرتے ہیں۔

PNSC گُروپ گذشتہ سال کی اسی دورانے میں 859 ملین روپے کے مقابلہ میں 30 ستمبر 2021ء کو اختتام پذیر سہ ماہی کے لئے 635 ملین ِروپِے مالیاتی نتائج کا اعلان کر تاہے۔ گروپ کی فی حصص آ مدنی گذشتہ سال کی اسی مدت میں 6.50روپے کے مقابلہ میں 4.81روپ تک کم ہوئی ہے۔

گروپ کی آمدنی گذشتہ سال کی اسی دورانیے میں 3,971 ملین روپے (بشمول صرف PNSC سے 885 ملین روپے) کے مقابلے میں 4,700 ملین روپے (بشمول صرف PNSC سے 1,822 ملین روپے) رہی۔اس میں غیر مکی ٹینکرز کے شعبہ میں 549 ملین روپے سے 1,272 ملین روپے سے 1,272 ملین روپے لیے 1,272 ملین روپے 132 فی صیر کی خاطر خواہ نموشامل ہے۔البتہ، گروپ نے منظم ٹینکرز کے شعبہ کی آ مدنی میں 2,736 ملین روپے سے 2,062 ملین روپے کمی واقع ہوئی ہے جو کہ 25 فیصد بنتی ہے۔

گذشتہ سال کی اسی مدت کے مقابلے میں حالیہ رپورٹنگ پیریڈ کے دوران اوسط چارٹر ریٹ میں 6,393 ڈالرسے 12,268 ڈالر اضافہ اور اوسط بالٹک ڈرائی انڈیکس میں 1,510 سے 3,718 اضافہ کے باعث مجموعی بلک کیر میزریوینیو میں 468 ملین روپے سے 923 ملین روپے يعنٰ97 في صد نماياں تر قي ہو ئي۔

زیر جائزہ مدت کے دوران فلیٹ کے براہ راست اخراجات میں 2,663 ملین روپے (بشمول صرفPNSCسے 666 ملین روپے) سے 3,748 ملین روپے) کے 87,5 ملین روپے (بشمول صرفPNSC سے 1,608 ملین روپے) اضافہ ریکارڈ ہوا۔ مجموعی منافع میں 27 فیصد تک کی کمی واقع ہوئی جو کہ گر شتہ سال کے 1,308 ملین روپے کے مقابلے میں 952 ملین روپے رہا۔

سلاٹ چارٹرنگ سر گرمیوں کے تجم میں اضافہ کے باعث صرفPNSC کے نتائج گذشتہ سال کی اسی مدت میں 24 ملین روپے علاوہ ٹیکس نقصان کے مقابلہ میں 88 ملین روپے علاوہ ٹیکس منافع کی عکاسی کرتے ہیں۔ گذشتہ سال کے دورانیے میں 0.18روپے فی خصص خسارہ کے مقابلہ میں PNSC نے 0.67روپے فی خصص آ مدنی ریکارڈ کی۔

طویل مدتی قرضوں پرلاگت میں 22 فی صِدیعنی 19 اِ ملین روپے کمی واقع ہوئی جو گذشتہ سال کی اسی مدت میں 151 ملین روپے تھی۔اسی طرح طویل مدتی قرضوں کے حجم میں بھی کمی واقع ہوئی۔

PNSC Managed Fleet

TANKERS

BULK CARRIERS



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



Gross Tonnage (MT): 17,018



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

Length Overall (M): 220.89

Vessel: M.V HYDERABAD

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

Length Overall (M): 188.50



Gross Tonnage (MT): 55,894

Length Overall (M): 228.60



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

Length Overall (M): 225.00



Deadweight (MT): 107,081 Gross Tonnage (MT): 58,127

Length Overall (M): 246.80



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



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

Length Overall (M): 246.80



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

Length Overall (M): 189.80

Vessel: M.T QUETTA	Built: Japan 2003
Vest .	
b_	
A STATE OF THE PARTY OF THE PAR	
30 San	
-	A PROPERTY OF THE PARTY OF THE

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

Length Overall (M): 246.80

TANKERS & BULK CARRIERS						
DEADWEIGHT (MT)	GROSS TONNAGE (MT)					
576,534	315,118					
255,177	140,804					
831,711	455,922					
	DEADWEIGHT (MT) 576,534 255,177					

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

for the quarter ended September 30, 2021

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021

		(Unaudited)	(Audited)
	Note	September 30,	June 30,
		2021	2021
		(Rupees	
ASSETS			•
NON-CURRENT ASSETS			
Property, plant and equipment	5	27,561,580	27,772,552
Right of use asset	6	105,653	105,653
Intangible assets Investment properties	6	39,436 3,693,194	39,436 3,687,374
Long-term investments in:		3,033,134	3,007,374
- Related party (associate)			-
- Listed companies and an other entity		44,194	49,359
Long-term loans	7	8,144	8,144
Deferred taxation - net		98,145	98,145
CURRENT ASSETS		31,550,346	31,760,663
Stores and spares		1,526,391	1,647,781
Trade debts - unsecured	8	3,382,572	3,019,161
Agents' and owners' balances - unsecured		18,563	7,617
Loans and advances Trade deposits and short-term prepayments		105,530 27,117	94,537 19.213
Interest accrued on bank deposits and short-term investments		175.389	102.298
Other receivables .	9	544,261	414,388
Incomplete voyages		215,608	173,265
Insurance claims Taxation - net		88,555 1,552,682	91,049 1,603,883
Short-term investments	10	6,683,521	6,606,184
Cash and bank balances		1,051,706	1,050,945
TOTAL ASSETS		15,371,895 46,922,241	14,830,321 46,590,984
EQUITY AND LIABILITIES		40,322,241	40,590,904
EQUITY AND CIABLETTIES EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY			
Authorised capital		2,000,000	2,000,000
Issued, subscribed and paid-up share capital		1,320,634	1,320,634
Capital reserve Revenue reserves		131,344 34,898,344	131,344 34,262,953
Remeasurement of post retirement benefits obligation - net of tax		(228,098)	(228,098)
Surplus on revaluation of property, plant and equipment - net of tax		1,626,936	1,626,936
		37,749,160	37,113,769
NON-CONTROLLING INTEREST		6,787	6,468
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP		37,755,947	37,120,237
NON-CURRENT LIABILITIES	11	4.054.504	1 004 400
Long term financing - secured Employee benefits	11	4,351,501 665,638	4,684,138 679.619
Lease liability		114,805	114,805
		5,131,944	5,478,562
CURRENT LIABILITIES	40	0.000.007	2 200 225
Trade and other payables Contract liabilities	12	2,326,227 258,894	2,360,225 182,564
Provision against damage claims		20,205	19,012
Current portion of long-term financing	11	1,334,964	1,334,965
Current portion lease liabilities Unclaimed dividend		1,803 77,445	1,803 77,498
Accrued mark-up on long-term financing		14,812	16,118
		4,034,350	3,992,185
TOTAL LIABILITIES		9,166,294	9,470,747
TOTAL EQUITY AND LIABILITES		46,922,241	46,590,984
CONTINUE NO COMMITMENTS	1.0		

