Pakistan National Shipping Corporation

Breaking Barriers - Achieving **Milestones**

Years of Independence

ANNUAL REPORT 2022

Contents

Chairman's Review

ON BOARD'S OVERALL PERFORMANCE U/S 192 OF THE COMPANIES ACT, 2017

I am pleased to report on overall performance of the Board of Directors of Pakistan National Shipping Corporation (the Corporation) and effectiveness of the role played by the board in achieving the Corporation's objectives. Besides, the Board has separately issued its report on the detailed operational and financial performance alongwith economic and future outlook.

I applaud the Board for its oversight of the business and affairs of the Corporation, supported by the Government of Pakistan and other Stakeholders which leads to record highest ever, net profit after tax of Rs. 5,650 million as compared to the last year's net profit after tax of Rs.2,265 million and earnings per share of Rs.42.75 as compared to Rs.17.14 last year.

Over all, the PNSC Group maintains a healthy statement of financial position and strong cash and investments position that enabled it to actively participate in the next stage of the shipping cycle. Stable financial health of the Group coupled with favorable moves in market drivers and carried out expansion in fleet of managed vessels and in future ongoing expansion would be the key strength of the Group to cope with the future challenges.

Overview of the Board and its Committees

During the year, the Federal Government has reconstituted and appointed four new Board members under PNSC Ordinance, 1979, namely Mr. Rizwan Ahmed, Mr. Kamran Farooq Ansari, Mr. Syed Syedain Raza Zaidi and Mr. Muhammad Ali.

In order to discharge Board's responsibilities regarding overall control and management of business operations, the Board has formed committees namely Audit & Finance Committee, HR, Nomination & CSR Committee, Strategy

& Risk Management Committee. A new committee, Vessel Procurement Committee was also formed during the year. The Vessel Procurement Committee is responsible for consideration and approval of annual vessel procurement and deletion plans and any changes therein, the Committee also provides assistance to the Board for a comprehensive due diligence process in order to execute the acquisition of the Ships as per Corporation's vessels procurement plan.

All the Board Members have completed the Directors' Training/Certification. To evaluate the performance of the Board and its committees, annual evaluation of the Board of Directors has been carried out externally by Pakistan Institute of Corporate Governance as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and basic guidelines notified by Securities and Exchange Commission of Pakistan. The objective of the evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objective set for the Corporation.

Overall performance and effectiveness of the role played by the Board in achieving the Corporation's objectives has been found satisfactory during the financial year under review. The overall assessment/evaluation is based on an evolution of integral components including vision and mission; engagement in strategic objectives; formulation of policies; monitoring the Corporation's business activities; monitoring financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

The Corporation takes its obligations as a corporate citizen very seriously. The Board is specifically cognizant of Corporation's Corporate Social Responsibilities (CSR), duty towards environmental preservation and social well-being. In furtherance of these objectives, various schemes, initiatives, programs and projects were rolled out. The broad areas include healthcare, education, training and development, women's empowerment and environmental sustainability.

The Board of Directors receive agendas and supporting written material including follow up materials in due course prior to the meetings of the Board and its Committees. The Board meets frequently enough to adequately discharge its responsibilities.

Vote of thanks

I would like to thank all the stakeholder for their continued trust and confidence in the Corporation. I would also appreciate the Corporation management team for their efforts and focused implementation of effective cost controls. The commitment of Corporation's ashore and afloat employees enabled the Corporation to achieve its strategic objectives. Finally, I would like to thank all my fellow directors who had carried their responsibilities diligently and look forward to their contribution in future.

Rizwan Ahmad

Mr. Rizwan Ahmad
Chairman and Chief Executive

چیئرمین کا جائزہ

کمپنیز ایکٹ 2017 کے سیکشن 192 کے تحت بورڈ کی مجموعی کارکردگی کے حوالے سے

مجھے پاکستان نیشنل شپنگ کارپوریشن (کارپوریشن) کے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کارپوریشن کے مقاصد کے حصول میں بورڈ کے ادا کردہ مفید کردار کے متعلق بتاتے ہوئے نہایت خوشی محسوس ہو رہی ہے۔ اس کے علاوہ، بورڈ نے اقتصادی اور مستقبل کے تناظر کے ساتھ آپریشنل اور مالیاتی کارکردگی کی رپورٹ الگ سے مفصل طور پر جاری کی ہے۔

میں بورڈ کو کارپوریشن کے کاروبار اور معاملات کی نگرانی کے لیے سراہتا ہوں جسے حکومت پاکستان اور دیگر اسٹیک ہولڈرز کی حمایت حاصل ہے، جو گزشتہ سال کے بعد از ٹیکس منافع 2,265 ملین روپے کے مقابلے میں رواں سال ریکارڈ بلند ترین بعد از ٹیکس منافع 5,650 ملین روپے، اور گزشتہ سال کے 17.14 روپے کے مقابلے میں 42.75 روپے فی حصص آمدنی کے حصول کا باعث بنا ہے۔

مجموعی طور پر، پی این ایس سی گروپ مالی حالت کا مستحکم گوشوارہ، مستحکم زرِ نقد اور سرمایہ کاری کی ساکھ برقرار رکھتا ہے جو اسے شپنگ کے دورانیے کے اگلے مرحلے میں بھرپور حصہ لینے کا اہل بناتا ہے۔ گروپ کی مستحکم مالیاتی صحت، مارکیٹ کے محرکات میں خوش آئند تبدیلی اور زیرِ انتظام جہازوں کے فلیٹ میں کیا جانے والا مسلسل اضافہ، نیز مستقبل کی جاری توسیع آئندہ کی مشکلات سے نمٹنے کے لیے گروپ کی کلیدی قوت ہوں گے۔

بورڈ اور اس کی کمیٹیوں کا جائزہ

گزشتہ سال کے دوران، وفاقی حکومت نے پی این ایس سی آرڈیننس 1979 کے تحت تشکیل نو کر کے چار نئے بورڈ ممبران کی تقرری کی ہے، جن کے نام جناب رضوان احمد، جناب کامران فاروق انصاری، جناب سید سیدین رضا زیدی اور جناب محمد علی ہیں۔

کاروباری افعال کے مجموعی کنٹرول اور نظم کے حوالے سے بورڈ کی ذمہ داریاں ادا کرنے کے لیے، بورڈ نے آڈٹ اور فنانس کمیٹی، ایچ آر، نامزدگی اور سی ایس آر کمیٹی، اسٹریٹجی اور رسک مینجمنٹ کمیٹی کے نام سے کمیٹیاں تشکیل دی ہیں۔ مذکورہ سال کے دوران ایک نئی ویسل پروکیورمنٹ کمیٹی بھی تشکیل دی گئی۔ ویسل پروکیورمنٹ کمیٹی بحری جہازوں کی سالانہ خریداری اور انہیں ترک کرنے کے منصوبوں، نیز اس میں کسی بھی تبدیلی کو پیشِ نظر رکھنے اور ان کی منظوری کی ذمہ دار ہے، کمیٹی کارپوریشن کے جہازوں کی خریداری کے منصوبے کے مطابق جہازوں کے حصول کے عمل کو انجام دینے کے لیے جامع احتیاطی عمل کے حوالے سے بورڈ کو مدد بھی فراہم کرتی ہے۔

تمام بورڈ ممبران نے ڈائریکٹرز کی تربیت / سرٹیفکیشن مکمل کر لیے ہیں۔ بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کی جانب سے بیرونی طور پر کیا گیا ہے، جیسا کہ لسٹڈ کمپنیز (ضابطہ کارپوریٹ گورننس) ریگولیشنز، 2019 اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے مطلع کردہ بنیادی ہدایات کے تحت درکار ہے۔ جائزے کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور افادیت کی پیمائش کی جائے اور کارپوریشن کے طے کردہ مقاصد کے مطابق توقعات سے موازنہ کیا جائے۔

زیرِ غور مالی سال کے دوران کارپوریشن کے مقاصد کے حصول میں بورڈ کے ادا کردہ کردار کی مجموعی کارکردگی اور افادیت تسلی بخش پائی گئی ہے۔ مجموعی جائزہ / تجزیہ بنیادی حصوں کے ارتقاء پر مبنی ہے، بشمول وژن اور مشن؛ سٹریٹجک اہداف میں شمولیت؛ پالیسیوں کی تشکیل؛ کارپوریشن کی کاروباری سرگرمیوں کی نگرانی؛ مالی وسائل کی نگرانی کا نظم؛ مالی امور کی مؤثر نگرانی؛ تمام ملازمین سے مساوی سلوک اور بورڈ کی ذمہ داری کو احسن طریقے سے نبھانا ہے۔

کارپوریشن کارپوریٹ شہری کے طور پر اپنی ذمہ داریوں کو نہایت سنجیدگی سے لیتی ہے۔ بورڈ خاص طور پر کارپوریشن کی کارپوریٹ سماجی ذمہ داریوں (CSR)، ماحولیات کے تحفظ اور سماجی بہبود کی ذمہ داری سے آگاہ ہے۔ ان مقاصد کو آگے بڑھانے کے لیے مختلف اسکیموں، اقدامات، پروگراموں اور پروجیکٹس کا آغاز کیا گیا ہے۔ وسیع تر شعبوں میں صحت کی نگہداشت، تعلیم، تربیت اور ترقی، خواتین کو بااختیار بنانا اور ماحولیاتی استحکام ہیں۔

بورڈ آف ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کی میٹنگز سے مناسب وقت پہلے ایجنڈا اور معاون تحریری دستاویزات، نیز حوالے کا مواد موصول ہو جاتے ہیں۔ بورڈ اپنی ذمہ داریاں مناسب طور پر ادا کرنے کے لیے اکثر و بیشتر ملاقات کرتا ہے۔

اظہارِ تشکر

تمام اسٹیک ہولڈرز کے کارپوریشن پر مسلسل بھروسے اور اعتماد پر میں ان کا مشکور ہوں۔ اپنی کاوشوں اور لاگت کو کنٹرول کرنے کے مؤثر اقدامات کے لیے میں کارپوریشن کی انتظامی ٹیم کو بھی سراہتا ہوں۔ کارپوریشن کے برّی اور بحری ملازمین کے عزم نے کارپوریشن کو اپنے سٹریٹجک اہداف حاصل کرنے کے قابل بنایا۔ آخر میں، میں اپنے تمام ساتھی ڈائریکٹرز کا شکریہ ادا کرنا چاہوں گا جنہوں نے اپنی ذمہ داریاں پوری تندہی سے نبھائیں اور مستقبل میں بھی ان کے تعاون کا منتظر ہوں۔

Rizwan Ahmad

رضوان احمد

چیئرمین اور چیف ایگزیکٹو

Board of Directors

Mr. Rizwan Ahmed
Chairman

Mr. Imdad Ullah Bosal

Capt. Anwar Shah

Mr. Khowaja Obaid Imran Ilyas

Mr. Kamran Farooq Ansari

Mr. Muhammad Ali

Syed Syedain Raza Zaidi

Corporate Information

Board of Directors

1.	Mr. Rizwan Ahmed	Chairman
2.	Mr. Imdad Ullah Bosal Additional Finance Secretary (Expenditure), Finance Division Islamabad.	Member
3.	Mr. Kamran Farooq Ansari Joint Secretary Ministry of Maritime Affairs, Islamabad.	Member
4.	Syed Syedain Raza Zaidi The Director General (Ports & Shipping) Ministry of Maritime Affairs, Karachi.	Member
5.	Mr. Muhammad Ali	Member
6.	Mr. Khowaja Obaid Imran Ilyas	Member
7.	Capt. Anwar Shah	Member

Audit & Finance Committee

1.	Mr. Khowaja Obaid Imran Ilyas	Chairman
2.	Mr. Imdad Ullah Bosal Additional Finance Secretary (Expenditure), Finance Division Islamabad.	Member
3.	Mr. Kamran Farooq Ansari Joint Secretary Ministry of Maritime Affairs, Islamabad.	Member
4.	Syed Syedain Raza Zaidi The Director General (Ports & Shipping) Ministry of Maritime Affairs, Karachi.	Member
5.	Capt. Anwar Shah	Member
6.	Mr. Talha Bin Hamid	Secretary

HR, Nomination and CSR Committee

1.	Mr. Muhammad Ali	Chairman
2.	Mr. Rizwan Ahmed	Member
3.	Syed Syedain Raza Zaidi	Member
4.	Mr. Khowaja Obaid Imran Ilyas	Member
5.	Mr. Atique Sultan Raja	Secretary

Strategy and Risk Management Committee

1.	Mr. Muhammad Ali	Chairman
2.	Mr. Imdad Ullah Bosal	Member
3.	Mr. Kamran Farooq Ansari	Member
4.	Capt. Anwar Shah	Member
5.	Mr. S. Jarar Haider Kazmi	Secretary

Vessels Procurement Committee

1.	Mr. Rizwan Ahmed	Chairman
2.	Mr. Muhammad Ali	Member
3.	Mr. Khowaja Obaid Imran Ilyas	Member
4.	Capt. Anwar Shah	Member
5.	Mr. Khurrum Mirza	Secretary

Chief Financial Officer
Mr. S. Jarar Haider Kazmi

Company Secretary
Mr. Muhammad Javid Ansari

Chief Internal Auditor
Mr. Talha bin Hamid

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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
Habib Metropolitan Bank
JS Bank Limited
MCB 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
United Bank Limited, London

Leading the way for a Sustainable future

2019

GP Margin
27.33%

NP Margin
19.27%

ROCE
5.40%

EPS
Rs. 16.62

2020

GP Margin
33.10%

NP Margin
17.49%

ROCE
5.81%

EPS
Rs. 18.27

2021

GP Margin
22.45%

NP Margin
17.71%

ROCE
5.32%

EPS
Rs. 17.14

2022

GP Margin
28.87%

NP Margin
20.39%

ROCE
12.09%

EPS
Rs. 42.75

Vision

To be a prominent player and key stakeholder in global shipping industry by maintaining diversified and efficient marine assets.

Mission

To provide reliable & efficient shipping services to overseas and Pakistan's seaborne trade, maintaining relationship of integrity and trust with our customers, partners, employees, safeguarding interests of our stakeholders and contributing towards betterment of national economy, society and the environment.

Strategic Objectives

Persistent growth by strategic investment and diversification in marine sectors according to past performance and future outlook of industry.

To be optimally profitable, viable, commercial organization and contribute to the national economy by securing a reasonable return on capital and minimize outflow of national foreign reserves.

Ensure steady supplies to Pakistan defence forces in time of peace & war.

To do highly ethical, environment friendly and socially responsible business practices.

Ensuring that every employee feels proud of being part of PNSC team.

To provide its clientele safe, secure, reliable and efficient shipping services.

To practice & believe in Equal Opportunity for every one in every aspect of business.

Code of Conduct

In Pakistan National Shipping Corporation the Board, senior management and employees are committed to professionalism and understanding of themselves and others regarding accepted standards of the discipline.

The work related conduct requires a personal commitment to act in accordance with the accepted and especially professional standards of conduct and also to encourage such behaviour by employees and colleagues.

Corporation has always emphasized on the Business Ethics as a matter of policy. The Business Ethics include the principles of honesty, integrity, trust- worthiness, loyalty, fairness and justice. The business ethics are rules for conduct which raise awareness of acceptable and unacceptable behaviour. Furthermore, the ethical minds of individual employees significantly contribute to ethical business practices of the Corporation.

It is the duty and responsibilities of directors, senior management and all employees to faithfully follow the Business Ethics and comply with the policies and practices stated in this Code of Conduct. The Corporation's ultimate goal is to achieve its business objectives for the benefit of all stakeholders including the shareholders and the community at large.

POLICY STATEMENT

It is the Corporation's policy to conduct its business operations within the framework of the law and statutory rules and regulations, including the international law governing shipping operations.

The Corporation shall manage its affairs in accordance with concepts of good governance, with a high degree of integrity, transparency and accountability.

The Corporation shall constantly endeavor to formulate policies to ensure business growth, optimize operational efficiencies and profitability, and develop a corporate culture to reward merit and eliminate discrimination in all forms. It is the policy of the Corporation that professionalism is maintained in all recruiting, interviewing and hiring of individuals without regard to race, gender or religion.

There is no direct or indirect discrimination on grounds including, but not limited to race, gender, sex or marital status or religion or language and there is no harassment or victimization based on any of the aforesaid grounds.

DEVELOPMENT OF INTERNAL CONTROL SYSTEMS

It is the policy of the Corporation to maintain and update internal control systems, accounting/ financial procedure, rules and regulations, in keeping with modern management practices, and ensure due compliance with regulatory requirements.

MAINTENANCE OF PROPER BOOKS OF ACCOUNT AND RECORDS

It is the policy of the Corporation to maintain proper books of account and supporting documents in accordance with law and regulatory requirements. No compromises as to the integrity of financial records or financial statements shall be permitted.

The Corporation shall ensure that all statutory records are properly maintained and that statutory returns are filed strictly according to the regulatory requirements.

All books of account, supporting documents, and statutory records shall be safeguarded and retained for such periods as may be prescribed by law or by the Corporation.

USE AND SAFEGUARDING OF CONFIDENTIAL INFORMATION

All information about the policies and business affairs of the Corporation is confidential. Information received from third parties under obligation of confidentiality belongs to those third parties and is confidential. Such information must not be used or disclosed except as permissible under the relevant agreements.

Employees shall not unauthorisedly remove any documents or tangible items which belong to the Corporation or which contain any confidential information, from the Corporation's premises, including vessels.

The responsibility to maintain the confidential nature of all nonpublic information in the Corporation's possession continues after cessation of employment.

It is the policy of the Corporation to ensure confidentiality of all inside information and do not leak any inside information out of the Corporation and no employee shall derive any personal benefit from such inside information not yet disclosed to the public and to maintain harmony among all co-workers and staff in the Corporation.

The Corporation has set up an important policy concerning the use of information of the Corporation in compliance with Good Corporate Governance and relevant regulations. The Corporation has advised its directors, senior management and employees to focus on confidential information especially internal information not yet disclosed to public or any data or information that may effect the business of the Corporation or its share price. They must not use information they receive from their directorships or employment for personal benefit or for conducting business or other activities in competition with the Corporation.

POLICY TOWARDS STAKEHOLDERS

The Corporation recognizes the rights of all stakeholders and therefore encourages cooperation between the Corporation and all the stakeholders including employees, creditors, government agencies, community and society at large.

POLICY ON SAFETY, OCCUPATIONAL HEALTH AND ENVIRONMENT

The Corporation is committed to conducting business with the highest standards of safety, occupational health and environment conditions fully complying with all legislation and regulations relating to safety, occupational health and environmental requirements at all locations in which the Corporation operates.

The Corporation shall follow practices that constantly ensure that its working environment is safe for the protection of property of the Corporation and life of its employees.

The Corporation shall encourage health and safety awareness at all levels and promote procedures and practices that ensure environmental protection taking into account the current legislation and industry codes and practices.

The Corporation shall fully disclose all information regarding its operations and standards in relation to safety, occupational health and environment.

It is the policy of the Corporation to take all necessary measures to protect the health and safety of its employees.

CONFLICT OF INTEREST

The Corporation has set up an important policy on conflict of interest. No directors, officer or employee shall have any financial interest in or be involved in the business activities of a competitor of the Corporation.

ACCEPTANCE OR GIVING OF BRIBES

No employee of the Corporation shall accept or give bribe or any illegal gratification in the conduct of the Corporation's business.

DISCIPLINE AND GENERAL CONDUCT

All employees shall conform to and abide by the rules and regulations of the Corporation, and shall observe, comply with and abide by all orders which may from time to time be given by any person under whose jurisdiction, superintendence or control an employee may for the time being be placed.

The Corporation expects that all directors, officers and employees will understand and adhere to this Code of Conduct. They shall be responsible for the consequences of any violation. If a violation of law is also implicated, civil or criminal liability may result.

It is expected of all to practice good / ethical behavior and to pay attention to emerging questions, challenges and stress points positively in their respective capacities.

The purpose of this Code of Conduct is to maintain and promote dignity and reputation of the Corporation and achieve excellence. Each employee is required to conduct himself/herself in a proper way, behave lawfully adhering to all laws, rules and regulations which are applicable.

Failure to comply with this code or guidance may result in disciplinary action depending on the severity of the misconduct and the Corporation's disciplinary record.

Mr. Rizwan Ahmed

Chairman & Chief Executive

Mr. Rizwan Ahmed took charge of the office of Chairman Pakistan National Shipping Corporation (PNSC) on 3rd January 2022 as a private member. He joined the Pakistan Administrative Service in 1988. He holds a two-year Master's degree in Public Administration from Harvard University, USA.

He has previously served on various important positions in the Government of Pakistan including as Federal Secretary for Maritime Affairs, Chairman, Trading Corporation of Pakistan (TCP), Additional Secretary, Establishment Division and Additional Secretary, Cabinet Division. He retired in December 2021 as a Federal Secretary.

Besides the Federal Government, he has also worked in Government of the Punjab and Government of Sindh in several capacities.

Captain Anwar Shah

Director

Captain Anwar Shah is a reputed professional in the management and operation of port terminals, maritime transport and logistics industry with a vast experience of over 53 years that includes marketing, chartering, marine insurance hull and P&I Club, Cargo Claim Survey, Shipping and Trading documentation, Salvage of Ship and Damaged Cargoes, Freight Forwarding, NVOCC operations, Stevedoring, Stowage Plan.

Capt. Shah was Chairman Gawadar Port Implementation Authority and also held Additional charge of Chairman Port Qasim and KPT. He is also a master mariner by profession.

Capt. Shah is a Member of Chartered Institute of Ship Brokers London and a Fellow of Chartered Institute of Logistics & Transport London. He also served as Director General Ports and Shipping/Additional Secretary Ministry of Maritime Affairs in 2003 – 2007.

He was an expert on World Bank Panel, Ex-Governor World Maritime University Malmao (Sweden), Member UN-IMO Secretary General's Panel of Experts (London) and Advisor to President Karachi Chamber of Commerce and Industry.

Capt. Anwar Shah is an elected member on the PNSC Board of Directors. He is a certified director Under the Directors' Training Program of the Code of Corporate Governance. He is Chief Advisor on Shipping to the National Maritime and Research Centre at Bahria University.

Syed Syedain Raza Zaidi

Director

Syedain Raza Zaidi is an officer of Inland Revenue Services. He joined Civil Services in 1994. He carries rich and diverse experience of serving in different departments of federal and provincial governments. His recent postings include Director General (Ports and Shipping), Chairman Port Qasim Authority and Commissioner Inland Revenue. Federal Board of Revenue. He has also served Additional Commissioner of Income Tax. Additional Secretary, Implementation & Coordination(S&GAD). Government of Sindh, Deputy Secretary (Admin) Health Department. Government of Sindh, Deputy Secretary Finance, Government of Sindh, Deputy Director Investigations National Accountability Bureau (NAB) Sindh, Deputy Commissioner of Income Tax & Assistant Executive Engineer Irrigation Department, Government of Punjab. He is also a member of Gawadar Port Authority Management Board and PNSC Board of Directors.

Mr. Zaidi has done Masters in Public Administration from Columbia University. New York, USA. He also holds a degree of Bachelor's in Civil Engineering. In addition, he has attended several local and International professional training courses at Punjab Engineering Academy Lahore, Institute of Business Administration (IBA) Karachi, Pakistan Institute of Management (PIM) Karachi, NAB Training Academy Islamabad, Preston University Karachi, National Institute of Management (NIM) Karachi and National School of Public Policy Lahore. He did his internship at Pakistan's Permanent Mission at United Nations in New York, USA during the course of is masters program at Columbia University New York.

Mr. Khowaja Obaid Imran Ilyas

Director

Khowaja Obaid Imran Ilyas is a graduate in Economics from Cornell University New York USA.

He is an ex-banker and served Standard Chartered Bank from year 2000 till year 2002 in Corporate and Industrial Banking. Currently he holds the position of Director Business Development in family owned business named IDSC (Pvt) Ltd in the business of indenting machinery and spares for the local industry.

He is serving as an elected director on the board of directors of PNSC and also as Chairman of The Audit and Finance Committee.

Mr. Mohammed Ali

Director

He has over 25 years of experience and expertise in Energy & Petrochemical Sectors; holding leading roles that oversaw development, construction, operations and management of mega-size projects. He is currently heading industrial portfolio of JS Group of companies where he looks after the group's oil and gas, power generation, energy storage handling/ businesses and other industrial business.

Previously he served as CEO of Engro Vopak Terminal - Pakistan's largest bulk liquid chemical import terminal, CEO of Engro Elengy Terminal - Pakistan's first LNG terminal and CEO of Engro Powergen Qadirpur Limited - a 220 MW gas-fired IPP. He also ran Engro's New Ventures division where he developed and operated an 84MW gas-fired IPP in Nigeria, developed and installed a 50MW Wind IPP in Pakistan, and ran the feasibility for a 450MW LNG to power plant. Prior to his power generation work at Engro, he was the Manager of Strategic Planning, Contracts and Procurement at Engro Fertilizer where he was a key leadership team member that developed and brought into production a $1.1 billion grassroots ammonia/urea plant, which at the time was the world's largest single train project of its kind.

He is currently serving as board member of the following companies:

1. Hub Power Company Limited
2. Pakistan National Shipping Corporation
3. Pakistan Refinery Limited
4. JS Petroleum (Private) Limited
5. Hawa Energy Limited
6. AzCorp Entertainment (Private) Ltd.
7. Jahangir Siddique & Company Ltd.
8. Narowal Energy Limited (NEL)
9. Punjab Thermal Power (Pvt) Limited (Chairman)
10. Nova Care (Private) Limited.

Previously he has been a board member of the Laraib Energy (84MW Hydro power IPP), Engro Powergen (developer and majority shareholder of Sindh Engro Coal Mining Company a Thar coal mining company), Engro Powergen Thar Ltd (660MW coal IPP), GEL Nigeria (84MW Nigerian IPP) and Petroleum Institute of Pakistan.

He hold a Bachelor's degree in Electrical Engineering from University of Engineering Technology Lahore and graduated from the Advanced Management Program from INSEAD in France.

Mr. Imdad Ullah Bosal

Director

Mr. Imdad Ullah Bosal, Additional Secretary, Government of Pakistan, is a Senior Civil Servant having 24 years of experience in civil services of Pakistan, which includes management of government finances and diversified development projects.

He is appointed as a director on the Board of Pakistan National Shipping Corporation in the month of November-2021.

Mr. Imdad Ullah Bosal has been a visiting fellow in Contemporary South Asian Studies Program (CSASP) in School of Inter-Disciplinary Area Studies, University of Oxford in 2013.

During his career in Civil Services of Pakistan he has received training at Civil Services Academy, Lahore, Blavatnik School of Government, University of Oxford and School of Oriental and African Studies (SOAS), Economics Department, University of London.

Mr. Bosal's core areas of expertise include public financial management & public administration. He has proven capacity to work in a challenging atmosphere with diversified stakeholders and against strict timelines.

Mr. Kamran Farooq Ansari

Director

Mr. Kamran Farooq Ansari, Joint Secretary, Ministry of Maritime Affairs, represents the Ministry on the Board of Pakistan National Shipping Corporation (PNSC).

Mr. Ansari supervises policy and administrative matters related to three (3) existing ports of Pakistan i.e, Karachi Port Trust, Port Qasim Authority, Gawadar Port Authority and the only Government owned shipping company i.e., Pakistan National Shipping Corporation (PNSC). He belongs to Civil Service of Pakistan having professional experience of 21 years with diverse experience of working in erstwhile Ministry of Water & Power, Economic Affairs Division, Benazir Income Support programme (BISP) and the Prime Minister's Office.

Mr. Ansari possesses a Master degree in Economics from University of Punjab Lahore and a Masters degree in Economics & Finance for Development from University of Bradford UK. Besides, Mr. Ansari has attended various short trainings related to Economics and Development from London School of Economics (LSE) and various local and international institutes of repute.

He is an appointed member on the PNSC Board of Directors.

PNSC Managed Fleet

TANKERS

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 Length Overall (M): 169.37
Gross Tonnage (MT): 17,018

Vessel: **M.V MALAKAND** Built: Japan 2004

Deadweight (MT): 76,830 Length Overall (M): 225.00
Gross Tonnage (MT): 40,040

Vessel: **M.V HYDERABAD** Built: Japan 2004

Deadweight (MT): 52,951 Length Overall (M): 188.50
Gross Tonnage (MT): 29,365

Vessel: **M.V CHITRAL** Built: Japan 2003

Deadweight (MT): 46,710 Length Overall (M): 185.73
Gross Tonnage (MT): 26,395

Vessel: **M.V MULTAN** Built: Japan 2002

Deadweight (MT): 50,244 Length Overall (M): 189.80
Gross Tonnage (MT): 27,984

TANKERS & BULK CARRIERS

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

"Subsequent to the year end, the Group has acquired two vessels M.T. Mardan and M.T. Sargodha. This new induction has resulted in increase in deadweight tonnage to 1,045,957(MT)."

How we Evolve!

Events the journey begins - 1947

At the time of independence Pakistan started inherited three ships which were in operation operated in West Pakistan deep sea port of Karachi and a river port of Chittagong which was underdeveloped, at that time.

Initially bulk of voyages where done through foreign chartered vessels.

Purchase of first vessel - 1948

The first vessel post-independence was purchased in August 1948 named "Fatima GTR-671".

The issues faced by the shipping industry was lack of availability of investment and managerial capability. Therefore, concessions were provided including but not limited to purchase of old vessels to the shipping industry in order to save precious foreign exchange by providing necessary impetus to the shipping industry.

Fleet size reaching 41 vessels - 1961

Within a decade, the vessel fleet size increased to 21 in 1957. By 1961 the size reached 41, which were all owned by the private sector. The biggest drawback owing to the over-aged vessels was that it could not transit for foreign trade and hence, were utilised between the two wings, which was a lucrative trade considering the situation at that point in time.

NSC was incorporated - 1963

In 1963, the government decided to establish NSC with a view to provide safe and efficient shipping services in both international and inter provincial routes. The company started with one vessel expanded to 32 vessels within a short span of eight years.

Indo-Pak War and losses to the shipping sector - 1971

However, in 1971 due to war and separation of East Pakistan "Bangladesh", the shipping sector had to face detrimental economic impact as a total of 11 of its ships were lost either being captured or destroyed. Further, the war risk insurance premium increased many folds along with the requirement to replace the vessels deprived the country of foreign exchange. Therefore, most of the fleet had to stay idle until rehabilitation of the trade. The war resulted in losing of 2/3 of the trade with East Pakistan.

Nationalization of the shipping sector and formation of PSC - 1974

In 1974, the Federal Government decided to take over the management and control of entire shipping in Pakistan, including NSC through promulgation of the Pakistan Maritime Shipping (Regulation & Control) Ordinance, 1974 which later on became an Act. Under this Act, ten shipping companies were taken over by the Government and two Boards of Management were setup to manage the affairs of NSC and nine nationalized private shipping companies under PSC.

Amalgamatin of PSC & NSC and Formation of PNSC - 1979

In 1977, the Federal Government decided to amalgamate NSC and PNC. As a result, both company dissolved on December 31, 1978 and on January 1, 1979, PNSC came into existence.

PNSC growth and crude oil import self-reliance - 1981

PNSC at that time had 48 ships in its fleet of with many had reached the age of 20 and were required to be replaced of which 14 were purchased. One of the most valuable development during its beginning was the formation of NTC in 1980-81 in collaboration with PERAC for the import of crude oil to Pakistan at very reasonable cost.

Working towards commercial viability - 1982

PNSC showed some growth in that time period which was promising in spite of the fact the freight rates were crashing due to depression period faced by the shipping industry.

PNSC started to phase out old vessels which were commercially unviable in 1982 and by 1986 with the help of Govt. financing, new fleet was inducted, while there was a drop in fleet size but the same was catered through procurement of larger vessels with an increased average tonnage of 15,000 DWT.

Going and growing against the tides and Investment in private sector and filling the void - 1993

In 1993, the Government decided to encourage private investment in the shipping sector, which resulted in four companies being issued with licenses which brought in nine ships to the country. However, all of the shipping companies phased out by 2007. Leaving PNSC to fill in the void left over by the private sector.

It is worth noting that PNSC had been facing the financial crunch upto 2000, even though the expenditure were restricted largely, owing to unprecedented depression in the shipping world.

Road to recovery and development - 2000

Then came the period of recovery from the early 2000. Keen interest was shown in the development of shipping sector and encourage private investors to accumulate capital in the sector.

A total of 21 ships were purchased / sold by PNSC during 2001-2020 earnings showed growth during this time. Only in one year (2001-2002), the per share value of PNSC on stock exchange rose from Rs 1.5 to Rs 150. During this period 2 container ships were also added by private sector. PNSC became a rare and real success story which is evident as the company registered record earnings in its history.

Global economic shockwaves of the last 2 decades

During the last two decades, PNSC specifically and shipping industry generally, had to face the worst periods of financial turmoil owing to the Global financial crisis in 2008-2009 and Pandemic in 2019-2020 because of COVID-19. During this time, the freights plumped drastically. Whereas, for a certain period of time, in the latter case the world came to a standstill.

Major regional & national development paving way to a brighter future

It is pertinent to mention that PNSC during the two decades have ensured compliance with international practices applicable to shipping industry. Thus, also ensuring that the technology used is latest keeping in view the modern requirements.

If we scroll eyes on the past two decades, various developments have been witnessed in shipping industry wherein PNSC has also remain beneficiary of it. As a result, currently PNSC managed fleet comprises of 11 modern vessels. In oil segment, six oil tankers fulfill the crude oil and refine petroleum requirement of country and save the national exchequer, and in dry-cargo segment, five bulk carriers are operating internationally resulting in saving of foreign exchange reserves, being a vital contribution of PNSC in Pakistan's economy. Subsequent to the year ended June 30, 2022 the two more aframax tankers have been inducted resulting in increase of deadweight tonnage to 1,045,957 (M.T) which is highest ever cargo carrying capacity with thirteen vessels in the history of PNSC since inception.

Furthermore, Pakistan's economy has observed various interesting developments which have the potential and material impact on the maritime sector, which would pave way for PNSC to expand its business, broaden its horizon and diversify its operation in shipping sector.

The notable various interesting developments during the last two decades are Government's efforts to make Gwadar port (a deep seaport located in Baluchistan) fully operational, CPEC projects execution which would definitely make Pakistan a regional player in context to trade and commerce through utilization of the port, and the development and inauguration of other terminals including development of LNG terminals at Port Qasim Authority for imports to cater energy requirements of the country.

In nut shell, PNSC has always played a pivotal role in boosting Pakistan's economy by availing opportunities to facilitate trade and commerce requirements. By looking at optimistic future ahead for the Blue economy, whereby, operations can be expanded along with diversification; and in the changed scenario PNSC always welcomes the emerging opportunities and remains ready to undertake any future challenges.

"This contribution on history is taken from book under title "History of Pakistan Merchant Navy 1947-2009 authored by Captain Iftikhar Ahmed Malik."

From left to right:

Mr. Tariq Majeed	Executive Director (Ship Management)
Captain Mustafa Kizilbash	Executive Director (Commercial) (w.e.f. July 06th, 2022)
Syed Jarar Haider Kazmi	Executive Director (Finance) / CFO
Mr. Rizwan Ahmed	Chairman and Chief Executive
Mr. Khurrum Mirza	Executive Director (Special Projects and Planning)
Mr. Atique Sultan Raja	Executive Director (Human Resources / Administration)

Mr. Rizwan Ahmed
Chairman & Chief Executive

Mr. Rizwan Ahmed took charge of the office of Chairman Pakistan National Shipping Corporation (PNSC) on 3rd January 2022 as a private member. He joined the Pakistan Administrative Service in 1988. He holds a two-year Master's degree in Public Administration from Harvard University, USA.