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer Chair

CONTINGENCIES AND COMMITMENTS

Chairman & Chief Executive Director

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)

Note	Quarter ended September 30, 2021	Quarter ended September 30,
	2021	2020
	(Rupees	in '000)
REVENUE		
Income from shipping business	4,645,922	3,914,315
Rental income	54,303 4,700,225	56,733 3,971,048
EXPENDITURE	4,700,223	3,371,040
Fleet expenses - direct	(3,714,903)	(2,629,826)
Fleet expenses - indirect	(6,252)	(1,963)
Real estate expenses	(27,368)	(31,607)
	(3,748,523)	(2,663,396)
GROSS PROFIT	951,702	1,307,652
Administrative expenses	(252,204)	(262,148)
Impairment loss	-	(3,079)
Other expenses	(48,776)	(87,077)
Other income	217,792	131,011
OPERATING PROFIT	(83,188) 868.514	(221,293) 1,086,359
Finance costs 14	(120,016)	(153,614)
PROFIT BEFORE TAXATION	748,498	932,745
Taxation 15	(113,107)	(74,192)
PROFIT AFTER TAXATION	635,391	858,553
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME	635,391	858,553
Attributable to:		
Equity holders of the Holding Company	635,162	858,342
Non-controlling interest	229	211
	635,391	858,553
	(Rup	ees)
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE		
TO EQUITY HOLDERS OF THE HOLDING COMPANY -	4.04	0.50
basic and diluted	4.81	6.50

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

Chairman & Chief Executive

1

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)

	Attributable to the shareholders of the Holding Company									
	Issued, subscribed and paid-up share capital	Capital reserve*	General reserve	Unap- propriated profit	Sub-total revenue reserves	Remeas- urement of post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment net of tax	Total reserves	Non- controlling interest	Total
						in '000)				
Balance as at July 01, 2020	1,320,634	131,344	129,307	32,164,560	32,293,867	(291,117)	1,234,018	33,368,112	5,221	34,693,967
Profit after taxation	-	-	-	858,324	858,324	-	-	858,324	229	858,553
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the first quarter ended September 30, 2020	-	-	-	858,324	858,324	-	-	858,324	229	858,553
Balance as at September 30, 2020	1,320,634	131,344	129,307	33,022,884	33,152,191	(291,117)	1,234,018	34,226,436	5,450	35,552,520
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
Profit after taxation	-	-	-	635,391	635,391	-	-	635,391	-	635,391
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the first quarter ended September 30, 2021	-	-	-	635,391	635,391	-	-	635,391	319	635,710
Balance as at September 30, 2021	1,320,634	131,344	129,307	34,769,037	34,898,344	(228,098)	1,626,936	36,428,526	6,787	37,755,947

^{*} This represents an amount transferred from shareholder's equity at the time of merger of former NSC and PSC. The reserve is not utilisable for the purpose of distribution to shareholders.

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

Chairman & Chief Executive

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)

Note	Quarter ended September 30, 2021	Quarter ended September 30, 2020
Cash flows from operating activities	(Rupee	s in '000)
Cash nows from operating activities		
Cash generated from operations 16 Employees' gratuity paid Employees' compensated absences paid Post-retirement medical benefits paid	824,939 (15,106) (34,302) (4,689)	1,488,228 (4,099) (15,806) (3,073)
Long term loans Finance costs paid Taxes paid	(121,322) (67,442)	(7,295) (152,841) (60,747)
Net cash generated from operating activities	582,078	1,244,367
Cash flows from investing activities		
Purchase of property, plant and equipment Additions to investment properties Proceeds from disposal of property, plant and equipment Short-term investments redeemed Interest received on short-term investments Net cash generated from investing activities	(218,511) (5,820) - (51,296) 53,042 (222,585)	(122,126) - 520 356,242 97,067 331,703
Cash flows from financing activities		
Long-term financing repaid Dividends paid Net cash used in financing activities	(332,638) (53) (332,691)	(333,741) (79) (333,820)
Net increase in cash and cash equivalents	26,802	1,242,250
Cash and cash equivalents at the beginning of the period	1,801,489	4,512,021
Cash and cash equivalents at the end of the period 17	1,828,291	5,754,271

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

Chairman & Chief Executive

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)

1. THE GROUP AND ITS OPERATIONS

Pakistan National Shipping Corporation (the Holding Company), its subsidiary companies and an associate (together 'the Group') were incorporated under the provisions of the Pakistan National Shipping Corporation Ordinance, 1979 and the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), respectively. The Group is principally engaged in the business of shipping, including charter of vessels, transportation of cargo and other related services. The Group is also engaged in renting out its properties to tenants under lease agreements. The Group's registered office is situated at PNSC Building, Moulvi Tamizuddin Khan Road, Karachi except for Pakistan Co-operative Ship Stores (Private) Limited which is situated at 70/4, Timber Pond, N.M Reclamation Kemari, Karachi. With effect from October 13, 2020 and January 29, 2021, the name of subsidiary companies are changed from Islamabad Shipping (Private) Limited to Pakistan Marine and Shipping Services Company (Private) Limited and from Kaghan Shipping (Private) Limited to National Ship Management and Crewing (Private) Limited respectively.