He has previously served on various important positions in the Government of Pakistan including as Federal Secretary for Maritime Affairs, Chairman, Trading Corporation of Pakistan (TCP), Additional Secretary, Establishment Division and Additional Secretary, Cabinet Division. He retired in December 2021 as a Federal Secretary.

Besides the Federal Government, he has also worked in Government of the Punjab and Government of Sindh in several capacities.

Syed Jarar Haider Kazmi

Executive Director (Finance) / CFO

Mr. S. Jarar Haider Kazmi is Executive Director (Finance) / Chief Financial Officer of Pakistan National Shipping Corporation. He has been associated with PNSC Group since October 2005 and is a member of Board of Directors of several group companies.

He is a seasoned Senior Finance Executive with a career spanning 25 years in Finance with strong emerging market experience and carries a proven track record of managing the finance, insurance and legal functions of organization. He has spear headed several group projects when these were at a critical stage during their execution and was also involved in practical modelling and handling of derivatives.

He is head of Chartering Committee of the Group where he constructively participates with commercial and operations teams and ensures that business decisions are grounded in solid financial criteria. He has also developed the Business Plan of the Group in the capacity of CFO/ Secretary Strategy and Risk Management Committee of the Board and proposed trajectory for sustainable growth with adequate assessment and mitigation of risk as well as compliance with applicable regulatory and other legal requirements.

Prior to joining PNSC Group, he had served on senior positions at Automobile and Pharmaceutical Companies. He has developed and implemented Financial Systems, Strategies, processes and control that significantly improved Business scenarios.

He is a Fellow member of the Institute of Chartered Accountants of Pakistan and a Certified Director from Institute of Business Administration (IBA). He has also attended international professional development course related to insurance and finance including Mutual Insurance and Derivatives Modelling.

He actively participates in the group's CSR initiatives especially those which render services in the fields of health and education.

Mr. Tariq Majeed

Executive Director (Ship Management)

Mr. Tariq Majeed has versatile experience in Mercantile Marine and Oil and Gas industry. He has worked in Leadership role with British Petroleum (BP) prior joining PNSC. He sailed as Chief Engineer on board Tankers and Bulk Carriers in leading Shipping Companies. He holds First Class Certificate of Competency from Pakistan and a Master degree in Engineering Science from UK. He is Operations Academy graduate from Massachusetts Institute of Technology (MIT) USA.

Tariq Majeed is Fellow Institute of Marine Engineer (FIMarEST), Chartered Marine Engineer (CMarEng) and Chartered Engineer (CEng) from UK.

Mr. Khurrum Mirza

Executive Director (Special Projects & Planning)

Mr. Khurrum Mirza is a Certified Management Accountant (CMA) from the Institute of Management Accountants (IMA), USA. He did his Master in Business Administration (MBA) from the Institute of Business Administration (IBA), Karachi and has been actively involved in various business development projects in Pakistan and internationally. He also has a post graduate diploma in Project Management from the Pakistan Institute of Management and has attended the maritime security course at the Pakistan Navy War College.

Mr. Khurrum Mirza assumed the office of Executive Director (Special Projects & Planning) at Pakistan National Shipping Corporation (PNSC, the Corporation) in March 2017. Subsequently, he also assumed the office of Executive Director (Administration) from June 2019 to April 2022.

His major contributions to PNSC since joining the Corporation is towards spearheading a fleet development plan under which PNSC inducted two tanker vessels in 2019 and two more in 2022 and is currently in the process of inducting more tonnage. He is also the project lead for implementation of a computer based shipping ERP for the integration of all major functions of the Corporation and computerized linkage of all PNSC managed vessels with the head office in real time.

Prior to joining PNSC, he gained extensive knowledge and experience with the largest container terminal operator globally where he was involved in several international business developments projects and rose up the ranks to a senior management position. He was also an integral part of the senior project team responsible for setting up a US$ 400 million plus green field container terminal project at the Deep Water Port in Karachi. This project was successfully delivered and commenced operations in 2016.
His professional interests include research, strategy formulation, project execution, relationship building, financial modeling and capacity building.

Mr. Atique Sultan Raja

Executive Director (Human Resource and Administration)

Mr Atique Sultan Raja is serving as Executive Director Human Resources and Administration. He has done Masters in International Human Recourse Management (CIPD accredited) from London South Bank University in London, UK.

He has extensive and diversified HR Management experience spanning over 25 years. He has served as an HR professional in both public and private sector organizations in Pakistan and United Kingdom. Mr Atique Raja has also served as member of HR Committee of KPIT Board, Peshawar.

Capt. Muhammad Shakil

Executive Director (Commercial)

Capt. Muhammad Shakil is a Master Mariner (FG), and has been appointed as the Executive Director Commercial at Pakistan National Shipping Corporation effective 01st February 2016.

He joined the National Shipping Corporation in 1976 as a deck cadet and since then served in various capacities afloat including Master (FG) vessels. His sailing experience includes serving on General Cargo vessels, Bulk Carriers, Passenger Ships, Container Ships and Tankers. He also served on lien with the National Tanker Company in the Year 1996-1997.

In January 2003, he was transferred ashore in the PNSC Chartering department, where his responsibilities mainly included monitoring dry cargo liquid chartering and its operations. He has since then served ashore in various senior capacities including General Manager Commercial, Insurance and Claims and Tankers.

Capt. Shakil has been instrumental and a pioneer in establishing the PNSC tanker department and developing tanker management systems both ashore and aboard.

He has vast and tremendous experience in Ship operations, Ship Chartering and Ship Management. He is very well versed and has extensive knowledge of Charter parties, International Shipping Arbitrations, contracts of affreightment, Marine Cargo and Insurance Claims.

Mr. Zeeshan Taqvi

Chief Accountant

Mr. Zeeshan Taqvi is fellow member of prestigious professional accountancy body the Institute of Chartered Accountants of Pakistan (ICAP) serving as Head of Finance Department / Chief Accountant of PNSC (Group) since February 2016.

He has excellent expertise in handling matters related to audit engagements in Pakistan and Middle East with leading audit firm and has more than 21 years diversified experience of finance (including ship financing and financial aspects of vessel's dry-docking), treasury, taxation and banking on senior position in other organization including banking sector.

Being a Chief Accountant keep providing advices about the Corporation's future business decisions, developing long-term business plans based on economic and financial feasibility of the projects, reviewing, monitoring, and managing budgets, developing strategies to minimize financial risk, and analyzing market trends and competitors.

He has attended various workshops, seminar and conferences internationally and locally.

Mr. Muhammad Javid Ansari

Corporation/Company Secretary

Mr. Muhammad Javid Ansari has been associated with PNSC since 2019. He is serving the PNSC Group as Corporation/Company Secretary of PNSC and its 19 Subsidiary Companies.

He has served on key management positions on other organizations and has diversified professional experience of more than 22 years in the field of Corporate Governance & Compliance, Finance, Taxation and Audit.

By Qualification he is member of following renowned professional bodies in Pakistan:

- Fellow member of Institute of Cost Management Accountants of Pakistan (ICMAP).
- Fellow member of Institute of Corporate Secretaries of Pakistan (ICSP).
- Fellow member of Pakistan Institute of Public Finance Accountants (PIPFA).

He is a member of National Council of ICSP and serving on a committee of the Council. He has also served on various committees formed by the aforesaid professional bodies. He is a Certified Director and member on Tax Committee of Karachi Chamber of Commerce and Industry.

Mr. Talha bin Hamid

Chief Internal Auditor

Mr Talha bin Hamid is a fellow member of the Institute of Chartered Accountants of Pakistan; he also qualified CIA exam in 2005. He has been serving as Chief Internal Auditor of PNSC since May 2022.

Talha qualified from a leading audit firm in 2002, and since then has served as Head of Internal Audit in various listed companies, as well as in other positions. He has experience in taxation and financial affairs, but his main exposure has been internal auditing, risk management, regulatory and compliance, and related fields.

As Chief Internal Auditor, he leads the IA function with a view to provide tangible value addition and contribute towards organizational growth and compliance. His responsibilities include preparation and execution of annual Audit Plan, supervising fieldwork, finalizing reports and work with stakeholders to carry out IA's recommendations. He also oversees the Citizen's Portal and Government Audits.

He is a trainer in the fields of Internal Audit, Risk Management and Compliance, and Communication skills, and currently serving as a member of ICAP's E&T Committee.


SARGODHA
PNSC

Directors' Report

For the year ended June 30, 2022

The Board of Directors of Pakistan National Shipping Corporation (PNSC, the Corporation) Group (the Group) is pleased to submit the forty-fourth Annual Report, along with the annual audited financial statements for the year ended June 30, 2022.

BRIEF INTRODUCTION

PNSC is a statutory Corporation constituted under the PNSC Ordinance XX of 1979 and is the National Flag Carrier of Pakistan.

PNSC has a long history of having been engaged in international shipping and ship owning with a variety of maritime related activities ranging from shipping & NVOCC/slot services to operating marine workshops. In addition to the maritime business interests, PNSC is also engaged in real estate management, which diversifies its revenue stream and decreases the concentration of business risk.

PRINCIPAL OPERATIONS AND PERFORMANCE REVIEW

PNSC is a shipping company, which undertakes international operations by transporting petroleum products from the Middle East to sea ports in Pakistan for domestic consumption and through global carriage of dry bulk commodities on transnational routes. The majority of PNSC's revenue streams are pegged to international freight indices, inextricably linking the Corporation and creating a dependency on the health of the global economy.

PNSC operates internationally and complies with the regulatory requirement of international maritime conventions that have global acceptability and recognition.

PNSC is also engaged in streamlining the trade processes, providing amicable solutions to the customers and engages all stakeholders in decision making to strengthen the national fleet and maritime industry of Pakistan.

GLOBAL ECONOMIC OUTLOOK

The principal threat to the global economy since 2020, the COVID-19 pandemic has started to fade, with more economies and borders opening up since their closure in 2020. As the pandemic ran its course, nations and governments worldwide, in order to cope with the unforeseeable complications arising from unemployment and supply chain disruptions, launched massive stimulus spending packages to invigorate their economies, with the G20 countries spending an estimated USD 14 trillion dollars in a bid to escape recession.

In a short period of time, central banks injected more liquidity in their economies than could be managed, with the United States taking a lead by increasing the M2 money supply by 42% or USD 6.4 trillion since the start of the pandemic to the end of 2021.

Despite being initially labelled transitory; the inflation could not be contained with the Russia – Ukraine conflict exacerbating the problem. The U.S Federal Reserve finally relented in March 2022, by increasing interest rates, however, inflation rates still have shown no sign of abatement.

The ensuring downturn is far different from the ones that came before it. It is argued that we should have seen unemployment figures soar, instead for the United States, unemployment is the lowest it has been since the start of the pandemic at 3.5%. Similarly, employment has increased to a post-pandemic high of 60% albeit below pre-pandemic levels of around 61%. The current economic situation is most likely being caused by supply chain factors rather than the usual demand side factors. Reduction in supply has been driving increased pricing and inflation, initially sustained by the extra money from stimulus measures introduced globally. However, as these stimulus measures unwind, in order to slow down the economy, price levels are becoming unsustainable as income levels are not increasing at the same pace as inflation; therefore, demand has started to subside, with prices of commodities declining to reflect reduced demand.

This phenomenon can also be observed with the Thomas Reuters Core Commodity Index going from a peak of 348 points by June 06, 2022 to 309 points by August 18, 2022, a decrease of over 11% in just 73 days.

Looking forward, these global developments may have a major impact on the shipping industry. Although, presently the shipping industry is in a very healthy position, but recession (or even the fear of recession) will put downward pressure on freight rates and asset prices.

Shipping sector in Pakistan is underutilized, as vast majority of our trade being carried by foreign shipping lines. Domestic entities such as PNSC offer an attractive value proposition by accepting Pakistani Rupee as payment instead of US Dollar and offering attractive credit terms. Pakistan's shipping sector can stand to benefit from these developments, ushering in sustainable growth and creating a strong local demand while also generating employment opportunities.

GLOBAL SHIPPING MARKET OUTLOOK

Forecast and uncertainties related to both dry and liquid sectors that could affect entity's performance are explained below:

Dry Bulk Market

The international Dry Bulk freight rates have significantly declined over the course of the fiscal year 2021 - 2022, with the earnings retreating from their highs of USD 30,000+ / day in October 2021 to USD 16,427 / day in June 2022.

Although earnings remain above the historical average, which previously was on decline due to recession, but now showed good recovery and coming close to pre-pandemic levels. Presently, Russia–Ukraine conflict and macroeconomic headwinds are sources of risk to the industry.

On the other hand, China, saw its Manufacturing Purchasing Managers Index (MPMI) significantly decline below its benchmark level of 50 points (no growth at 50 points, with growth cited at above 50 points and decline cited at below 50 points) in April 2022 to 47.4 points. For the outgoing fiscal year of 2021 – 2022, the MPMI stayed mostly below 50 points with an annual average of 49.73 points. This reflects low confidence and growth in China's manufacturing industry, which primarily drives growth in the global Dry Bulk Sector. Fears of a global recession loom large, which is adversely impacting investor sentiment, which may explain the pull back in freight rates despite COVID restrictions making a comeback in China, causing further disruptions to supply chains.

Dry Bulk Outlook

The Russia – Ukraine conflict has prompted changes for several sectors. With Russian energy either being shunned or withheld, the world faces an energy crisis. This has prompted improvements in the coal trade, which picked up to the highest level since pre-pandemic in June. A deal to restart Ukrainian grain shipments could lend support to grain trade in the coming months. Iron ore trade is estimated to have fallen by 4% y-o-y in first half of 2022 as Chinese imports softened with the primary drivers being pull back in their construction sector, government restrictions on steel output to curb CO_2 emissions amid falling domestic demand as fallout from COVID continues.

Tanker Market

During the outgoing financial year 2021 – 2022, the Tanker Market has seen a reversal in fortunes, with freight rates rising to record levels. The Aframax crude oil tanker and LR-1 product tanker sectors both witnessing consistent steep increase in freight rates since March 2022, with market fundamentals generally remaining in favor of owners.

Brent Crude prices breached the USD 100 / BBL level in March 2022, around the same time, freight rates started increasing. Higher Brent Crude prices have a direct and positive co-relation with higher freight rates.

Tanker demand is registering clear gains this year, due to continued post-COVID rebound in oil demand and supply, and shifts to longer-haul routes amid impacts from the Ukraine conflict.

Tanker Outlook

The tanker market outlook appears positive in the short term. Significant improvements have materialized over recent months on the back of strengthening demand (including as a result of impacts from the Russia-Ukraine conflict on average voyage distances), and supportive drivers are expected to remain throughout second half of 2022 and into next year.

From July 2022 onwards, Brent Crude prices have started dropping to lower levels, with the price dropping below USD 100 / BBL in August 2022, for the first time in five months. As the global economy overheats, with inflation running rampant; central banks around the world have started to apply the brakes by increasing interest rates. The increased prices had also caused disruptions to oil buyers as they maximized their credit limits, slowing their purchases. All these factors have started to slow oil consumption, which could lead to fear of a recession, causing prices to pull back. If the positive co-relation between crude oil and freight rates holds true, then tanker freight rates will start to come under negative pressures in the short term. The extent of the negative pressure remains dependent on fleet supply factors.

Upcoming environmental regulations are expected to play a key role in the tanker sector as well. EEXI and CII are expected to curb supply growth, with the vast majority of the global fleet adopting slow steaming practices, reducing speed and thereby increasing travel times, adding to the overall demand.

Overall, the outlook for the tanker market appears to be positive. Fears of recession amid a decrease in demand will temper the current high freight rates and may force a downwards correction. However, upcoming environmental regulations, limited supply growth coupled with an outgoing shift towards longer haul routes will act as a support for tanker freight rates and build a case for above average earnings.

SEGMENTAL REVIEW OF MARITIME BUSINESS PERFORMANCE

PNSC having a total DWT capacity of 1,045,957 metric tons lifted cargo of about 11.971 million tons (FY 2021: 11.09 million tons) during the year under review, which is equivalent to about 11.21 (FY 2021: 10.06%) of country's total 106.820 million tons (FY 2021: 110.271 million tons) seaborne trade by volume. Bifurcated statistics of Pakistan's seaborne trade for the current year 2021-22 and last year 2020-21 along with PNSC's share is as under:

	-------------------------Figures in 'million tons'-------------------					
	Dry Bulk		Liquid Bulk		Total	
	2022	2021	2022	2021	2022	2021
Pakistan Seaborne Trade	70.72	77.968	36.096	32.303	106.8	110.271
PNSC's Share	1.316	1.544	10.655	9.554	11.97	11.099

Nature/arrangement wise bifurcation of total cargo transported by PNSC is tabulated below:

	Unit of Measurement	2022	2021
Dry Cargo (Bulk Carrier)	Million tons	1.316	1.535
Liquid Cargo (Tanker)	Million tons	10.655	9.554
Slot Charter			
– Break Bulk	Higher of MT or CBM (W/M)	0.026	0.009
– Containerized Cargo	Thousand TEUs	2.159	1.734

SIGNIFICANT RISKS

No business is risk free and the shipping business is no exception. Intensified competition in both dry and wet markets with overcapacity particularly with subdued freight rates is a significant commercial risk. The earnings are dependent upon function of demand and supply dynamics of the global markets. The shipping sector benefited from global economic environment, wherein GDP growth remained high, however, with global economy starting to melt down from the beginning of 2008, the demand as a result continues to remain subdued and seriously / adversely impacted in all segments of world shipping except container shipping.

Threats being inherent factors of every business, which give rise to uncertainty. PNSC might face the factors, which may be key sources of uncertainty which include:

- Oversupply in dry bulk and tanker segment.
- Instability of oil & bunker prices
- Higher cost of operations – ever increasing.
- Extensive competition in dry bulk sector internationally.
- Changing operation norms in industry (cost cutting) ECO ships.

Risk and opportunities and steps taken to mitigate:

Litigation Risk:

In the era of globalization and internet, every shipping practitioner should be fully aware of the developments. An accurate forecast of the future always helps in taking the right decision at the right time and marketing strategy and optimizing chartering policies, eliminates litigation risks.

Risk of major accident or oil spillage:

Oil spillage remains inherent risk in shipping operations particularly in tanker business. An incident with high severity would trigger a risk to our employees as well as marine environment, wildlife and local community. This would also lead to the severe impact on financials, our reputation and put our license to operate at risks. PNSC is vigilantly sustaining incident free operations to mitigate such risk and always ensure compliance with all health and safety policies and good practices in vessels managed by PNSC.

Interest rate risk affecting cash flows:

The financial liabilities are based on variable interest rates. In order to minimize the interest rate risk, the Group strives to achieve a balanced mix and appropriate profiling of assets and liabilities with variable interest rates.

Armed Piracy:

Armed piracy in Gulf of Aden, Malacca strait and off the Somali coast are the major operational risk, for the world shipping including PNSC. The Group being mindful of such risks, takes necessary insurance cover against piracy. To protect Group's Ships, when passing through the risky areas, Best Management Practices (BMP-5) promulgated worldwide are being strictly adhered to. PNSC remains in close coordination with Pakistan Naval headquarters when ships are in high risk areas. PNSC has also catered this risk by obtaining appropriate insurance cover.

Trade Risk in Gulf of Oman / Strait of Hormuz:

PNSC's managed oil tankers mostly sail through Strait of Hormuz for transportation of Crude Oil, Furnace Oil and Refined Petroleum Products from Arabian Gulf. After some unpleasant incidences, recently Joint War Committee declared this area as war zone. Besides, PNSC's crews take extraordinary care and caution, while entering in this area coupled with ongoing full time diplomatic support and military support by Government of Pakistan, being the National Flag Carrier. This risk is also mitigated by additional insurance cover by renowned and reputable insurers of world maritime industry.

Volatility in fuel cost:

The Company is exposed to the volatility inherent in the market for the purchase of bunkers. The market is volatile and highly competitive. Demand of fuel is closely linked to global economic trends, with risks of demand setbacks in periods of economic downturns as cost of bunkers covers almost 55 to 60 percent of voyage cost. The market balance is difficult to predict, and it cannot be assured that resulting rates will be sufficient to cover expenses and/or a return on the Company's capital.

Cyber Attack:

Cyber-attack is for real. Such attacks could prove detrimental to operate and deliver our commitments. The Group is involved in complex and wide ranging services, making it highly dependent on well-functioning information technology and communication system. Business disruption due to cyber-attack may adversely impact our fleet and off shore operations. In order to eliminate such impacts, PNSC has implemented strict data security controls, which include enterprise level controlling antivirus with most updated firewall and spam controlling software.

PNSC CREDIT RATING

The annual review of Group's credit worthiness conducted by Pakistan Credit Rating Agency (PACRA) has resulted in maintenance of the credit rating at 'AA' for long term and 'A1+' for short term.

The ratings reflect PNSC's strong ownership-majority owned by the Government of Pakistan (~89.13%) and its strategic significance as the country's national flag carrier. PNSC's business profile has gained significant strength in recent years on account of efficient fleet utilization and cost reduction measures taken by the management.

FINANCIAL HIGHLIGHTS

PNSC Group has complied with the provisions of Companies Act, 2017 relating to preparation of financial statements for the year ended June 30, 2022. The main highlights of financial results in the outgoing year and its comparison with previous year is as follows:

Description	**2022**	2021	Variance	%
	Rupees in '000			
Revenue	**27,714,195**	12,788,561	14,925,634	117%
Expenditures	**(19,713,292)**	(9,917,093)	(9,796,199)	99%
Gross Profit	**8,000,903**	2,871,468	5,129,435	179%
Administrative expenses	**(1,216,633)**	(1,034,518)	(182,115)	18%
Impairment loss	**(929,525)**	285,266	(1,214,791)	426%
Other expenses	**(423,127)**	(216,557)	(206,570)	95%
Other income	**1,396,178**	1,094,139	302,039	28%
Operating Profit	**6,827,796**	2,999,798	3,827,998	128%
Finance Cost	**(530,658)**	(557,607)	26,949	-5%
Profit before tax	**6,297,138**	2,442,191	3,854,947	158%
Taxation	**(647,248)**	(177,165)	(470,083)	265%
Net Profit	**5,649,890**	2,265,026	3,384,864	149%
EPS (Rupees)	**42.75**	17.14	25.61	149%

The outgoing year turned out to be a financially sound for PNSC (Group).

PNSC Group has significantly increased net profit after tax to Rs. 5,649 million, an increase of 149% as compared to the last year's profit after tax Rs.2,265 million. Major reason for increase in profitability is increase in group revenue from owned tanker vessels by 52% (Rs.12,772 million v/s Rs.8413 million last year), while there is increase of Rs.6,283 million (Rs.7,019 million v/s Rs. 736 million last year) in revenue from foreign chartered segment.

During the year, dry cargo segment revenue increased by Rs.4,266 M due to increase in bulk carrier revenue and slot charter revenue. The Bulk Carrier revenue increased due to increase in average charter rates in range of 1.7 to 3 times and hike in average Baltic Dry Index rate in twelve months to **2,960** from **1,839** in last year.

Since, overall group revenues are heavily reliant on freight from transportation of crude & clean products. The revenues & margins from the tanker segment increased as the average AFRA increased from **86 to 116** and average world scale from **4.98** to **5.29** in the current FY respectively.

Overall, the gross margins from the crude & clean product tanker business resulted to 14% & 34% in FY 2022 as against 16% & 27%, in FY 2021 respectively.

The Group maintains a healthy statement of financial position and strong cash and investments position that enabled it to actively participate in the next stage of the shipping cycle. Stable financial health of the Group coupled with favorable moves in market drivers and carried out expansion in fleet of managed vessels and in future ongoing expansion would be the key strength of the Group to cope with the future challenges.

DIVIDEND ANNOUNCEMENT

The Board of Directors is pleased to recommend a cash dividend for the year ended June 30, 2022 on ordinary shares at 50% i.e. Rs. 05 per share, for the approval of the members in the upcoming 44th Annual General Meeting.

BOARD AND ITS COMMITTEES

In accordance with the provisions of PNSC Ordinance XX of 1979, five directors are appointed by the Federal Government and two are elected by shareholders for three years. The names of directors and/or members of Board and Board Committees of the Corporation during the current financial year are tabulated below:

Sr. No.	Name of Director	Board	Strategy and Risk Management Committee	Audit & Finance Committee	HR, Nomination and CSR Committee	Vessel Procurement Committee
1	Mr. Rizwan Ahmed (w.e.f. Jan 03rd, 2022)	Chairman / Chief Executive Officer	-	-	Member	Chairman of the Committee
2	Mr. Shakeel Ahmed Mangnejo (upto. Oct 04th, 2021)	Chairman / Chief Executive Officer	-	-	-	-
3	Mr. Imdad Ullah Bosal Additional Finance Secretary (Expenditure) Finance Division Islamabad. (Ex-Officio Member)	Non-Executive Director	Member	Member	-	-
4	Mr. Kamran Farooq Ansari Sr. Joint Secretary /Joint Secretary, Ministry of Maritime Affairs Islamabad, (Ex-Officio Member) (w.e.f. Dec 29th, 2021)	Non-Executive Director	Member	Member	-	-
5	Syed Syedain Raza Zaidi The Director General (Ports & Shipping) Ministry of Maritime Affairs, Karachi. (w.e.f. Dec 29th, 2021)	Non-Executive Director	-	Member	Member	-
6	Mr. Muhammad Ali (w.e.f. Dec 29th, 2021)	Non-Executive Director	Chairman of the Committee	-	Chairman of the Committee	Member
7	Mr. Khowaja Obaid Imran Ilyas	Non-Executive Director	-	Chairman of the Committee	Member	Member
8	Capt. Anwar Shah	Non-Executive Director	Member	Member	-	Member

DIRECTORS' TRAINING PROGRAM

All the Board of Directors have attended Directors' Training Program from the Institutes approved by the SECP.

DIRECTORS' REMUNERATION

The Board of Directors has a "Remuneration Policy for Directors", the salient features of which are:

The Corporation does not pay any remuneration to its directors except as meeting fee for attending the Board and its Committees' meetings.

The remuneration of a Director for attending meetings of the Board of Directors or its Committees shall from time to time be determined and approved by the Board of Directors.

A Director is provided or reimbursed for all travelling, boarding, lodging and other expenses incurred by him for attending meetings of the Board, its Committees and/or General Meetings of the Corporation.

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Corporation in accordance with the Section 227 (2)(f) of the Companies Act, 2017 as at June 30, 2022 is annexed to this report.

COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 AND INTERNAL CONTROLS

Good Governance lies at the core of our values and ethical standards. The Board is aware of its responsibilities towards the shareholders, protection of minority rights, value of input from stakeholders, besides upholding the reputation of PNSC in Pakistan and globally.

The Corporation firmly believes in the importance of good governance and best practices, and the mechanism for good governance encompasses highest standards of professionalism, ethical practices, accountability and transparency, in line with the Companies Act 2017, PSX Rules, Listed Companies (Code of Corporate Governance) Regulations, 2019 implemented through the code of conduct, Whistle Blowing policy, and the Code of Business Ethics. A separate statement of compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019, duly signed by the Chief Executive and a Director of the Corporation is annexed with this Report.

There has been no material departure from the best practices of corporate governance, as detailed in the Pakistan Stock Exchange Limited Regulations.

The system of internal controls is sound in design and has been effectively implemented and monitored.

STRATEGIES, OBJECTIVES AND FUTURE PROSPECTS

PNSC continues to take steps to attract new customers for maximum utilization of its cargo carrying capacity and is dedicated to service existing Contracts of Afreightment for Pakistan's domestic oil refineries as well as increase commitment on quality of service.

PNSC aims to tap into assured cargo carriage requirements for Pakistan, for its tankers, with the goal to transport up to 40% of clean petrochemical products imported into Pakistan. Similarly, the Corporation also intends to increase dry bulk operations, reducing its dependency on the tanker segment, targeting long term contracts, particularly from public sector entities.

In order to diversify its operations, PNSC's goal is to penetrate into new markets domestically, such as palm oil, LNG and LPG transportation. The Corporation has also taken measures to enter into the Marine Services Business, which includes Stevedoring and the operations of Pilot Boats, Tug Boats, Dredgers, etc. In this regard, PNSC has incorporated a dedicated subsidiary company, i.e. Pakistan Marine and Shipping Services Company (Private) Limited (PMSSC), which has was granted a license, after end of the financial year, to undertake Stevedoring operations at Karachi Port Trust (KPT). As part of this strategy, PMSSC has also started to undertake Agency operations for Trading Corporation of Pakistan and other lines.

PNSC also intends to expand the NVOCC and slot business by targeting public sector entities, for its share of cargo transportation, as enshrined in Pakistan Merchant Marine Policy 2001 (as amended). In the same vein, the Corporation also intends to set up a new Freight Forwarding Division, dedicated to serving and securing private cargoes.

PNSC also owns three commercial properties. With the objective to increase rental income, the Corporation has initiated renovations at PNSC Building (15^{th} and 16^{th} floors) and the uplifting of Muhammadi House situated in the heart of Karachi's financial activities at I.I. Chundrigar Road.

In order to boost its environmental credentials, PNSC aims to be a carbon neutral organization by 2050, which includes the Corporation's vessels as well as its shore operations.

PNSC is also working on development of plans for maintenance and upgradation, which take into account latest technologies to ensure low-cost provision of ship maintenance services to the Corporation's existing fleet. This should lead to a decrease in operating costs.

STATUTORY AUDITORS

The Board on the recommendation of the Board's Audit and Finance Committee, recommended reappointment of M/s. Grant Thornton Anjum Rehman, Chartered Accountants and M/s. Yousuf Adil, Chartered Accountants as joint statutory auditors of the Corporation for the year ending June 30, 2023, for the approval of the members in the forthcoming 44^{th} Annual General Meeting of the Corporation.

CORPORATE SOCIAL RESPONSIBILITY

Over the years, the Corporation has been contributing significantly towards the welfare of the society in the shape of various socially responsible activities.

PNSC engages with the community in the areas around which it operates. The broad areas include healthcare, education, training and development, women's empowerment and environmental sustainability. The details of CSR activities carried out during the financial year is annexed to this Report.

GOING CONCERN

In the light of Group's liquidity position, balance sheet strength, assets, employment, and continuing cash flows from operations, the Board confirms that the going concern assumption, upon which the Group's accounts are prepared, continues to be valid.

ACKNOWLEDGMENT

The Board wishes to express appreciation and its gratitude for the co-operation by Government of Pakistan and strategic partners including financial institutions, refineries, shippers, agents, other business associates and shareholders of Corporation.

We would also like to thank our dedicated employees for their commitment towards sustainable operations.

For and on behalf of the Board of Directors

Mr. Rizwan Ahmed
Chairman / Chief Executive Officer
Karachi

Director

September 13, 2022

قانونی آڈیٹرز

بورڈ کی آڈٹ اور فنانس کمیٹی کی تجویز پر بورڈ نے آئندہ چوالیسویں (44) سالانہ جنرل میٹنگ میں ممبران کی منظوری کے لیے سال اختتام مورخہ 30 جون، 2023 کے لیے میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس اور میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی کارپوریشن کے لیے بطور مشترکہ قانونی آڈیٹرز دوبارہ تقرری کی تجویز دی ہے۔

کارپوریٹ سماجی ذمہ داری

سالہا سال سے کارپوریشن مختلف سماجی ذمہ داریوں کی سرگرمیوں کی صورت میں معاشرے کی بہبود میں نمایاں کردار ادا کر رہی ہے۔

پی این ایس سی اپنے کاروبار کے شعبوں سے وابستہ کمیونٹی کے ساتھ مصروف عمل ہے۔ وسیع تر شعبوں میں صحت کی نگہداشت، تعلیم، تربیت اور ترقی، خواتین کو بااختیار بنانا اور ماحولیاتی استحکام ہیں۔ مالی سال کے دوران انجام دی جانے والی سی ایس آر سرگرمیوں کی تفصیل اس رپورٹ کے ساتھ مُنسلک ہے۔

کاروبار کی فعالیت

گروپ کی لیکویڈٹی کی حیثیت، بیلنس شیٹ کے استحکام، افعال سے اثاثوں، ملازمت، اور کیش فلو کی روشنی میں بورڈ تصدیق کرتا ہے کہ کاروبار کی فعالیت، جس کی بنیاد پر گروپ کے کھاتے مرتب کیے گئے ہیں وہ تاحال قابل اطلاق ہے۔

اظہارِ تشکر

بورڈ حکومت پاکستان اور اپنے سٹریٹجک پارٹنرز بشمول مالیاتی اداروں، ریفائنریوں، جہاز رانوں، ایجنٹوں، اور دیگر کاروباری معاونین اور حصص مالکان کی جانب سے تعاون پر کاممنون و مشکور ہے۔

اپنے پر خلوص ملازمین کی مستحکم افعال کی جانب لگن کے لیے ہم ان کے بھی مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

Rizwan Ahmed

جناب رضوان احمد
چیئرمین / چیف ایگزیکٹو آفیسر
کراچی
13 ستمبر، 2022

ڈائریکٹر

کے اصولوں، لسٹڈ کمپنیوں کے (کارپوریٹ گورننس کے ضابطہ) ضوابط، سال 2019 کے مطابق پیشہ وارانہ مہارت کے اعلیٰ ترین معیار، اخلاقی طرز عمل، احتساب اور شفافیت کا احاطہ کرتا ہے، جنہیں ضابطہ اخلاق، خطرے کی گھنٹی بجانے کی پالیسی اور کاروباری اخلاقیات کے ضابطے کے ذریعے نافذ کیا گیا ہے۔ چیف ایگزیکٹیو اور کارپوریشن کے ڈائریکٹر کی جانب سے دستخط شدہ لسٹڈ کمپنیوں (کارپوریٹ گورننس کا ضابطہ) کے ضوابط، سال 2019 کی تعمیل کا ایک الگ بیان اس رپورٹ کے ساتھ مُنسلک ہے۔

سٹاک ایکسچینج لسٹنگ ریگولیشنز میں دی گئی کارپوریٹ گورننس کے بہترین طرز عمل سے تجاوز نہیں کیا گیا۔
اندرونی کنٹرولز کے نظام کا ڈھانچہ درست ہے اور مؤثر طور پر نافذ العمل اور نگرانی شدہ ہے۔

حکمت عملی، مقاصد اور مستقبل کے امکانات

پی این ایس سی اپنی کارگو لے جانے کی صلاحیت کے بھرپور استعمال کے لیے متواتر اقدامات کر رہی ہے اور پاکستان کی مقامی آئل ریفائنریوں کو فریٹ کے موجودہ معاہدوں کے مطابق خدمات فراہم کرنے اور خدمات کے معیار کو بہتر بنانے کے لیے پرعزم ہے۔

پی این ایس سی کا مقصد اپنے ٹینکرز کی پاکستان میں یقینی کارگو کیرج میں شمولیت ہے اور اس کا ہدف پاکستان میں 40٪ صاف پیٹرو کیمیکل مصنوعات کی درآمد کی نقل و حمل ہے۔ اسی طرح، کارپوریشن خشک بلک افعال کو بڑھانے، ٹینکر کے شعبہ پر اپنا انحصار کم کرنے، اور خاص طور پر سرکاری اداروں کے طویل مدتی معاہدوں کو ہدف بنانے کا ارادہ رکھتی ہے۔