The Group consists of:

Holding company

Pakistan National Shipping Corporation

Subsidiary companies

- Bolan Shipping (Private) Limited
- Chitral Shipping (Private) Limited
- Hyderabad Shipping (Private) Limited
- Pakistan Marine and Shipping Services Company (Private) Limited [formerly: Islamabad Shipping (Private) Limited]
- Johar Shipping (Private) Limited
- National Ship Management and Crewing (Private) Limited [formerly: Kaghan Shipping (Private) Limited]
- Karachi Shipping (Private) Limited
- Khairpur Shipping (Private) Limited
- Lahore Shipping (Private) Limited
- Lalazar Shipping (Private) Limited
- Makran Shipping (Private) Limited
- Malakand Shipping (Private) Limited
- Multan Shipping (Private) Limited
- Pakistan Co-operative Ship Stores (Private) Limited
- Quetta Shipping (Private) Limited
- Sargodha Shipping (Private) Limited
- Shalamar Shipping (Private) Limited
- Sibi Shipping (Private) Limited
- Swat Shipping (Private) Limited

Associate

- Muhammadi Engineering Works (Private) Limited

The Holding Company owns 73% (2020: 73%) of the share capital of Pakistan Co-operative Ship Stores (Private) Limited and 100% (2020: 100%) of the share capital of the remaining eighteen subsidiary companies. Each of wholly owned subsidiaries operate one vessel / tanker with the exception of Swat Shipping (Private) Limited, Lalazar Shipping (Private) Limited, Johar Shipping (Private) Limited, National Ship Management and Crewing (Private) Limited [formerly: Kaghan Shipping (Private) Limited], Pakistan Marine and Shipping Services Company (Private) Limited [formerly: Islamabad Shipping (Private) Limited], Sargodha Shipping (Private) Limited and Makran Shipping (Private) Limited which currently do not own any vessel/tanker.

1.1 Since previous year, the World Health Organization declared COVID-19 a pandemic. To reduce the impact on businesses and economies in general, regulators / governments across the globe introduced a host of measures on both the fiscal and economic fronts.

Shipping operations, which is the basic business of the Group has been permitted by the Government to operate with strict compliance of SOPs issued. Consequently, the Group's offices and vessels have continued to operate. However, COVID-19 has primarily impacted the Group on account of depression in the charter out business in its bulk carriers and reduced activities under slot charter segment. The Group remained up to date in all its financial committments. The management believes that the going concern assumption of the Group remains valid.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These consolidated condensed interim financial statements of the Group for the first quarter ended September 30, 2021 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 comorise 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, 2021 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 September 30, 2021 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 quarter ended September 30, 2021. These consolidated condensed interim financial statements also include the consolidated condensed interim statement of profit or loss and other comprehensive income, the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of changes in equity and the consolidated condensed
- 2.3 The comparative statement of financial position presented in these consolidated condensed interim financial statements as at June 30, 2021 has been extracted from the annual audited consolidated financial statements of the Group for the year ended June 30, 2021 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 quarter ended September 30, 2020 have been extracted from the consolidated condensed interim financial statements of the Group for the quarter then ended, which were neither subject to a review nor audit
- 2.4 These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.5 Basis of measurement

These consolidated condensed interim financial statements have been prepared under the historical cost convention except for land & buildings at revalued amounts less accumulated depreciation and impairment, staff retirement benefits and compensated absenses which are carried at present value and investment property and financial instrument which are carried at fair value.

2.6 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, 2021.
- 3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective
 - (a) Amendments to published approved accounting standards which are effective during the quarter ended September 30, 2021

There are certain amendments to approved accounting standards which are mandatory for the Group's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Group's financial reporting and, therefore, have not been detailed in this consolidated condensed interim financial statements.

(b) Standards and amendments to published approved accounting standards that are not yet effective

Certain other new standards and amendments to the approved accounting standards will be also mandatory for the Group's annual accounting periods beginning on or after July 01, 2021. 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, ASSUMPTIONS AND FINANCIAL RISK MANAGEMENT

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 judgments 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, 2021.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

			(Unaudited)	(Audited)
		Note	September 30,	June 30,
			2021	2021
			(Rupees	in '000)
5.	PROPERTY, PLANT AND EQUIPMENT			
		- 4 0 - 0		00.070.400
	- Operating fixed assets	5.1 & 5.2	26,791,137	26,970,426
	- Major spare parts and stand-by equipment		704,495	736,178
	- Capital work-in-progress - buildings on leasehold land		65,948	65,948
			27,561,580	27,772,552
			(Unau	dited)
			Quarter ended September 30,	Quarter ended September 30,
			2021	2020
			(Rupees	in '000)
5.1	Additions to operating fixed assets (including transfers from CWIP) during the period:			
	Buildings on lease hold land		3,632	148
	Office equipments		110	96
	Computer equipment		994	114
	Spares capitalised		31,919	23,851
	Class renewal and dry docking		170,777	96,996
	Equipment on board		11,079	921
			218,511	122,126
5.2	Depreciation charge for the period		437,682	486,701
				· · · · · · · · · · · · · · · · · · ·

(Unaudited)	(Audited)				
September 30,	June 30,				
2021	2021				
(Rupees in '000)					

6. INTANGIBLE ASSETS

Capital work in progress (CWIP)

Computer software

39,436 39,436

6.1 Intangible assets also includes cost of Rs 16.503 million of software "Ship Management Expert System" (SES). SES was being amortised over the useful life of five years and was fully amortised as on June 30, 2009, however, it is still in active use.

 (Unaudited)
 (Audited)

 Note
 September 30, 2021
 June 30, 2021

 2021
 2021

 (Rupees in '000)
 '''''

7. LONG-TERM LOANS - considered good

Loans- Executives & other employees

8,144 8,144

8. TRADE DEBTS - unsecured

Considered good

- Due from related parties	8.1	2,708,176	2,648,006
- Due from others	8.2	674,395	371,155
		3,382,571	3,019,161
Considered doubtful			
- Due from related parties	8.1	1,119,930	1,119,930
- Due nom related parties	0.1	1,119,930	1,119,930
- Due from others		218,883	218,883
		1,338,813	1,338,813
		4,721,384	4,357,974
Less: Allowance for ECL on trade debts	8.3	1,338,813	1,338,813
		3,382,571	3,019,161