اپنے افعال کو متنوع بنانے کے لیے، پی این ایس سی کا ہدف مقامی طور پر نئی منڈیوں میں جانا ہے، جیسا کہ پام آئل، ایل این جی اور ایل پی جی کی نقل و حمل۔ کارپوریشن نے میرین خدمات کے کاروبار میں شمولیت کے لیے بھی اقدامات کیے ہیں۔ جس میں سٹیوڈورنگ اور پائلٹ بوٹس، ٹگ بوٹس، ڈریجرز وغیرہ کی سرگرمیاں شامل ہیں۔ اس سلسلے میں، پی این ایس سی نے ایک وقف ذیلی کمپنی یعنی پاکستان میرین اینڈ شپنگ سروسز کمپنی (پرائیویٹ) لمیٹڈ (PMSSC) کو شامل کیا ہے جسے مالی سال کے اختتام کے بعد کراچی پورٹ ٹرسٹ (KPT) میں سٹیوڈورنگ کی سرگرمیاں انجام دینے کے لیے لائسنس دیا گیا ہے۔ اس حکمت عملی کے جزو کے طور پر، PMSSC نے ٹریڈنگ کارپوریشن آف پاکستان اور دیگر لائنز کے ایجنسی افعال کی سرگرمیاں انجام دینا شروع کر دی ہیں۔

پی این ایس سی کارگو کی نقل و حمل میں سرکاری اداروں کے حصے کو ہدف بنا کر NVOCC اور سلاٹ کاروبار میں توسیع کا ارادہ رکھتی ہے، جیسا کہ پاکستان مرچنٹ پالیسی 2001 (ترمیم شدہ) میں درج ہے۔ اسی طرح، کارپوریشن ایک نئی فریٹ فارورڈنگ ڈویژن بھی تشکیل دینے کا ارادہ رکھتی ہے جو نجی کارگو کی خدمات اور حصول کے لیے وقف ہوگی۔

پی این ایس سی تین کمرشل املاک کی بھی مالک ہے۔ کرائے سے ہونے والی آمدن میں اضافے کے لیے، کارپوریشن نے پی این ایس سی کی عمارت (15 ویں اور 16 ویں منزل) میں مرمت اور آئی آئی چندریگر روڈ پر کراچی کی مالیاتی سرگرمیوں کے مرکز میں واقع محمدی ہاؤس کو بہتر بنانے کا کام شروع کر دیا ہے۔

اپنے ماحولیاتی کوائف بہتر بنانے کے لیے، پی این ایس سی کا مقصد سال 2050 تک کاربن سے پاک ادارہ بننا ہے جس میں کارپوریشن کے جہاز اور اس کے ساحلی افعال شامل ہیں۔

پی این ایس سی مرمت اور اپ گریڈیشن کے لیے ترقیاتی منصوبوں پر بھی کام کر رہی ہے جن میں کارپوریشن کے موجودہ فلیٹ کو جہازوں کی مرمت کی کم لاگت کی فراہمی یقینی بنانے کے لیے جدید ترین ٹیکنالوجیز کو مدنظر رکھا گیا ہے۔ یہ آپریٹنگ اخراجات میں کمی کا باعث بنے گا۔

نمبر شمار	ڈائریکٹر کا نام	بورڈ	سٹریٹجی اور رسک مینجمنٹ کمیٹی	آڈٹ اور فنانس کمیٹی	ایچ آر، نامزدگی اور سی ایس آر کمیٹی	ویسل پروکیورمنٹ کی کمیٹی
4	جناب کامران فاروق انصاری سینیئر جوائنٹ سیکرٹری / جوائنٹ سیکرٹری، وزارت بحری امور اسلام آباد، (بحیثیت عہدہ) (مؤثر از تاریخ 29 دسمبر، 2021)	نان ایگزیکٹو ڈائریکٹر	ممبر	ممبر	–	–
5	سید سیدین رضا زیدی ڈائریکٹر جنرل (پورٹس اور شپنگ) وزارت سمندری امور، کراچی (مؤثر از تاریخ 29 دسمبر، 2021)	نان ایگزیکٹو ڈائریکٹر	–	ممبر	ممبر	–
6	جناب محمد علی (مؤثر از تاریخ 29 دسمبر، 2021)	نان ایگزیکٹو ڈائریکٹر	کمیٹی چیئر مین	–	کمیٹی چیئر مین	ممبر
7	جناب خواجہ عبید عمران الیاس	نان ایگزیکٹو ڈائریکٹر	–	کمیٹی چیئر مین	ممبر	ممبر
8	جناب کیپٹن انور شاہ	نان ایگزیکٹو ڈائریکٹر	ممبر	ممبر	–	ممبر

ڈائریکٹرز کا تربیتی پروگرام

تمام بورڈ آف ڈائریکٹرز نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے منظور شدہ اداروں سے ڈائریکٹرز کے تربیتی پروگرام میں شمولیت کی ہے۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز "ڈائریکٹرز حضرات کے لیے معاوضے کی پالیسی" رکھتا ہے؛ جس کی نمایاں خصوصیات درج ذیل ہیں:

بورڈ اور اس کے کمیٹیوں کے اجلاس میں شرکت کے طور پر میٹنگ فیس کے علاوہ کارپوریشن اپنے ڈائریکٹرز کو کوئی معاوضہ ادا نہیں کرے گی۔
بورڈ آف ڈائریکٹرز یا اس کی کمیٹی کے اجلاس میں شرکت کرنے پر کسی ڈائریکٹر کے معاوضے کا وقتاً فوقتاً تعین کیا جائے گا اور بورڈ آف ڈائریکٹرز اس کی منظوری دیں گے۔

ہر ڈائریکٹر کو بورڈ، اس کی کمیٹیوں اور / یا کارپوریشن کی جنرل میٹنگ میں شرکت پر کیے گئے سفری، اقامتی، سامان اور دیگر اخراجات فراہم یا واپس کیے جاتے ہیں۔

شیئر ہولڈنگ کی بناوٹ

کمپنیز ایکٹ 2017 کے سیکشن 227(2)(f) کے مطابق مورخہ 30 جون 2022 کو کارپوریشن کی شیئر ہولڈنگ کی وضع اس رپورٹ کے ساتھ منسلک ہے۔

لسٹڈ کمپنیوں کی تعمیل (کارپوریٹ گورننس کا ضابطہ) کے ضوابط، 2019 اور اندرونی کنٹرولز

اچھا نظم و نسق ہماری اقدار اور اخلاقی معیارات کی بنیاد ہے۔ بورڈ پاکستان میں اور عالمی طور پر اپنی ساکھ برقرار رکھنے کے ساتھ حصص مالکان، اقلیتوں کے حقوق کے تحفظ، اور اسٹیک ہولڈرز کی جانب سے تاثرات کی اہمیت کی ذمہ داری سے بخوبی آگاہ ہے۔

کارپوریشن اچھے نظم و نسق اور بہترین طرز عمل کی اہمیت پر کامل یقین رکھتی ہے، اور اچھے نظم و نسق کا طریقہ کار کمپنیز ایکٹ 2017، پاکستان اسٹاک ایکسچینج (PSX)

پی این ایس سی گروپ نے خالص منافع میں نمایاں اضافہ 5,649 ملین روپے حاصل کیا ہے جو گزشتہ سال کے بعد از ٹیکس منافع 2,265 ملین روپے کے مقابلے میں 149٪ اضافہ ہے۔ منافع کی استعداد میں اضافے کی بڑی وجہ زیر ملکیت ٹینکر جہازوں سے حاصل ہونے والی گروپ کی آمدنی میں 52٪ اضافہ (12,772 ملین روپے بمقابلہ گزشتہ سال 8,413 ملین روپے)، جبکہ غیر ملکی چارٹرڈ شعبہ سے حاصل ہونے والی آمدنی میں 6,283 ملین روپے (7,019 ملین روپے بمقابلہ گزشتہ سال 736 ملین روپے) اضافہ ہوا ہے۔

رواں سال، بلک کیریئر اور سلاٹ چارٹر سے حاصل ہونے والی آمدن میں اضافے کی وجہ سے خشک کارگو شعبہ کی آمدن میں 4,266 ملین روپے کا اضافہ ہوا۔ بلک کیریئر شعبہ کی آمدن میں اضافہ چارٹر کے اوسط نرخ 1.7 سے 3 گنا بڑھنے اور بارہ ماہ میں اوسط بالٹک ڈرائی انڈیکس ریٹ میں 2,960 بلندی کی وجہ سے ہوا، جو گزشتہ سال 1,839 تھی چونکہ مجموعی طور پر گروپ کی آمدنی خام اور صاف مصنوعات کی نقل و حمل سے حاصل ہونے والے کرائے پر کافی زیادہ انحصار کرتی ہے۔ موجودہ مالی سال میں اوسط ایفرا میں 86 سے 116 تک اضافے اور اوسط عالمی پیمانے کے 4.98 سے 5.29 تک بالترتیب بڑھنے سے ٹینکر کے شعبہ سے حاصل ہونے والی آمدن اور مارجن میں اضافہ ہوا۔

مجموعی طور پر، خام اور صاف مصنوعہ جاتی ٹینکر کے کاروبار کا مجموعی مارجن مالی سال 2022 میں بالترتیب 14٪ اور 34٪ رہا، جو مالی سال 2021 میں بالترتیب 16٪ اور 27٪ تھا۔

گروپ مالی حالت کا مستحکم گوشوارہ، مستحکم زرِ نقد اور سرمایہ کاری کی ساکھ برقرار رکھتا ہے جو اسے شپنگ دورانیے کے اگلے مرحلے میں بھرپور حصہ لینے کا اہل بناتا ہے۔ گروپ کی مستحکم مالیاتی صحت، مارکیٹ کے محرکات میں خوش آئند تبدیلی اور زیر انتظام جہازوں کے فلیٹ میں کیا جانے والا مسلسل اضافہ، نیز مستقبل کی جاری توسیع آئندہ کی مشکلات سے نمٹنے کے لیے گروپ کی کلیدی قوت ہوں گے۔

ڈویڈنڈ کا اعلان

آئندہ چوالیسویں (44) سالانہ جنرل میٹنگ میں ممبران کی منظوری کے لیے بورڈ آف ڈائریکٹرز سال اختتام مورخہ 30 جون، 2022 کے لیے عمومی حصص پر 50٪ کے مطابق یعنی 5 روپے فی حصص نقد ڈویڈنڈ بخوشی تجویز کرتا ہے۔

بورڈ اور اس کی کمیٹیاں

پی این ایس سی کے آرڈیننس XX از 1979 کی شقوں کے مطابق، پانچ ڈائریکٹرز کا تقرر وفاقی حکومت کی جانب سے، اور دو کا انتخاب حصص مالکان کی جانب سے تین سال کے لیے کیا جاتا ہے۔ موجودہ مالی سال کے دوران ڈائریکٹرز اور / یا بورڈ ممبران، اور کارپوریشن کی بورڈ کمیٹیوں کے نام درج ذیل درج کیے گئے ہیں:

نمبر شمار	ڈائریکٹر کا نام	بورڈ	سٹریٹیجی اور رسک مینجمنٹ کمیٹی	آڈٹ اور فنانس کمیٹی	ایچ آر، نامزدگی اور سی ایس آر کمیٹی	ویسل پروکیورمینٹ کی کمیٹی
1	جناب رضوان احمد (مؤثر از تاریخ 3 جنوری، 2022)	چیئرمین / چیف ایگزیکٹو افسر	–	–	ممبر	کمیٹی چیئرمین
2	جناب شکیل احمد منگنیجو (4 اکتوبر، 2021 تک)	چیئرمین / چیف ایگزیکٹو افسر	–	–	–	–
3	جناب امداد اللہ بوسال ایڈیشنل فنانس سیکریٹری (اخراجات) فنانس ڈویژن اسلام آباد۔ (بحیثیت عہدہ)	نان ایگزیکٹو ڈائریکٹر	ممبر	ممبر	–	–

سائبر حملہ:

سائبر حملہ ایک حقیقی خطرہ ہے۔ ایسے حملے ہمارے عزم کے مطابق کام انجام دینے اور ان کی تکمیل کے لیے نقصان دہ ثابت ہو سکتے ہیں۔ گروپ خدمات کے پیچیدہ اور وسیع سلسلے میں مصروف عمل ہے جو اسے بہتر کارآمد انفارمیشن ٹیکنالوجی اور مواصلاتی نظام پر کافی زیادہ منحصر بناتا ہے۔ سائبر حملے کی وجہ سے کاروباری رکاوٹ ہمارے بحری بیڑوں اور سمندر پار افعال پر منفی طور پر اثر انداز ہو سکتی ہے۔ ایسے اثرات کو یکسر ختم کرنے کے لیے پی این ایس سی نے سخت ڈیٹا سیکیورٹی کنٹرولز لاگو کیے ہیں جس میں انٹرپرائز سطح پر اینٹی وائرس کے ساتھ اپ ڈیٹ شدہ فائر وال اور سپیم کنٹرول کرنے والے سافٹ ویئر شامل ہیں۔

پی این ایس سی کی کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) کی جانب سے کیے گئے کریڈٹ کی قابلیت کے سالانہ جائزے میں گروپ کی طویل مدتی قرضوں کے لیے کریڈٹ ریٹنگ 'AA' اور قلیل مدتی قرضوں کے لئے '1A+' کو برقرار رکھا گیا ہے۔

ریٹنگ پی این ایس سی کی مضبوط ملکیت - جس کا زیادہ تر حصہ حکومت پاکستان کی ملکیت ہے (~89.13٪) اور ملک کے قومی پرچم بردار کے طور پر اس کی سٹریٹیجک اہمیت کی عکاسی کرتی ہے۔ فلیٹ کے مؤثر استعمال اور انتظامیہ کی جانب سے لاگت میں کمی کے اقدامات سے حالیہ سالوں میں پی این ایس سی کی کاروباری پروفائل نے نمایاں استحکام حاصل کیا ہے۔

مالیاتی جھلکیاں

پی این ایس سی گروپ نے اختتام سال از 30 جون، 2022 کے مالیاتی گوشواروں کی تیاری میں کمپنیز ایکٹ 2017 کی شقوں کی تعمیل کی ہے۔ رواں سال کے مالیاتی نتائج کی اہم جھلکیاں اور گزشتہ سال کے ساتھ اس کا موازنہ درج ذیل ہے:

تفصیل	**2022**	2021	تبدیلی	%
	روپے '000 میں			
آمدنی	**27,714,195**	12,788,561	14,925,634	117%
اخراجات	**(19,713,292)**	(9,917,093)	(9,796,199)	99%
مجموعی منافع	**8,000,903**	2,871,468	5,129,435	179%
انتظامی اخراجات	**(1,216,633)**	(1,034,518)	(182,115)	18%
خلل سے نقصان	**(929,525)**	285,266	(1,214,791)	426%
دیگر اخراجات	**(423,127)**	(216,557)	(206,570)	95%
دیگر آمدن	**1,396,178**	1,094,139	302,039	28%
آپریٹنگ منافع	**6,827,796**	2,999,798	3,827,998	128%
مالیاتی لاگت	**(530,658)**	(557,607)	26,949	-5%
قبل از ٹیکس منافع	**6,297,138**	2,442,191	3,854,947	158%
ٹیکس	**(647,248)**	(177,165)	(470,083)	265%
خالص منافع	**5,649,890**	2,265,026	3,384,864	149%
فی حصص آمدنی (روپے)	**42.75**	17.14	25.61	149%

گزشتہ سال پی این ایس سی (گروپ) کے لیے مالی طور پر بہتر ثابت ہوا ہے۔

خطرات اور مواقع، نیز تخفیف کے لیے کیے جانے والے اقدامات:

قانونی چارہ جوئی کا خطرہ:

گلوبلائزیشن اور انٹرنیٹ کے دور میں، جہاز رانی میں مصروف عمل ہر شپنگ کے کاروبار کی پیش رفت سے پوری طرح آگاہ رہنا چاہیے۔ مستقبل کی درست پیش گوئی ہمیشہ صحیح وقت پر صحیح فیصلہ لینے اور مارکیٹنگ کی حکمت عملی اور چارٹرنگ پالیسیوں کو بہتر بنانے میں مدد کرتی ہے، جو قانونی چارہ جوئی کے خطرات کو ختم کرتی ہے۔

بڑے حادثے یا تیل کے گرنے کا خطرہ:

شپنگ سرگرمیوں، خاص طور پر ٹینکر کے کاروبار سے وابستہ تیل گرنے کا خطرہ ہمیشہ لاحق رہتا ہے۔ شدید نوعیت کا کوئی بھی حادثہ ہمارے ملازمین کے ساتھ ساتھ آبی ماحول، جنگلی حیات، اور مقامی کمیونٹی کو خطرہ لاحق کر سکتا ہے۔ یہ مالیات، ہماری ساکھ اور ہمارے لائسنس کو بھی خطرے میں ڈالنے کا پیش خیمہ بن سکتا ہے۔ ایسے خطرات کو کم کرنے کے لئے پی این ایس سی محتاط انداز سے حادثات سے پاک سرگرمیوں کو برقرار رکھے ہوئے ہے اور ہمیشہ صحت اور سلامتی کی تمام پالیسیوں اور اپنے جہازوں میں بہترین طریقوں کو رائج رکھنے کی یقین دہانی کراتی ہے۔

کیش فلو کو متاثر کرنے والا شرح سود کا خطرہ:

مالیاتی واجبات متغیر شرح سود پر مبنی ہوتے ہیں۔ سود کی شرح کے خطرے کو کم کرنے کے لئے گروپ متغیر شرح سود کے ساتھ اثاثوں اور واجبات کے درمیان ایک متوازن مخلوط اور موزوں پروفائلنگ حاصل کرنے کی کوشش کرتا ہے۔

مسلح قزاقی:

خلیج عدن، ملاکا سٹریٹ اور صومالیہ کے ساحل تک مسلح قزاقی پی این ایس سی سمیت عالمی شپنگ کے لیے مرکزی آپریشنل خطرہ ہے۔ ایسے خطرات سے آگاہ رہتے ہوئے گروپ قزاقی کے خلاف ضروری انشورنس اختیار کرتا ہے۔ خطرناک علاقوں سے گزرتے وقت گروپ کے جہازوں کی حفاظت کے لیے، دنیا بھر میں نافذ العمل بہترین انتظامی لائحہ عمل (BMP-5) پر سختی سے عمل کیا جاتا ہے۔ جب بحری جہاز سنگین خطرے والے علاقوں میں ہوتے ہیں تو پی این ایس سی پاکستان نیول ہیڈ کوارٹرز کے ساتھ قریبی رابطے میں رہتی ہے۔ پی این ایس سی نے مناسب انشورنس کور حاصل کر کے بھی اس خطرے کو کم کیا ہے۔