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

	Upto 1 month	1 to 6 months	More than 6 months	(Unaudited) As at September 30, 2021	(Audited) As at June 30, 2021
			(Rupees in '00	0)	
District Controller of Stores	7,748	-	2,748	10,496	2,748
National Refinery Limited	101,043	9,464	98,782	209,289	112,474
Pak Arab Refinery Limited	296,781	180,658	287,686	765,125	816,095
Pakistan Refinery Limited	72,740	8,634	51,324	132,698	122,403
Pakistan State Oil Company Limited	-	-	2,436,165	2,436,165	2,436,165
Sui Northern Gas Pipelines Limited	3,303	2,791	-	6,094	1,812
Others	47,300	143,341	77,483	268,124	276,239
	529,030	344,888	2,954,188	3,828,106	3,767,936

8.2 The ageing analysis of trade debts, due from others that are past due but not impaired is as follows:

		Note	(Unaudited) September 30, 2021(Rupees	(Audited) June 30, 2021 in '000)
	Upto 1 month 1 to 6 months More than 6 months		372,533 242,137 59,725 674,395	74,046 116,979 180,130 371,155
8.3	Allowance for ECL on trade debts			
	Opening balance Increase during the period / year Reversed during the period / year Closing balance		1,338,813 - - - 1,338,813	1,623,511 65,208 (349,906) 1,338,813
9.	OTHER RECEIVABLES			
9.1 9.2	Considered good - Due from related parties - Due from others Considered doubtful - Due from related parties - Due from others Less: Allowance for ECL on other receivables This represents balances that are past due but not impaired. Allowance for ECL on other receivables	9.1	141,961 402,300 544,261 - 88,100 632,361 88,100 544,261	118,279 296,109 414,388 - 88,100 88,100 502,488 88,100 414,388
	Opening balance Increase during the period / year Closing balance		88,100 - 88,100	88,100 - 88,100
10.	SHORT-TERM INVESTMENTS			
	Amortized Cost Term deposits with banks having maturity of: - more than three but upto six months - three months or less Fair value through profit or loss Mutual funds	10.1	5,906,936 700,000 6,606,936 76,585 6,683,521	5,855,640 700,000 6,555,640 50,544 6,606,184
		10.1	0,000,021	0,000,104

Mark-up on these term deposits denominated in local currency ranges from 6.40% to 7.00% (June 30, 2021: 7.45% to 7.95%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 1.60% (June 30, 2021: 1.60%) per annum.

		(Unaudited)	(Audited)
	Note	September 30,	June 30,
		2021	2021
		(Rupees	s in '000)
LONG TERM FINANCING - secured			
Financing under syndicate term finance agreement	11.1	3,543,066	3,753,549
Financing under musharika agreement	11.2	2,143,399	2,265,554
		5,686,465	6,019,103
Less: Current portion of long-term financing		1,334,964	1,334,965
		4,351,501	4,684,138

11.1 Financing under syndicate term finance agreement includes:

11.

12.

- 11.1.1 Financing obtained in November 2014 amounting to Rs 3,000 million with a consortium led by MCB Bank Limited carrying mark-up at the rate of 3 month KIBOR + 1.60% which has been renegotiated to 3 month KIBOR + 0.5% during the year ended June 30, 2016 and further renegotiated to 3 month KIBOR + 0.20% during the year ended June 30, 2018. The loan along with the mark-up is repayable on a quarterly basis with the last repayment date on November 6, 2022. The facility is secured by way of first mortgage charge over a vessel owned by the subsidiary company. The Group has drawn Rs 2.054.250 million to date.
- 11.1.2 Financing 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%. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on March 22, 2027. As of the reporting date, the Group 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 company.

11.2 Financing under musharika agreement includes:

- 11.2.1 Financing obtained in November 2014 amounting to Rs 1,500 million with a consortium led by MCB Bank Limited carrying mark-up at the rate of 3 month KIBOR + 1.60% which has been renegotiated to 3 month KIBOR + 0.5% during the year ended June 30, 2016 and further renegotiated to 3 month KIBOR + 0.20% during the year ended June 30, 2018. The loan along with the mark-up is repayable on a quarterly basis with the last repayment date on November 6, 2022. The facility is secured by way of first mortgage charge over a vessel owned by the subsidiary company. The Group has drawn Rs 1.027.125 million to date.
- 11.2.2 Financing 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%. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on March 22, 2027. As of the reporting date, Group has drawn Rs 1,440 million and Rs 1,454.606 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 company.

	(Rupees	s in '000)
TRADE AND OTHER PAYABLES		
Creditors	241,526	262,520
Accrued liabilities	1,527,555	1,588,764
Agents' and owners' balances	412,814	251,998
Deposits 12.1	46,568	44,608
Withholding Tax Payable	28,683	53,823
Advance rent	56,227	53,008
Other liabilities:		
- amounts retained from contractors	9,241	9,241
- others	3,613	96,263
	12,854	105,504
	2,326,227	2,360,225

(Unaudited)

September 30,

Note

(Audited)

June 30, 2021 12.1 These deposits are mark up free and are repayable on demand or on completion of specific contracts. As per the requirements of section 217 of the Companies Act, 2017 deposits are utilised for the purpose of business and are kept in separate bank accounts.

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, 2021.

		(Unaudited) September 30,	(Audited) June 30,
		2021	2021
		(Rupees	s in '000)
	Commitments		
13.2	Commitments for capital expenditure	32,571	32,571
13.3	Outstanding letters of guarantee	18,919	18,919

- 13.4 The Group has provided an undertaking amounting to USD 11.6 million (Rs 1,954.25 million) to one of the vendor / supplier of another state owned entity. This undertaking has been provided due to arrest of two of it's 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 USD 0.417 million (Rs 70.216 million) and USD 0.192 million (Rs 32.303 million) respectively.

(Unaudited)

	Note	Quarter ended September 30, 2021	Quarter ended September 30, 2020
44	FINANCE COSTS	(Rupees	in '000)
14.	FINANCE COSTS		
	Mark-up on long term financing	118,309	151,306
	Bank charges	1,707	2,308
		120,016	153,614
15.	TAXATION		
	Current tax	113,107	74,192
16.	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	748,498	932,745
	Adjustments for non-cash charges and other items:		
	Depreciation	437,682	486,701
	Profit on disposal of property, plant and equipment	· -	(520)
	Provision for employees' gratuity	20,016	20,924
	Provision for employees' compensated absences	17,133	33,133
	Provision for post-retirement medical benefits	1,966	7,834
	Income from saving accounts and term deposits	(126,133)	(87,868)
	Finance costs	120,016	150,525
	Loss on disposal of stores Impairment loss 3.1	-	1,199
	Loss / (gain) on revaluation of long-term investments in listed securities	- 5,165	3,079
	Dividend income	(1,558)	(8,539)
	Net increase / (decrease) in damage claims	1,193	(325)
	Working capital changes 16.1	(399,039)	(50,660)
		824,939	1,488,228

(Unaudited)		
Quarter ended	Quarter ended	
September 30,	September 30,	
2021	2020	
(Rupees in '000)		

16.1 Working capital changes

(Increase) / decrease in current assets:		
Stores and spares	121,390	(73,234)
Trade debts - unsecured	(363,410)	29,303
Agents' and owners' balances - unsecured	(10,946)	(7,188)
Loans and advances	(10,993)	27,814
Trade deposits and short-term prepayments	(7,904)	(36,158)
Other receivables	(129,873)	(147,994)
Incomplete voyages	(42,343)	29,584
Insurance claims	2,494	56,358
	(441,585)	(121,515)
(Decrease) / increase in current liabilities:		
Trade and other payables	(33,784)	(15,922)
Contract liabilities	76,330	86,777
	(399,039)	(50,660)

17. CASH AND CASH EQUIVALENTS

Short-term investments having maturity of three months or less	700,000	3,942,306
Mutual funds	76,585	-
Cash and bank balances	1,051,706	1,811,965
	1,828,291	5,754,271

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 as at June 30, 2021. 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 September 30, 2021, the Group's all assets and liabilities are carried at cost less accumulated depreciation / impairment, if any, or at amortised cost except for those mentioned below:

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

The Group classifies investment properties and long-term investments in listed companies measured at fair value in the statement of financial position. The latest fair valuation of the Corporation's investment properties was performed by an independent valuer as at June 30, 2021.

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 equipment, investment categorised as fair value through profit or loss and investment properties are as follows:

	(Unaudited) September 30, 2021			
	Level 1	Level 2	Level 3	Total
		(Rupees	s in '000)	
Assets carried at fair value				
Long-term investments - Fair value through profit				
or loss	44,094	-	-	44,094
Leasehold land		1,399,780		1,399,780
Buildings on leasehold land		745,223		745,223
Beach huts	-	17,973		17,973
Workshop machinery and equipment	-	8,188	-	8,188
Investment properties	-	3,693,194	-	3,693,194
	-	5,864,358	-	5,864,358
	Level 1	(Aud June 30 Level 2 (Rupees		
Assets carried at fair value				
Long-term investments - Fair value through profit or loss	49,259			49,259
Leasehold land	-	1,399,780	-	1,399,780
Buildings on leasehold land	-	753,725	-	753,725
Beach huts	-	18,242	-	18,242
Workshop machinery and equipment	-	8,353	-	8,353
Investment properties		3,687,374		3,687,374
		5,867,474		5,867,474

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:

			(Unaudited)		
	Relationship with	Quarter ended	Quarter ended		
	the Group	September 30,	September 30,		
Name and particulars	the Group	2021	2020		
		(Rupees	s in '000)		
Transactions with State owned / controlled en	tities				
Freight income		1,648,267	2,268,159		
Income from other operating activities		-	5,941		
Rental income		3,194	3,095		
Rental expense		1,861	2,952		
Transactions with other related parties					
Contribution to provident fund	Employees benefit plan	1.299	1.704		
Directors' fee	Key management personnel	750	915		
	, , ,				
Key management personnel compensation	Key management personnel	13,945	10,360		

20. GENERAL

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

21. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 25, 2021 by the Board of Directors of the Holding Company.

Chief Financial Officer

Chairman & Chief Executive

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

for the quarter ended September 30, 2021

PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021

	Note	(Unaudited) September 30, 2021	(Audited) June 30, 2021
ACCETO		(Rupees	s in '000)
ASSETS NON-CURRENT ASSETS			
	-	0.004.007	0.004.000
Property, plant and equipment Right of use asset	5	2,284,207 105,653	2,294,029 105,653
Intangible asset	6	39,436	39,436
Investment properties		3,693,194	3,687,374
Long-term investments in: - Related parties (subsidiaries and an associate)	ı	37,140,379	37,140,378
- Listed companies and an other entity		44,194	49,359
,	,	37,184,573	37,189,737
Long-term loans and advances	7	8,144	8,144
Deferred taxation - net	,	98,145	98,145
		43,413,352	43,422,518
CURRENT ASSETS			
Stores and spares Trade debts - unsecured	8	10,380 1,849,319	10,380 1,536,615
Agents' and owners' balances - unsecured	0	18,563	7.617
Loans and advances		105,530	98,535
Trade deposits and short-term prepayments		23,030	17,079
Interest accrued on bank deposits and short-term investments Other receivables	9	174,813 348,247	102,117 297,183
Incomplete voyages		44.627	11.861
Taxation - net		1,538,670	1,594,402
Short-term investments	10	6,683,521	6,606,184
Cash and bank balances	L	1,028,201 11,824,901	1,027,181
TOTAL ASSETS		55,238,253	54,731,672
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised capital		2,000,000	2,000,000
Issued, subscribed and paid-up share capital		1,320,634	1,320,634
Capital reserve		126,843	126,843
Revenue reserve Remeasurement of post retirement benefits obligation - net of tax		8,929,130 (228,096)	8,840,694 (228,096)
Surplus on revaluation of property, plant and equipment - net of tax		1,624,111	1,624,111
		11,772,622	11,684,186
NON-CURRENT LIABILITIES			
Long-term financing - secured	11	4,351,501	4,684,138
Lease liability		114,805	114,805
Employee benefits		665,638 5,131,944	679,619 5,478,562
CURRENT LIABILITIES		0,101,544	0,470,002
Trade and other payables	12	36,785,723	36,020,870
Contract liabilities		98,735	98,660
Provision against damage claims Current portion of long-term financing	11	20,205 1,334,964	19,012 1,334,965
Current portion of lease liability	''	1,803	1,803
Unclaimed dividend		77,445	77,496
Accrued mark-up on long-term financing		14,812 38,333,687	16,118 37,568,924
TOTAL LIABILITIES	L	43,465,631	43,047,486
TOTAL EQUITY AND LIABILITES		55,238,253	54,731,672
		-,,	, , , , , =

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer Chairman & Chief Executive