خلیج عمان / آبنائے ہرمز میں تجارتی خطرہ:

PNSC کے زیر انتظام آئل ٹینکرز خام تیل اور فرنس آئل کی نقل و حمل کے لیے زیادہ تر آبنائے ہرمز اور ریفائنڈ پیٹرولیم کی مصنوعات کے لیے خلیج عرب سے گزرتے ہیں۔ چند ناخوشگوار واقعات کے بعد، حال ہی میں جوائنٹ وار کمیٹی نے اس علاقے کو جنگی علاقہ قرار دے دیا ہے۔ اس کے علاوہ، اس علاقے میں داخل ہونے میں قومی پرچم بردار ہونے کے ناطے حکومت پاکستان کی جانب سے جاری متواتر سفارتی حمایت اور فوجی تعاون کے ساتھ ساتھ پی این ایس سی کا عملہ غیر معمولی احتیاط برتتا ہے اور محتاط رہتا ہے۔ اس خطرے کو عالمی سمندری صنعت کے معروف اور نامور انشوررز کی جانب سے انشورنس کے اضافی دائرہ کار سے بھی کم کیا جاتا ہے۔

ایندھن کی قیمت میں اتار چڑھاؤ:

بنکروں کی خریداری کے حوالے سے کمپنی کو مارکیٹ میں اتار چڑھاؤ کا سامنا ہے۔ مارکیٹ غیر مستحکم اور انتہائی مسابقتی ہے۔ تیل کی طلب عالمی اقتصادی رجحان سے گہری حد تک مربوط ہے، جیسا کہ طلب میں کمی کا خطرہ معاشی زوال کے دورانیے میں زیادہ ہوتا ہے کیونکہ بنکروں کی لاگت سفر کی 55 سے 60 فیصد لاگت کا احاطہ کرتی ہے۔ مارکیٹ کے توازن کا اندازہ لگانا مشکل ہے، اور اس کی یقین دہانی نہیں کروائی جاسکتی کہ نتیجے میں حاصل ہونے والے نرخ اخراجات پورے کرنے اور / یا کمپنی کے سرمائے منافع دے سکتے ہیں۔

بحری کاروباری کارکردگی کا شعبہ جاتی جائزہ

1,045,957 میٹرک ٹن DWT صلاحیت کی حامل پی این ایس سی نے سال زیرِ مشاہدہ کے دوران تقریباً 11.971 ملین ٹن کارگو اٹھایا (مالی سال 2021: 11.09 ملین ٹن) جو تقریباً 11.21٪ (مالی سال 2021: 10.06٪) کے مساوی ہے اور ملک کے کل سمندری تجارتی حجم 106.820 ملین ٹن (مالی سال 2021: 110.271 ملین ٹن) کے مساوی ہے۔ پاکستان کی سمندری تجارت برائے حالیہ سال 2021-22 اور گزشتہ سال 2020-21 کے الگ الگ اعداد و شمار اور پی این ایس سی کا حصہ درج ذیل ہے:

--------------------اعداد و شمار 'ملین ٹن میں'--------------------

	خشک بلک		مائع بلک		کُل	
	2022	2021	**2022**	2021	**2022**	2021
پاکستان کی سمندری تجارت	**70.72**	77.968	**36.096**	32.303	**106.8**	110.271
پی این ایس سی کا حصہ	**1.316**	1.544	**10.655**	9.554	**11.97**	11.099

نوعیت / انتظام کے لحاظ سے پی این ایس سی کے ذریعے نقل و حمل کیے جانے والے کل کارگو کی الگ الگ تفصیل ذیل میں جدول میں درج ہے:

	پیمائش کی اکائی	**2022**	2021
ڈرائی کارگو (بلک کیریئر)	ملین ٹن	**1.316**	1.535
مائع کارگو (ٹینکر)	ملین ٹن	**10.655**	9.554
سلاٹ چارٹر			
–بریک بلک	MT یا (W/M) CBM سے زائد	**0.026**	0.009
–کنٹینر شدہ کارگو	ہزار TEU	**2.159**	1.734

نمایاں خطرات

کوئی کاروبار خطرات سے آزاد نہیں ہوتا اور جہاز رانی کا کاروبار بھی اس سے مستثنیٰ نہیں ہے۔ اضافی گنجائش کے ساتھ خاص طور پر فریٹ کے کم نرخوں کے ساتھ خشک اور مائع مارکیٹ میں شدید ایک اہم کاروباری خطرہ ہے۔ آمدن کا انحصار عالمی منڈیوں کی طلب اور رسد کے محرکات پر ہوتا ہے۔ جہاز رانی کے شعبے نے عالمی اقتصادی ماحول سے فائدہ اٹھایا ہے جس میں جی ڈی پی کی شرح نمو بلند رہی، تاہم، سال 2008 کے آغاز سے عالمی معیشت کی تنزلی کے نتیجے میں طلب مسلسل کم رہی ہے اور کنٹینر شپنگ کے علاوہ عالمی شپنگ کے تمام شعبوں میں شدید / منفی اثرات مرتب ہوئے ہیں۔

ہر کاروبار میں پنہاں عوامل کے طور پر خطرات غیر یقینی صورتحال پیدا کر سکتے ہیں۔ پی این ایس سی کو ایسے عوامل کا سامنا ہو سکتا ہے جو غیر یقینی صورتحال کے کلیدی ذرائع ہو سکتے ہیں، جن میں درج ذیل شامل ہیں:

- خشک بلک اور ٹینکر کے شعبہ میں زیادہ رسد۔
- تیل اور بنکر کی قیمتوں میں عدم استحکام
- سرگرمیوں کی زیادہ لاگت–ہمیشہ بڑھتے رہنا۔
- بین الاقوامی سطح پر خشک بلک شعبہ میں وسیع مسابقت۔
- صنعتی ماحولیاتی (لاگت کم کرنے والے) جہازوں میں تبدیل ہوتی آپریشنل روایات۔

آئندہ مہینوں میں غلے کی تجارت میں مدد کر سکتا ہے۔ چین کے تعمیراتی شعبے میں بنیادی محرکات کی تنزلی، COVID کے اثرات جاری رہنے کے نتیجے میں مقامی طلب میں کمی کی وجہ سے کاربن ڈائی آکسائیڈ (CO_2) کے اخراج کو روکنے کے لیے سٹیل کی پیداوار پر حکومتی پابندیوں کے باعث چینی درآمدات میں کمی کی وجہ سے 2022 کی پہلی ششماہی میں خام لوہے کی تجارت میں سالہا سال 4٪ کمی کا اندازہ لگایا گیا ہے۔

ٹینکر مارکیٹ

مالی سال 2022-2021 کے دوران، ٹینکر مارکیٹ کو قسمت میں تبدیلی کا سامنا رہا ہے جس میں فریٹ کے نرخ ریکارڈ سطح تک بڑھ گئے ہیں۔ ایفرامیکس خام تیل کے ٹینکر اور LR-1 مصنوعہ جاتی ٹینکر کے شعبہ جات دونوں کو ہی مارچ 2022 سے فریٹ کے نرخوں میں مسلسل اضافے کا سامنا ہے، جس میں مارکیٹ کے مبادیات عموماً مالکان کے حق میں ہیں۔

مارچ 2022 میں برینٹ خام تیل کی قیمتوں نے 100 ڈالر / BBL کی سطح کو عبور کیا اور اسی اثناء میں فریٹ کے نرخوں میں اضافہ ہونا شروع ہوا۔ برینٹ خام تیل کی زیادہ قیمتوں کا فریٹ کے زیادہ نرخوں سے براہ راست اور مثبت باہمی تعلق ہے۔

COVID کے بعد سے تیل کی طلب اور رسد میں مسلسل اضافے اور یوکرین کے تنازعہ کے اثرات کے باعث طویل فاصلے کے راستوں پر منتقلی کی وجہ سے ٹینکر کی طلب رواں سال واضح فوائد کا عندیہ دے رہی ہے۔

ٹینکر کا تناظر

ٹینکر مارکیٹ کا قلیل مدتی مثبت تناظر دیکھنے میں آ رہا ہے۔ مستحکم طلب (بشمول روس-یوکرین تنازعہ کے اوسط سفری فاصلوں پر اثرات کے نتیجے میں) اور سال 2022 کی دوسری ششماہی اور اگلے سال تک معاون محرکات برقرار رہنے کی وجہ سے حالیہ مہینوں میں نمایاں بہتریاں سامنے آئی ہیں۔

جولائی 2022 کے بعد سے، برینٹ خام تیل کی قیمتیں نچلی سطح پر آنا شروع ہو گئی ہیں، جبکہ اگست 2022 میں قیمت گزشتہ پانچ مہینوں میں پہلی بار 100 ڈالر / BBL سے کم ہوئی ہے۔ افراط زر میں روز بروز اضافے کے ساتھ جیسے جیسے عالمی معیشت سرگرم ہو رہی ہے؛ دنیا بھر کے مرکزی بینکوں نے شرح سود میں اضافہ کر کے مزاحمت شروع کر دی ہے۔ بڑھتی ہوئی قیمتوں نے تیل کے خریداروں کے لیے بھی رکاوٹیں پیدا کی ہیں کیونکہ وہ اپنی کریڈٹ کی حد کو عبور کر چکے ہیں، جو ان کی خریداری کی رفتار سست کرنے کا باعث بنا ہے۔ ان تمام عوامل نے تیل کی کھپت کو کم کرنا شروع کر دیا ہے، جو کساد بازاری کے خدشات کا باعث بن سکتا ہے اور قیمتوں کے واپس آنے کی وجہ بن سکتا ہے۔ اگر خام تیل اور فریٹ کے نرخوں کے درمیان مثبت باہمی تعلق اسی طرح رہتا ہے، تو ٹینکر کے فریٹ کے نرخ مختصر مدت میں منفی دباؤ میں آنا شروع ہو جائیں گے۔ منفی دباؤ کی حد اب بھی فلیٹ کی رسد کے عوامل پر منحصر ہے۔

توقع ہے کہ آئندہ ماحولیاتی ضوابط ٹینکر کے شعبہ میں بھی کلیدی کردار ادا کریں گے۔ توقع ہے کہ EEXI اور CII رسد میں اضافے میں رکاوٹ پیدا کریں گے، جس کی وجہ زیادہ تر عالمی فلیٹ کے سٹیمنگ کا سست طریقہ کار اپنانا ہے جس سے رفتار کم ہوتی ہے اور یہ سفر کے وقت میں اضافہ کرتا ہے، جو مجموعی طلب میں اضافے کا باعث بنتا ہے۔

مجموعی طور پر، ٹینکر مارکیٹ تناظر مثبت دکھائی دیتا ہے۔ طلب میں کمی کی وجہ سے کساد بازاری کا خدشہ فریٹ کے موجودہ زیادہ نرخوں کو کمزور کرے گا اور نیچے کی طرف بہتری کا باعث بن سکتا ہے۔ تاہم، آئندہ کے ماحولیاتی ضوابط، محدود رسد میں محدود اضافہ، نیز طویل فاصلے کے راستوں پر منتقلی ٹینکر کے فریٹ کے نرخوں کے لیے معاون ہوں گے اور اوسط سے زیادہ آمدنی کی صورتحال پیدا کریں گے۔

یقینی بنانے والی مندی اس سے پہلے آنے والوں سے بہت مختلف ہے۔ یہ دلیل دی جاتی ہے کہ ہمیں بیروزگاری کے اعدادوشمار بڑھتے نظر آنے چاہیے تھے، اس کے بجائے امریکہ میں عالمی وباء کے آغاز سے اب تک 3.5٪ کے ساتھ بیروزگاری سب سے کم ہے۔ اسی طرح، روزگار میں اضافہ عالمی وباء کے بعد سے 60٪ کی بلند سطح تک پہنچ گیا ہے، اگرچہ یہ عالمی وباء سے پہلے کی سطح تقریباً 61٪ سے کم ہے۔۔ موجودہ معاشی صورتحال عام طور پر طلب کے ضمنی عوامل کی نسبت سپلائی چین کے عوامل کی وجہ سے ہے۔ سپلائی میں کمی قیمتوں اور افراط زر میں اضافے کا باعث بن رہی ہے، جو ابتدائی طور پر عالمی سطح پر متعارف کروائے جانے والے فعال اقدامات کی اضافی رقم کی وجہ سے برقرار ہے۔ تاہم، ان فعال اقدامات کے مؤثر ہونے کے ساتھ معیشت کو سست کرنے کے لیے، قیمت کی سطحیں غیر پائیدار ہوتی جارہی ہیں کیونکہ آمدنی کی سطح افراط زر کی رفتار سے نہیں بڑھ رہی ہے؛ اس لیے طلب کم ہونا شروع ہوگئی ہے جس میں اجناس کی قیمتوں میں کمی طلب میں کمی کی عکاسی کرتی ہے۔

یہ رجحان تھامس ریوٹرز کور کموڈیٹی انڈیکس کے 6 جون، 2022 تک 348 پوائنٹس کی بلند سطح سے 18 اگست، 2022 تک 309 پوائنٹس پر جاتے ہوئے بھی دیکھا جا سکتا ہے، جس میں صرف 73 دنوں میں 11٪ سے زیادہ کمی دیکھی گئی۔

مستقبل کو مدنظر رکھتے ہوئے، ان عالمی پیش رفت کا جہاز رانی کی صنعت پر گہرا اثر پڑ سکتا ہے۔ اگرچہ جہاز رانی کی صنعت فی الحال بہت مستحکم حالت میں ہے، لیکن کساد بازاری (یا حتیٰ کہ کساد بازاری کا خوف) فریٹ کے نرخ اور اثاثوں کی قیمتوں پر نیچے کی طرف دباؤ ڈالے گی۔

پاکستان میں جہاز رانی کا شعبے کا استعمال استعداد سے کم ہے کیونکہ ہماری زیادہ تر تجارت غیر ملکی شپنگ لائنز کے ذریعے انجام دی جاتی ہے۔ PNSC جیسے مقامی ادارے امریکی ڈالر کی بجائے پاکستانی روپے کو بطور ادائیگی قبول کر کے اور کریڈٹ کی پرکشش شرائط پیش کر کے نمایاں قدر افزائی پیش کرتے ہیں۔ پاکستان کا جہاز رانی کا شعبہ ملازمت کے مواقع پیدا کرتے ہوئے مستحکم ترقی حاصل کر کے اور مستحکم مقامی طلب پیدا کر کے ان پیش رفتوں سے مستفید ہو سکتا ہے۔

عالمی شپنگ مارکیٹ کا تناظر

خشک اور مائع دونوں شعبوں سے متعلقہ پیشین گوئیاں اور غیر یقینی کیفیت جو ادارے کی کارکردگی کو متاثر کر سکتی تھیں، ان کی ذیل میں وضاحت کی گئی ہے:

خشک بلک مارکیٹ

مالی سال 2022 - 2021 کے دوران بین الاقوامی خشک بلک شعبہ کے فریٹ کے نرخوں میں نمایاں کمی واقع ہوئی ہے، جس میں اکتوبر 2021 میں آمدنی +30,000 ڈالر یومیہ کی بلندی سے جون 2022 میں 16,427 یومیہ تک کم ہوگئی ہے۔

اگرچہ آمدنی تاریخی اوسط سے زیادہ پر برقرار ہے جس میں اس سے پہلے کساد بازاری کی وجہ سے کمی آرہی تھی، لیکن اب اس میں بہتر بحالی دیکھی گئی ہے اور یہ وباء سے پہلے کی سطح کے قریب آرہی ہے۔ موجودہ طور پر، روس-یوکرین تنازعہ اور منفی میکرواکنامک تناظر صنعت کے لیے خطرے کا باعث ہیں۔

دوسری طرف، اپریل 2022 میں چین کا مینوفیکچرنگ پرچیزنگ مینیجرز انڈیکس (MPMI) اپنے 50 پوانٹس کے بینچ مارک (50 پوائنٹس پر کوئی ترقی نہیں، جس میں 50 پوائنٹس سے زیادہ پر ترقی دیکھی جاتی ہے اور 50 پوائنٹس سے کم پر تنزلی دیکھی جاتی ہے) کی سطح سے کافی زیادہ تنزلی کا شکار ہوا اور 47.4 پوائنٹس تک گر گیا۔ ختم ہونے والے مالی سال 2022-2021 کے لیے، MPMI 49.73 پوائنٹس کی سالانہ اوسط کے ساتھ زیادہ تر 50 پوائنٹس سے کم رہا۔ یہ کم اعتماد اور چین کی مینوفیکچرنگ کی صنعت میں ترقی کی عکاسی کرتا ہے، جو بنیادی طور پر عالمی خشک بلک شعبہ میں ترقی میں اضافے کا سبب بنتا ہے۔ عالمی کساد بازاری کے خدشات کافی زیادہ ہیں، جو سرمایہ کاروں کے رجحان پر منفی اثر ڈال رہے ہیں، جو چین میں COVID پابندیوں کے خاتمے کے باوجود فریٹ کے نرخوں میں کمی کی وضاحت کر سکتا ہے، جس سے سپلائی چین میں مزید رکاوٹیں پیدا ہو رہی ہیں۔

خشک بلک کا تناظر

روس-یوکرین تنازعہ نے متعدد شعبوں میں تبدیلیوں کا عندیہ دیا ہے۔ توانائی کے روسی ذخائر سے اجتناب یا معطلی کے باعث دنیا کو توانائی کے بحران کا سامنا ہے۔ یہ کوئلے کی تجارت میں بہتری کا باعث بنا ہے جس نے جون میں عالمی وباء سے پہلے کی بلند تر سطح حاصل کی ہے۔ یوکرین کی غلے کی ترسیل کو دوبارہ شروع کرنے کا معاہدہ

ڈائریکٹران کی رپورٹ

برائے سال اختتام از 30 جون، 2022

پاکستان نیشنل شپنگ کارپوریشن گروپ (گروپ) کا بورڈ آف ڈائریکٹرز سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ہمراہ چوالیسویں (44) سالانہ رپورٹ برائے اختتام سال از 30 جون، 2022 بخوشی پیش کرتا ہے۔

مختصر تعارف

پی این ایس سی ایک قانونی کارپوریشن ہے جو پی این ایس سی کے آرڈیننس XX از 1979 کے تحت تشکیل یافتہ (قومی پرچم بردار) ہے۔

پی این ایس سی جہاز رانی اور فعال بحری ورکشاپس کے حوالے سے NVOCC / سلاٹ سروسز کے سلسلے میں مختلف بحری اور متعلقہ سرگرمیوں کے ساتھ بین الاقوامی شپنگ اور جہازوں کی ملکیت میں مصروف عمل ہونے کی طویل تاریخ رکھتی ہے۔ بحری کاروباری مفادات کے علاوہ، پی این ایس سی رئیل اسٹیٹ کے نظم میں بھی مصروف عمل ہے جو اس کی آمدن کو متنوع بناتا ہے اور کاروباری خطرات کے ارتکاز کو کم کرتا ہے۔

بنیادی افعال اور کارکردگی کا جائزہ

پی این ایس سی ایک جہاز رانی ہے جو پیٹرولیم مصنوعات کو ملکی استعمال کے لیے مشرق وسطیٰ سے پاکستان کی سمندری بندرگاہوں تک لے جانے اور بین الاقوامی راستوں پر خشک بلک اجناس کی عالمی ترسیل کے ذریعے بین الاقوامی افعال انجام دیتی ہے۔ پی این ایس سی کی آمدن کا زیادہ تر بہاؤ بین الاقوامی بین الاقوامی فریٹ انڈیکس کی وجہ سے ہے، جو کارپوریشن کو بالواسطہ عالمی معیشت سے جوڑتی ہے اور اس کی صورتحال پر ایک انحصار پیدا کرتی ہے۔

پی این ایس سی بین الاقوامی طور پر افعال انجام دیتی ہے اور بین الاقوامی میری ٹائم کنونشنز کے انضباطی تقاضوں کی تعمیل کرتی ہے جو عالمی قبولیت اور پہچان رکھتے ہیں۔

پی این ایس سی تجارتی عمل کو ہموار کرنے، صارفین کو خوشگوار حل کی فراہمی اور پاکستان کے قومی فلیٹ اور بحری صنعت کو مضبوط بنانے کے لیے تمام اسٹیک ہولڈرز کو فیصلہ سازی کے عمل میں شامل کرنے میں بھی مصروف عمل ہے۔

عالمی اقتصادی تناظر

سال 2020 سے عالمی معیشت کو لاحق بنیادی خطرہ COVID-19 کی عالمی وباء ختم ہونا شروع ہوگئی ہے، اور سال 2020 میں بندش کے بعد سے اب پہلے سے کہیں زیادہ معیشتیں اور سرحدیں کھل رہی ہیں۔ عالمی وباء کے دوران بیروزگاری اور سپلائی چین کی رکاوٹوں سے پیدا ہونے والی غیر متوقع پیچیدگیوں سے نمٹنے کے لیے، پوری دنیا میں اقوام اور حکومتوں نے اپنی معیشتوں کو تقویت دینے کی غرض سے بڑے پیمانے پر محرک اخراجات کا آغاز کیا، جس میں G20 ممالک نے اقتصادی کساد بازاری سے بچنے کے لیے ایک اندازے کے مطابق 14 ٹریلین ڈالر خرچ کیے۔

بہت کم وقت میں، مرکزی بینکوں نے اپنی معیشتوں میں بساط سے زیادہ لیکویڈیٹی شامل کر دی جس میں امریکہ عالمی وباء کے آغاز سے سال 2021 کے اختتام تک M2 رقم کی سپلائی 42٪ یا 6.4 ٹریلین امریکی ڈالر کا اضافہ کرکے سرکردہ رہا۔

ابتدائی طور پر عارضی لیبل شدہ ہونے کے باوجود؛ روس–یوکرائن کے تنازعہ کے افراط زر کے مسئلہ کو بڑھانے کے باعث اس پر قابو نہیں پایا جاسکا۔ آخرکار مارچ 2022 میں امریکی فیڈرل ریزرو نے شرح سود میں اضافہ کرکے نرمی اختیار کی، تاہم افراط زر کی شرح میں ابھی تک کمی کے کوئی آثار نہیں دیکھے گئے۔

Corporate Social Responsibility

Following are some of the vital activities executed under Corporate Social Responsibility (CSR) by the PNSC:

EDUCATION

- PNSC has established a state of the art library at its Head Office, which is well equipped with literature about maritime, management, law and other professional areas. A wide range of books are available in both physical and digital formats. The library also facilitates employees for training sessions and awareness programs arranged by the HR department for enhancing their professional skills throughout the year.
- PNSC, in order to appreciate the nurturing minds of sea fearers by considering their education and technical skills on top priority has awarded **"Dagger"** to the best performers of Pakistan Marine Academy (PMA).
- Every year, Pakistan National Shipping Corporation offers need-based scholarships to the deserving cadets of Pakistan Marine Academy (PMA). This year, PNSC has contributed around **Rs. 2.5 million** on account of scholarship programme and extended its support to marine community by motivating and encouraging the needy and talented students. This initiative is intended to groom marine officers to serve in PNSC as well as in the international shipping industry and contribute in growth of national economy.
- The PNSC always promotes training of young cadets of Pakistan Maritime Academy (PMA) by providing them professional environment, the understanding of organizational culture and official decorum to gain versatile experience through hands-on practical knowledge. During the year, a new batch of internees from (PMA) was inducted, wherein the team was engaged in different activities that allowed them to understand PNSC's corporate culture and business operations.
- This year, PNSC has also sponsored the students of Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIK), one of the most prestigious engineering institutes of Pakistan for their project participation in National Electronic Olympiad (NEO) 2022.

COMMUNITY

- This year, PNSC has initiated a blood donations drive in collaboration with the Indus Hospital on 21-03-2021 at PNSC's Head Office. The event has encouraged the spirit of the employees and cohabitants of PNSC building by providing an opportunity to donate blood and make a contribution to the wellbeing of the community.
- The PNSC realizing the COVID-19 being a serious pandemic issue organized a Covid-19 vaccination camp inside the head office vicinity to facilitate the corporation and its tenants, employees, their parents and relatives and other general public around the area so that they can get vaccinated.
- The PNSC organized mobile vaccination drive, this initiative was taken to support the vaccination drive of Government by deputing paramedical and other human resource and vehicles to provide vaccination facility to the underprivileged of Karachi.

BREAST CANCER AWARENESS SESSION

- Breast cancer is most common cancer among women worldwide. Approximately 40,000 women lose their valuable lives every year in Pakistan which is the highest rate of breast cancer in Asia. This is because of the lack of knowledge regarding risk factors, symptoms and lack of early diagnosis. To mitigate the risk of this disease, PNSC has come forward to encourage breast cancer discussions and spread awareness through posters and banners on the premises of PNSC building.

WOMEN'S DAY CELEBRATION 2022

- To promote the role of women in modern society, PNSC celebrates international women's day every year on 8th March. The theme of this year's event was "BREAK THE BAIS". The aim of event was to promote gender equality and women empowerment. The Chairman and Executive Directors had a casual session with female staff of PNSC to acknowledge their contributions.

CSR Activities at a Glance - 2022


State of the art library at the PNSC Head Office.


The PNSC contribution for scholarship to need-based deserving cadets of (PMA).


The PNSC inducted a new batch of (PMA) internees.


The PNSC sponsored the student of GIK for participation (NEO) 2022.


The PNSC organized mobile vaccination drive facility to the underprivileged of Karachi.

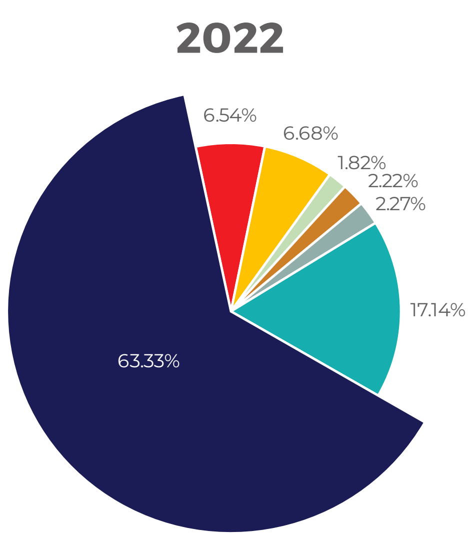

The PNSC organized mobile vaccination drive to provide facility to the underprivileged areas of Karachi.

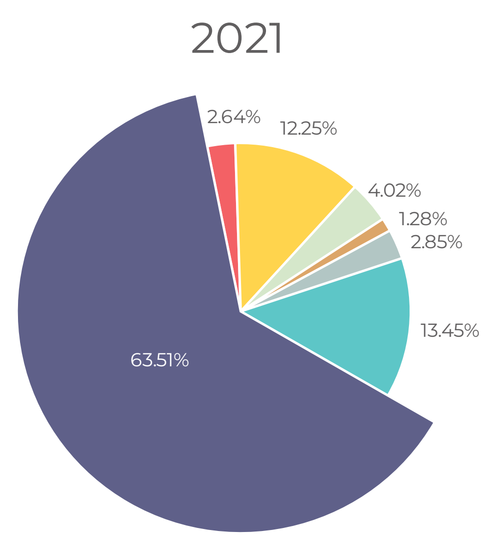

The PNSC initiated a blood donations drive in collaboration with the Indus Hospital Karachi.


The PNSC management acknowledge the female staff contribution on women's day.

Value Added Statement

	2022		2021	
	Rs. in '000	%	Rs. in '000	%
Wealth Generated				
Income from shipping business	23,572,426	80.98%	12,019,367	86.58%
Other operating activities	3,902,755	13.40%	548,578	3.95%
Rental income	239,014	0.82%	220,616	1.59%
Other operating income	1,396,178	4.80%	1,094,139	7.88%
	29,110,373	100.0%	13,882,700	100.0%
Wealth Distributed				
Fleet expenses	18,434,170	63.33%	8,816,272	63.51%
Administrative and general expenses	1,902,937	6.54%	366,703	2.64%
Salaries	1,945,470	6.68%	1,701,063	12.25%
Finance cost	530,658	1.82%	557,607	4.02%
Taxes	647,248	2.22%	177,165	1.28%
Dividend	660,317	2.27%	396,190	2.85%
Retained for business	4,989,573	17.14%	1,867,700	13.45%
	29,110,373	100.0%	13,882,700	100.0%

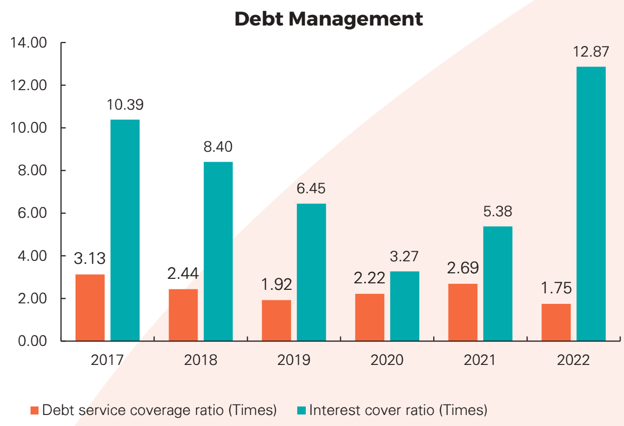


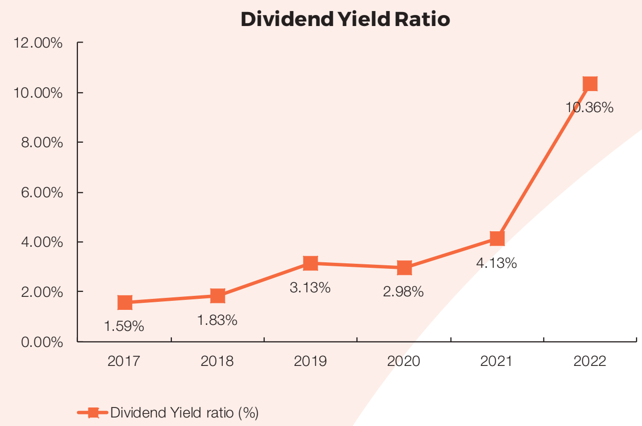


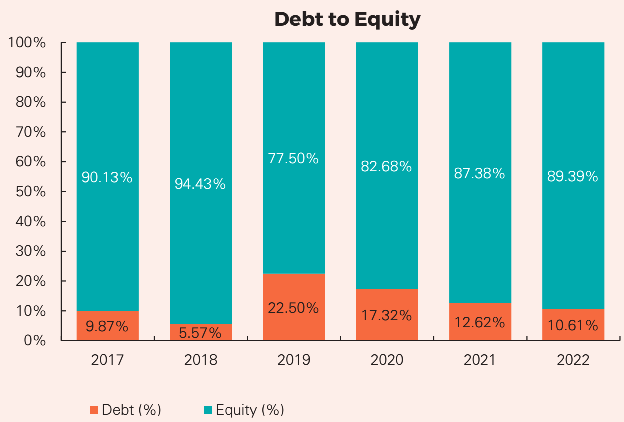
Financial Ratios

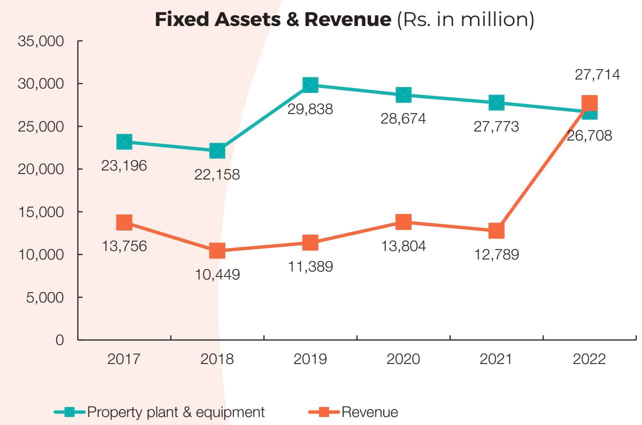
	UOM	2022	2021	2020	2019	2018	2017
Profitability ratios							
Profit before tax	%	**22.72**	19.10	18.70	21.55	17.74	22.55
GP ratio	%	**28.87**	22.45	33.10	27.33	22.69	29.40
Profit after tax	%	**20.39**	17.71	17.49	19.27	15.71	18.01
EBITDA margin to sales	%	**33.50**	39.86	26.93	25.50	20.14	24.95
Operating leverage ratio	%	**109.34**	262.46	131.97	422.53	160.91	404.25
Return on equity	%	**13.33**	6.10	6.96	6.73	5.24	8.30
Return on capital employed	%	**12.09**	5.32	5.81	5.40	4.87	7.42
Liquidity ratios							
Current ratio	%	**3.38**	3.71	3.16	2.68	3.12	2.74
Cash to current liabilities	Times	**1.74**	0.44	1.06	1.27	0.70	1.21
Cash flow from operations to sales	Times	**0.29**	0.25	0.19	0.18	0.12	0.18
Activity / turnover ratios							
Debtor turnover ratio	Times	**6.65**	4.15	4.80	4.15	3.87	6.39
Asset turnover ratio	Times	**0.52**	0.27	0.30	0.25	0.28	0.37
Fixed assets Turnover Ratio	Times	**0.88**	0.40	0.43	0.34	0.41	0.53
Market ratios							
Earnings per share	Rs.	**42.75**	17.14	18.27	16.62	12.43	18.75
Price earning ratio	Times	**1.13**	4.24	4.14	3.84	6.59	6.71
Price to book ratio	Times	**1.19**	2.06	2.18	1.87	2.88	4.42
Dividend yield ratio	%	**10.36**	4.13	2.98	3.13	1.83	1.59
Dividend payout ratio	Times	**0.12**	0.18	0.12	0.12	0.12	0.11
Dividend cover ratio	Times	**8.56**	5.71	8.12	8.31	8.28	9.38
Cash dividend	Rs.	**5.00**	3.00	2.25	2.00	1.50	2.00
Breakup value/share	Rs.	**320.93**	281.06	262.71	246.91	237.32	225.99
Share price at year end	Rs.	**48.26**	72.70	75.56	63.85	81.94	125.90
Share price - High	Rs.	**81.79**	97.90	107.00	88.99	155.25	213.00
Low	Rs.	**47.77**	64.00	50.01	47.13	80.00	90.37
Capital structure ratios							
Financial leverage ratio	Times	**0.11**	0.16	0.21	0.28	0.09	0.14
Debt service coverage ratio	Times	**1.75**	2.69	2.22	1.92	2.44	3.13
Debt to equity ratio	Times	**0.11**	0.13	0.17	0.22	0.06	0.10
Interest cover ratio	Times	**12.87**	5.38	3.27	6.45	8.40	10.39