Director

13

PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)

	mber 30, 020
(Rupees in '000)-	
REVENUE	
Treight income - foreign flag vessels	709,383 117,376 56,554 1,548 884,861
EXPENDITURE (1,437,660) Fleet expenses - direct (1,416) Vessel management expenses (141,767) Real estate expenses (27,368)	(438,000) (1,640) (194,412) (31,607)
(1,608,211) GROSS PROFIT 213,385	(665,659) 219,202
Administrative expenses (104,826) Impairment loss on financial assets - Cher expenses (47,589) Other income 239,743 87,328	(59,061) (3,079) (84,626) 110,229 (36,537)
OPERATING PROFIT 300,713	182,665
Finance costs 14 (118,738)	(151,306)
PROFIT BEFORE TAXATION 181,975	31,359
Taxation 15 (93,539)	(55,258)
PROFIT / (LOSS) AFTER TAXATION 88,436	(23,899)
Other comprehensive income	-
TOTAL COMPREHENSIVE INCOME / (LOSS) 88,436	(23,899)
(Rupees)	
EARNINGS / (LOSS) PER SHARE - basic and diluted 0.67	(0.18)

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

Chairman & Chief Executive

PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)

	Issued, subscribed and paid-up share capital	Capital Reserve*	Revenue reserve - unappropriated profit	Remeasurem ent of post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total equity
			(Rupees	in '000)		
Balance as at July 01, 2020	1,320,634	126,843	8,440,569	(291,117)	1,231,193	10,828,122
Loss after taxation	-	-	(23,899)	-	-	(23,899)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the first quarter ended September 30, 2020	-	-	(23,899)	-	-	(23,899)
Balance as at September 30, 2020	1,320,634	126,843	8,416,670	(291,117)	1,231,193	10,804,223
Balance as at July 01, 2021	1,320,634	126,843	8,840,694	(228,096)	1,624,111	11,684,186
Profit after taxation	-	-	88,436	-	-	88,436
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the first quarter ended September 30, 2021	-	-	88,436	-	-	88,436
Balance as at September 30, 2021	1,320,634	126,843	8,929,130	(228,096)	1,624,111	11,772,622

^{*} This represents an amount transferred from shareholder's equity at the time of merger of former NSC and PSC. The reserve is not utilisable for the purpose of distribution to shareholders.

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

Chairman & Chief Executive

PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)

Ne	ote	Quarter ended September 30, 2021	Quarter ended September 30, 2020
		(Rupees	in '000)
Cash flows from operating activities			
Cash generated from operations Employees' gratuity paid Employees' compensated absences paid Post-retirement medical benefits paid Long term loans and advances Finance costs paid Taxes paid Net cash generated from operating activities	16	580,509 (15,106) (34,302) (4,689) - (120,044) (37,808) 368,560	1,353,223 (4,099) (15,806) (3,073) (7,295) (154,565) (47,432) 1,120,953
Cash flows from investing activities			
Purchase of property, plant and equipment Additions to investment properties Short-term investments redeemed Interest received on short term investments Net cash (used in) / generated from investing activities		(4,735) (5,820) (51,296) 53,041 (8,810)	(245) - 356,242 96,483 452,480
Cash flows from financing activities			
Long-term financing repaid Dividends paid Net cash used in financing activities		(332,638) (51) (332,689)	(332,016) (79) (332,095)
Net increase in cash and cash equivalents	-	27,061	1,241,338
Cash and cash equivalents at the beginning of the period		1,777,725	4,508,380
Cash and cash equivalents at the end of the period	17	1,804,786	5,749,718

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

Chairman & Chief Executive

PAKISTAN NATIONAL SHIPPING CORPORATION

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)

1. THE CORPORATION AND ITS OPERATIONS

- 1.1 Pakistan National Shipping Corporation (the Corporation) was established under the provisions of the Pakistan National Shipping Corporation Ordinance, 1979 and is principally engaged in the business of shipping, including charter of vessels, transportation of cargo and other related services and providing commercial, technical, administrative, financial and other services to 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.
- 1.2 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.

Since previous year, the World Health Organization declared COVID-19 a pandemic. To reduce the impact on businesses and economies in general, regulators / governments across the globe introduced a host of measures on both the fiscal and economic fronts.

Shipping operations, which is the basic business of the Corporation has been permitted by the Government to operate with strict compliance of SOPs issued. Consequently, the Corporation's offices and vessels have continued to operate. In the year ended June 2021, the Government has provided the relaxation in SOPs and restrictions in the other countries were lifted due to decline in the pandemic threat, this has contributed favourably to the Corporation. The Corporation's assets and liabilities are realisable in the normal course of business, therefore, the management believes that the going concern assumption of the Corporation remains valid.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These unconsolidated condensed interim financial statements of the Corporation for the quarter ended September 30, 2021 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, 2021 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 September 30, 2021 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 first quarter ended September 30, 2021. These unconsolidated condensed interim financial statements also include the unconsolidated condensed interim statement of profit or loss and other comprehensive income, the unconsolidated condensed interim statement of changes in equity and the unconsolidated condensed interim statement of cash flows for the quarter ended September 30, 2020.
- 2.3 The comparative statement of financial position presented in these unconsolidated condensed interim financial statements as at June 30, 2021 has been extracted from the annual audited financial statements of the Corporation for the year ended June 30, 2021 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 quarter ended September 30, 2020 have been extracted from the unconsolidated condensed interim financial statements of the Corporation for the quarter then ended, which were neither subject to a review nor audit.
- 2.4 These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.5 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for land & buildings at revalued amounts less accumulated depreciation and impairment, staff retirement benefits and compensated absenses which are carried at present value and investment property and financial instrument which are carried at fair value.

2.6 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 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 unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2021.
- 3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

(a) Amendments to published approved accounting standards which are effective during the quarter ended September 30, 2021

There are certain amendments to approved accounting standards which are mandatory for the Corporation's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Corporation's financial reporting and, therefore, have not been detailed in this unconsolidated condensed interim financial statements.

(b) Standards and amendments to published approved accounting standards that are not yet effective

Certain new standards and amendments to the approved accounting standards will be mandatory for the Corporation's annual accounting periods beginning on or after July 01, 2021. 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, ASSUMPTIONS AND FINANCIAL RISK MANAGEMENT

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 and liabilities, income and expenses, however, actual results may differ from these estimates. Estimates and judgments 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, 2021.

The Corporation's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

	(Unaudited)	(Audited)
Note	September 30,	June 30,
	2021	2021
	(Rupees	s in '000)

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1 & 5.2	2,218,259	2,228,082
Capital work-in-progress (CWIP)		65,948	65,947
		2,284,207	2,294,029

(U				

Quarter ended	Quarter ended			
September 30,	September 30,			
2021	2020			
(Rupees in '000)				

5.1 Additions to operating fixed assets during the period:

Buildings on leasehold land	3,632	149
Office equipments	110	96
Computer equipment	993 4,735	245
	4,735	240
Depreciation charge for the period	14.692	12 719

5.2

(Unaudited)	(Audited)			
September 30,	June 30,			
2021	2021			
(Ruposs in 1000)				

39,436

39,436

6. **INTANGIBLE ASSETS**

Capital work in progress (CWIP)

Computer software

6.1	Intangible also include cost of Rs 16.503 million of software "Ship Management Expert System" (SES). SES was being
	amortised over the useful life of five years and was fully amortised as on June 30, 2009, however, it is still in active use.

		Note	(Unaudited) September 30, 2021(Rupees	(Audited) June 30, 2021 in '000)
7.	LONG-TERM LOANS AND ADVANCES - considered good			
	Loans-executives & other employees		8,144	8,144
8.	TRADE DEBTS - unsecured			
	Considered good			
	- Due from related parties - Due from others	8.1 8.2	1,836,994 12,324 1,849,318	1,528,703 7,912 1,536,615
	Considered doubtful		1,040,010	1,000,010
	- Due from related parties - Due from others	8.1	686,907 39,082 725,989 2,575,307	686,907 39,082 725,989 2,262,604
	Less: Allowance for ECL on trade debts	8.3	725,989 1,849,318	725,989 1,536,615

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

	Upto 1 month	1 to 6 months	More than 6 months	(Unaudited) As at September 30, 2021	(Audited) As at June 30, 2021
			(Rupees in '0	00)	
Pak Arab Refinery Limited	5,438	27,443	58,539	91,420	58,539
Pakistan State Oil Company Limited	-	-	1,849,834	1,849,834	1.849.833
Pakistan Refinery Limited	72,740		795	73,535	795
Sui Northern Gas Pipelines Limited	3,303	2,791	-	6,094	1,812
Water and Power Development					
Authority	119		-	119	-
National Refinery Limited	93,125	1,212	25,642	119,979	25,642
District Controller of Stores	7,748	-	2,749	10,497	2,749
Others	114,676	189,222	68,525	372,423	276,240
	297,149	220,668	2,006,084	2,523,901	2,215,610

8.2 The ageing analysis of trade debts, due from others that are past due but not impaired is as follows:

		Note	(Unaudited) September 30, 2021(Rupees	(Audited) June 30, 2021 in '000)
	Upto 1 month 1 to 6 months More than 6 months		6,346 5,897 81 12,324	4,178 3,734 - 7,912
8.3	Allowance for ECL on trade debts			
	Opening balance Increase during the period / year Reversed during the period / year Closing balance		725,989 - - 725,989	1,005,769 11,269 (291,049) 725,989
9.	OTHER RECEIVABLES Considered good			
	- Due from related parties - Due from others	9.1	141,961 206,286 348,247	118,279 178,904 297,183
	Considered doubtful - Due from related parties - Due from others		34,145 34,145	34,145 34,145
	Less: Allowance for ECL on other receivables	9.2	382,392 34,145 348,247	331,328 34,145 297,183

9.1 This includes an amount of Rs. 81.248 million (June 2021: Rs. 33.765 million) due from the Government of Pakistan.

				(
		Note	September 30,	June 30,
			2021	2021
			(Rupees	in '000)
9.2	Allowance for ECL on other receivables		(
0.2	Allowarious for Ede off outlot room values			
	Opening balance		34,145	34,145
	Increase during the period / year		04,140	O+, I+O
	Closing balance		34,145	34,145
	Closing balance		34,143	34,143
10.	SHORT-TERM INVESTMENTS			
	Amortised cost			
	Term deposits with banks having maturity of:			
	 more than three but upto six months 		5,906,936	5,855,640
	- three months or less		700,000	700,000
		10.1	6,606,936	6,555,640
	Fair value through profit or loss			
	Mutual funds		76,585	50,544
			6,683,521	6,606,184

(Unaudited)

(Audited)

10.1 Mark-up on these term deposits denominated in local currency ranges from 6.40% to 7.00% (June 30, 2021: 7.45% to 7.95%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 1.60% (June 30, 2021: 1.60%) per annum.

			(Unaudited)	(Audited)
		Note	September 30,	June 30,
			2021	2021
			(Rupees	s in '000)
1.	LONG-TERM FINANCING - secured			
	Financing under syndicate term finance agreement	11.1	3,543,066	3,753,549
	Financing under musharika agreement	11.2	2,143,399	2,265,554
			5,686,465	6,019,103
	Less: Current portion of long-term financing		1,334,964	1,334,965
			4,351,501	4,684,138

11.1 Financing under syndicate term finance agreement includes;

11.

- 11.1.1 Financing obtained in November 2014 amounting to Rs 3,000 million with the consortium led by MCB Bank Limited carrying mark-up at the rate of 3 month KIBOR + 1.60% which has been renegotiated to 3 month KIBOR + 0.5% during the year ended June 30, 2016 and further renegotiated to 3 month KIBOR + 0.20% during the year ended June 30, 2018. The loan, along with the mark-up, is repayable on a quarterly basis with the last repayment date on November 6, 2022. The facility is secured by way of first mortgage charge over a vessel owned by the subsidiary company. The Corporation has drawn Rs 2,054.250 million to date.
- 11.1.2 Financing 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%. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on March 22, 2027. As of the reporting date, 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 company.

11.2 Financing under musharika agreement includes;

11.2.1 Financing obtained in November 2014 amounting to Rs 1,500 million with a consortium led by MCB Bank Limited carrying mark-up at the rate of 3 month KIBOR + 1.60% which has been renegotiated to 3 month KIBOR + 0.5% during the year ended June 30, 2016 and further renegotiated to 3 month KIBOR + 0.20% during the year ended June 30, 2018. The loan along with the mark-up is repayable on a quarterly basis with the last repayment date on November 6, 2022. The facility is secured by way of first mortgage charge over a vessel owned by the subsidiary company. The Corporation has drawn Rs 1,027.125 million to date.

11.2.2 Financing 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%. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on March 22, 2027. As of the reporting date, the Corporation has drawn Rs 1,440 million and Rs 1,454.606 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 company.

September 30,	June 30,
2021	2021
(Rupees	s in '000)
48,217	73,061
35,334,409	34,833,703
412,814	251,996
852,457	658,988
46,568	44,608
56,227	53,010
9,241	9,241
25,790	96,263
35,031	105,504
36,785,723	36,020,870
	2021 (Rupees 48,217 35,334,409 412,814 852,457 46,568 56,227 9,241 25,790 35,031

(Unaudited)

(Audited)

12.1 These deposits are interest free and are repayable on demand or on completion of specific contracts. As per the requirements of section 217 of the Companies Act, 2017 deposits are kept in separate bank accounts.

13. CONTINGENCIES AND COMMITMENTS

Contingencies

12.

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, 2021.

		(Unaudited)	(Audited)
		September 30,	June 30,
		2021	2021
		(Rupees	s in '000)
	Commitments		
13.2	Commitments for capital expenditure	32,571	32,571
13.3	Outstanding letters of guarantee	18,919	18,919

- 13.4 The Corporation has provided an undertaking amounting to USD 11.6 million (Rs 1,927.11 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.
- 13.5 Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounting to USD 0.417 million (Rs 70.216 million) and USD 0.192 million (Rs 32.303 million) respectively.

		,	
		(Unau	dited)
		Quarter ended	Quarter ended
		September 30,	September 30,
		2021	2020
		(Rupees	in '000)
14.	FINANCE COSTS		
	Mark-up on long term financing	118,309	150,525
	Bank charges	429	781
		118,738	151,306
15.	TAXATION		
	Current tax	93,539	55,258

		2021	2020
		(Rupees	s in '000)
16.	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	181,975	31,359
	Adjustments for non-cash charges and other items:		
	Depreciation	14,692	12,719
	Profit on disposal of fixed assets	-	-
	Provision for employees' gratuity	20,881	20,676
	Provision for employees' compensated absences	17,133	33,133
	Provision for post-retirement medical benefits	1,966	7,834

Income from saving accounts and term deposits (125,737)(87,362)Finance cost 118,738 150.525 Impairment loss on financial assets 3.1 3,079 Provision no longer required written back (214)(2,427)Loss / (gain) on revaluation of long-term investments in listed securities 5,165 (8,539)Net increase in damage claims 1,193 (325)

16.1 Working capital changes

(Increase) / decrease in current assets:

Working capital changes

Trade debts - unsecured	(312,703)	(68,685)
Agents' and owners' balances - unsecured	(10,946)	(7,188)
Loans and advances	(6,995)	27,814
Trade deposits and short-term prepayments	(5,951)	(36,037)
Other receivables	(51,064)	(116,528)
Incomplete voyages	(32,766)	(1,996)
	(420,425)	(202,620)

Increase / (decrease) in current liabilities:

Trade and	other payables	
Contract lia	abilities	

(51,064)	[(116,528)
(51,064) (32,766)	(1,996)
(420,425)	(202,620)
765,067	1,395,171
75	-
765,142	1,395,171
344,717	1,192,551

344,717

580,509

(Unaudited)

Quarter ended

September 30,

1.192.551

Quarter ended

September 30,

Note

16.1

17. CASH AND CASH EQUIVALENTS

Short-term investments having maturity of three months or less	700.000	3.942.306
ů ,	,	0,542,000
Mutual funds	76,585	-
Cash and bank balances	1,028,201	1,807,412
	1.804.786	5.749.718

18. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

18.1 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 as at June 30, 2021. 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 September 30, 2021, the Corporation's all assets and liabilities are carried at cost 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 as at June 30, 2021 was performed by an independent valuer.

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, 2021.

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, investment categorised as fair value through profit or loss and investment properties are as follows:

	Level 1		udited) er 30, 2021 Level 3	Total
		(Rupee	s in '000)	
Assets carried at fair value		(110)		
Long-term investments - Fair value through profit or				
loss	44,094	-	-	44,094
Leasehold land	-	1,399,780	-	1,399,780
Buildings on leasehold land	-	745,223	-	745,223
Beach huts	-	17,973	-	17,973
Workshop machinery and equipment	-	8,188	-	8,188
Investment properties	-	3,693,194	-	3,693,194
	-	5,864,358	-	5,864,358
		(Δ	dited)	
		,	aitea) 30. 2021	
	Level 1		Level 3	Total
		(Rupee	es in '000)	
Assets carried at fair value				
Long-term investments - Fair value through profit or loss	49,529	-		49,529
Leasehold land	_	1,399,780	_	1,399,780
Buildings on leasehold land	_	750,310	-	750,310
Beach huts	_	18,242	_	18,242
Workshop machinery and equipment	_	8.353	_	8,353
Investment properties	_	3,687,374	_	3,687,374
and the special section of the secti	_	5,864,059	-	5,864,059

19. 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) Quarter ended Quarter ended September 30,

2021

September 30, 2020

--(Rupees in '000)-

Name and particulars

Transactions with State owned / controlled entities	es	414.970	700 202
Freight income - foreign flag vessels Income from operating activities		**	709,383 1.548
. 0			,
Rental income		3,194	3,095
Rental expense		1,861	2,952
Transactions with subsidiary companies			
Service fee charged to subsidiary companies		106,656	117,376
Rental expense of Pakistan Co-operative Ship Stores	8		
(Private) Limited		-	244
Retirement benefit costs charged to subsidiary compa	anies	134	248
,			
Transactions with other related parties			
Contribution to provident fund	Employees benefit plan	1,299	1,704
Directors' fee and traveling allowance	Key management personnel	750	915
Remuneration and other benefits	Key management personnel	13,945	10,360

In addition, the Corporation is also engaged in making certain payments / collections on behalf of the subsidiary 19.1 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.

20. **GENERAL**

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

DATE OF AUTHORISATION FOR ISSUE 21.

These unconsolidated condensed interim financial statements were authorised for issue on October 25, 2021 by the Board of Directors of the Corporation.

Chief Financial Officer

Chairman & Chief Executive



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

www.pnsc.com.pk