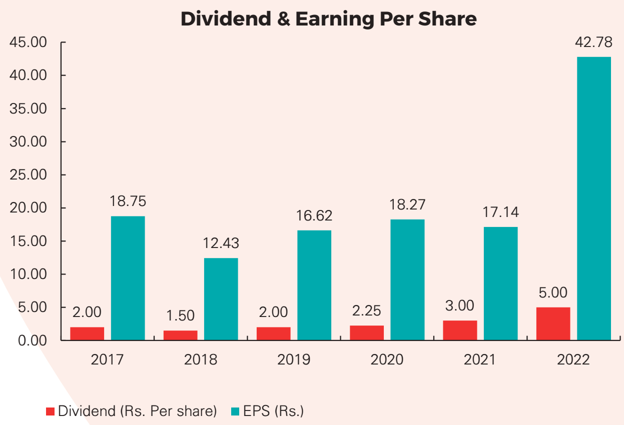
Graphical Analysis

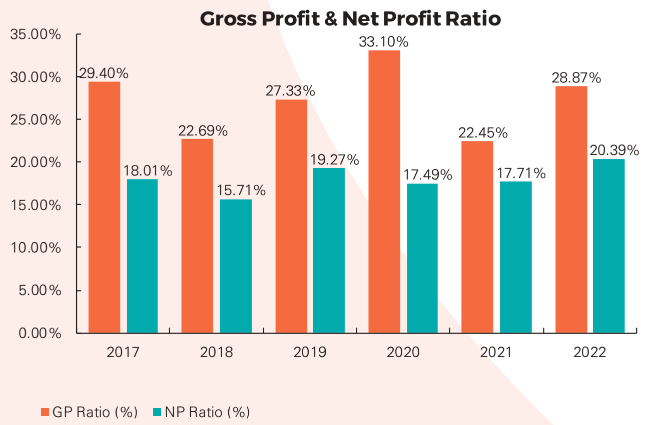




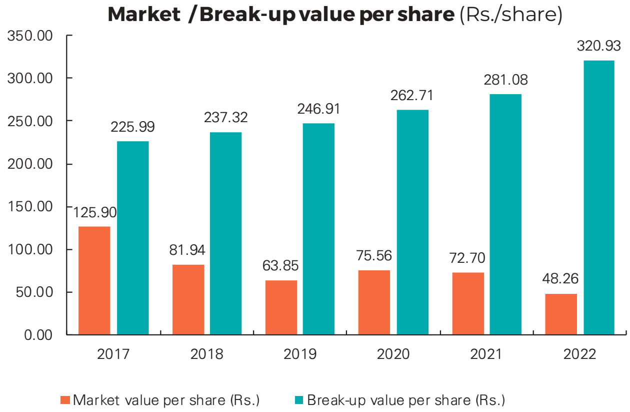




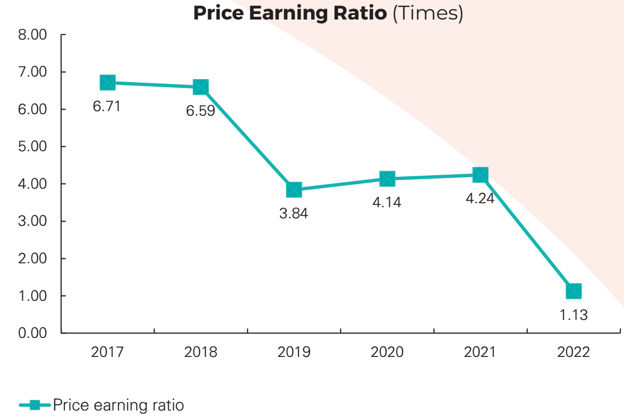




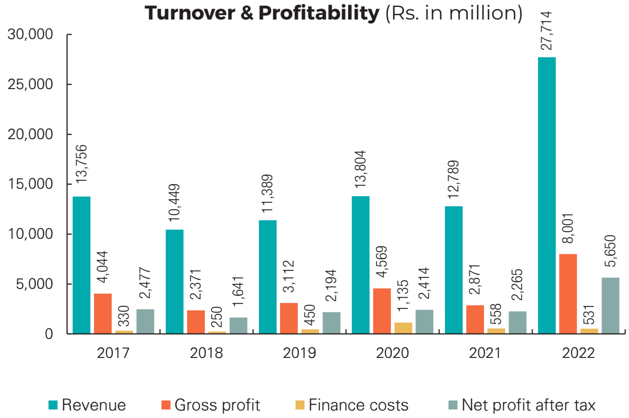
Market / Break-up value per share (Rs./share)



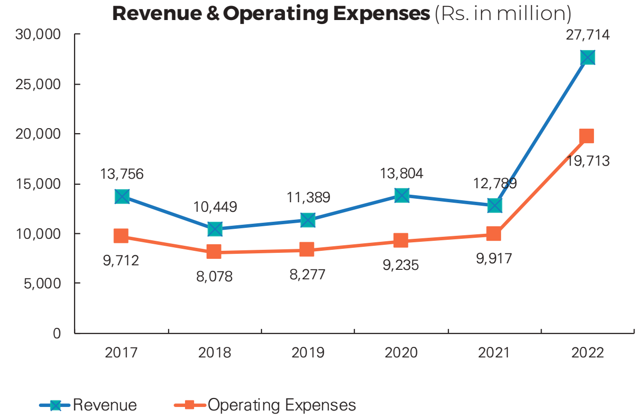
Price Earning Ratio (Times)



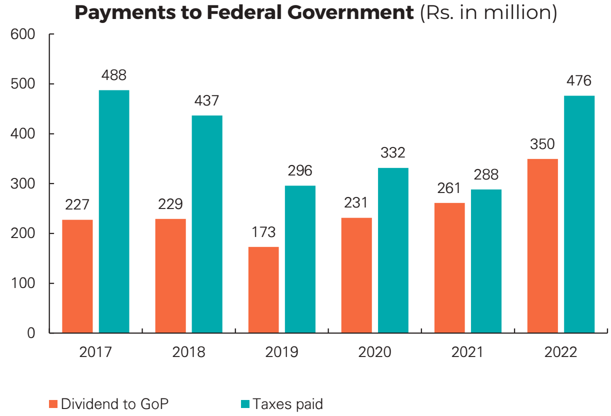
Turnover & Profitability (Rs. in million)



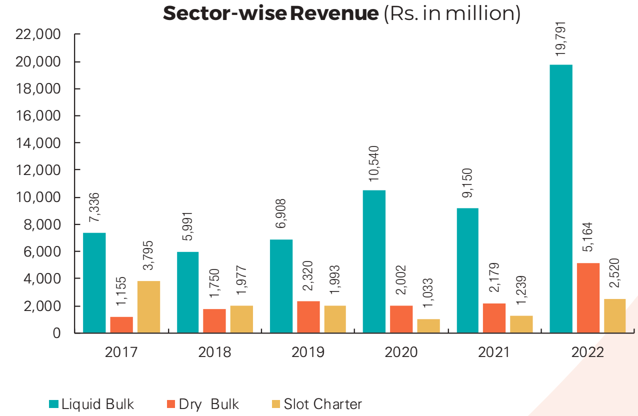
Revenue & Operating Expenses (Rs. in million)



Payments to Federal Government (Rs. in million)



Sector-wise Revenue (Rs. in million)



Horizontal Analysis (Group)

	2022		2021 Reclassified	
	'000	% change	'000	% change
Profit & Loss				
Revenues	27,714,195	117%	12,788,561	-7%
Expenditure	(19,713,292)	99%	(9,917,093)	7%
Gross profit	8,000,903	179%	2,871,468	-37%
Administrative expenses	(1,216,633)	18%	(1,034,518)	-8%
Impairment loss	(929,525)	-426%	285,266	-169%
Other expenses	(423,127)	95%	(216,557)	-19%
Finance costs	(530,658)	-5%	(557,607)	-51%
Other income	1,396,178	28%	1,094,139	15%
Profit before taxation	6,297,138	158%	2,442,191	-5%
Taxation	(647,248)	265%	(177,165)	6%
Profit after taxation	5,649,890	149%	2,265,026	-6%
Balance sheet				
Property, plant and equipment	26,708,229	-4%	27,772,552	-3%
Other non-current assets	4,201,180	5%	3,988,111	7%
Trade debts	5,311,573	76%	3,019,161	-4%
Cash and bank balances	5,414,650	415%	1,050,945	-77%
Other current assets	11,760,589	9%	10,760,215	86%
Total assets	53,396,221	15%	46,590,984	2%
Shareholder's equity	42,383,333	14%	37,117,412	7%
Employee benefits	713,135	5%	679,619	-11%
Long-term financing	3,547,219	-24%	4,684,138	-22%
Lease liabilities	104,746	-9%	114,805	5%
Current portion of long-term financing	949,793	-29%	1,334,965	0%
Other current liabilities	5,697,995	114%	2,660,045	-9%
Total equity and liabilities	53,396,221	15%	46,590,984	2%
Cash flow statement				
Cash flows from operating activities	7,977,086	152%	3,169,002	18%
Cash flows from investing activities	3,786,579	-188%	(4,299,152)	161%
Cash flows from financing activities	(1,927,259)	18%	(1,630,926)	-22%
Net increase / (decrease) in cash and cash equivalents	9,836,406	-456%	(2,761,076)	159%
Others				
Profit before tax	6,297,138	158%	2,442,191	-5%
Finance costs	530,658	-5%	557,607	-51%
Depreciation	2,457,794	17%	2,098,099	18%
EBITDA	9,285,590	82%	5,097,897	-7%
Profit before tax	6,297,138	158%	2,442,191	-5%
Finance costs	530,658	-5%	557,607	-51%
EBIT	6,827,796	128%	2,999,798	-19%

2020		2019		2018		2017	
'000	% change	'000	% change	'000	% change	'000	% change
13,803,576	21%	11,389,059	9%	10,448,805	-24%	13,755,959	3%
(9,234,891)	12%	(8,276,828)	2%	(8,078,156)	-17%	(9,712,092)	2%
4,568,685	47%	3,112,231	31%	2,370,649	-41%	4,043,867	4%
(1,120,281)	1%	(1,113,280)	4%	(1,067,115)	6%	(1,007,062)	9%
(411,138)	608%	(58,039)	10%	(52,963)	-85%	(361,635)	79%
(268,440)	-8%	(291,396)	7%	(272,852)	25%	(218,250)	-48%
(1,135,464)	152%	(450,153)	80%	(250,402)	-24%	(330,411)	-41%
948,384	-24%	1,255,068	11%	1,126,720	16%	975,254	30%
2,581,746	5%	2,454,431	32%	1,854,037	-40%	3,101,763	23%
(167,868)	-35%	(260,057)	22%	(212,916)	-66%	(624,948)	225%
2,413,878	10%	2,194,374	34%	1,641,121	-34%	2,476,815	7%
28,674,222	-4%	29,837,872	35%	22,158,254	-4%	23,195,568	-4%
3,724,070	8%	3,441,979	8%	3,195,784	15%	2,767,260	19%
3,141,103	20%	2,615,138	-9%	2,868,460	13%	2,537,805	44%
4,512,021	-19%	5,578,137	102%	2,764,179	-46%	5,161,772	141%
5,776,271	61%	3,582,304	-46%	6,629,193	66%	3,989,974	-34%
45,827,687	2%	45,055,430	20%	37,615,870	0%	37,652,379	3%
34,693,967	6%	32,608,336	4%	31,340,940	5%	29,844,723	8%
763,520	7%	711,259	18%	600,933	1%	592,356	-3%
6,010,153	-18%	7,335,925	321%	1,744,186	-41%	2,944,191	-29%
109,204	-	-	-	-	-	-	-
1,334,964	-24%	1,747,543	44%	1,210,172	0%	1,210,172	0%
2,915,879	10%	2,652,367	-2%	2,719,639	-11%	3,060,937	2%
45,827,687	2%	45,055,430	20%	37,615,870	0%	37,652,379	3%
2,684,111	33%	2,017,662	59%	1,270,944	-49%	2,499,823	-30%
(1,647,488)	-68%	(5,131,477)	132%	(2,207,660)	-211%	1,989,539	-182%
(2,102,739)	-135%	5,927,773	-506%	(1,460,877)	-1%	(1,470,968)	-37%
(1,066,116)	-138%	2,813,958	-217%	(2,397,593)	-179%	3,018,394	-358%
2,581,746	5%	2,454,431	32%	1,854,037	-40%	3,101,763	23%
1,135,464	152%	450,153	80%	250,402	-24%	330,411	-41%
1,770,878	34%	1,324,249	-9%	1,457,896	5%	1,385,461	12%
5,488,088	30%	4,228,833	19%	3,562,335	-26%	4,817,635	12%
2,581,746	5%	2,454,431	32%	1,854,037	-40%	3,101,763	23%
1,135,464	152%	450,153	80%	250,402	-24%	330,411	-41%
3,717,210	28%	2,904,584	38%	2,104,439	-39%	3,432,174	12%

Vertical Analysis (Group)

	2022		2021 Reclassified	
	'000	% change	'000	% change
Profit & Loss				
Revenues	27,714,195	100%	12,788,561	100%
Expenditure	(19,713,292)	-71%	(9,917,093)	-78%
Gross profit	8,000,903	29%	2,871,468	22%
Administrative expenses	(1,216,633)	-4%	(1,034,518)	-8%
Impairment loss / (reversal) on financial assets - net	(929,525)	-3%	285,266	2%
Other expenses	(423,127)	-2%	(216,557)	-2%
Finance costs	(530,658)	-2%	(557,607)	-4%
Other income	1,396,178	5%	1,094,139	9%
Profit before taxation	6,297,138	23%	2,442,191	19%
Taxation	(647,248)	-2%	(177,165)	-1%
Profit after taxation	5,649,890	20%	2,265,026	18%
Balance sheet				
Property, plant and equipment	26,708,229	50%	27,772,552	60%
Other non-current assets	4,201,180	8%	3,988,111	9%
Trade debts	5,311,573	10%	3,019,161	6%
Cash and bank balances	5,414,650	10%	1,050,945	2%
Other current assets	11,760,589	22%	10,760,215	23%
Total assets	53,396,221	100%	46,590,984	100%
Shareholder's equity	42,383,333	79.4%	37,117,412	79.7%
Employee benefits	713,135	1.3%	679,619	1.5%
Long-term financing	3,547,219	6.6%	4,684,138	10.1%
Lease liabilities	104,746	0.2%	114,805	0.2%
Current portion of long-term financing	949,793	1.8%	1,334,965	2.9%
Other current liabilities	5,697,995	10.7%	2,660,045	5.7%
Total equity and liabilities	53,396,221	100%	46,590,984	100%
Cash flow statement				
Cash flows from operating activities	7,977,086	81%	3,169,002	-115%
Cash flows from investing activities	3,786,579	38%	(4,299,152)	156%
Cash flows from financing activities	(1,927,259)	-20%	(1,630,926)	59%
Net increase / (decrease) in cash and cash equivalents	9,836,406	100%	(2,761,076)	100%
Others				
Profit before tax	6,297,138	68%	2,442,191	48%
Finance costs	530,658	6%	557,607	11%
Depreciation	2,457,794	26%	2,098,099	41%
EBITDA	9,285,590	100%	5,097,897	100%
Profit before tax	6,297,138	92%	2,442,191	81%
Finance costs	530,658	8%	557,607	19%
EBIT	6,827,796	100%	2,999,798	100%

2020		2019		2018		2017	
‘000	% change	‘000	% change	‘000	% change	‘000	% change
13,803,576	100%	11,389,059	100%	10,448,805	100%	13,755,959	100%
(9,234,891)	-67%	(8,276,828)	-73%	(8,078,156)	-77%	(9,712,092)	-71%
4,568,685	33%	3,112,231	27%	2,370,649	23%	4,043,867	29%
(1,120,281)	-8%	(1,113,280)	-10%	(1,067,115)	-10%	(1,007,062)	-7%
(411,138)	-3%	(58,039)	-1%	(52,963)	-1%	(361,635)	-3%
(268,440)	-2%	(291,396)	-3%	(272,852)	-3%	(218,250)	-2%
(1,135,464)	-8%	(450,153)	-4%	(250,402)	-2%	(330,411)	-2%
948,384	7%	1,255,068	11%	1,126,720	11%	975,254	7%
2,581,746	19%	2,454,431	22%	1,854,037	18%	3,101,763	23%
(167,868)	-1%	(260,057)	-2%	(212,916)	-2%	(624,948)	-5%
2,413,878	17%	2,194,374	19%	1,641,121	16%	2,476,815	18%
28,674,222	63%	29,837,872	66%	22,158,254	59%	23,195,568	62%
3,724,070	8%	3,441,979	8%	3,195,784	8%	2,767,260	7%
3,141,103	7%	2,615,138	6%	2,868,460	8%	2,537,805	7%
4,512,021	10%	5,578,137	12%	2,764,179	7%	5,161,772	14%
5,776,271	13%	3,582,304	8%	6,629,193	18%	3,989,974	11%
45,827,687	100%	45,055,430	100%	37,615,870	100%	37,652,379	100%
34,693,967	76%	32,608,336	72%	31,340,940	83%	29,844,723	79%
763,520	2%	711,259	2%	600,933	2%	592,356	2%
6,010,153	13%	7,335,925	16%	1,744,186	5%	2,944,191	8%
109,204	0.2%	-	-	-	-	-	-
1,334,964	3%	1,747,543	4%	1,210,172	3%	1,210,172	3%
2,915,879	6%	2,652,367	6%	2,719,639	7%	3,060,937	8%
45,827,687	100%	45,055,430	100%	37,615,870	100%	37,652,379	100%
2,684,111	-252%	2,017,662	72%	1,270,944	-53%	2,499,823	83%
(1,647,488)	155%	(5,131,477)	-182%	(2,207,660)	92%	1,989,539	66%
(2,102,739)	197%	5,927,773	211%	(1,460,877)	61%	(1,470,968)	-49%
(1,066,116)	100%	2,813,958	100%	(2,397,593)	100%	3,018,394	100%
2,581,746	47%	2,454,431	58%	1,854,037	52%	3,101,763	64%
1,135,464	21%	450,153	11%	250,402	7%	330,411	7%
1,770,878	32%	1,324,249	31%	1,457,896	41%	1,385,461	29%
5,488,088	100%	4,228,833	100%	3,562,335	100%	4,817,635	100%
2,581,746	69%	2,454,431	85%	1,854,037	88%	3,101,763	90%
1,135,464	31%	450,153	15%	250,402	12%	330,411	10%
3,717,210	100%	2,904,584	100%	2,104,439	100%	3,432,174	100%

"If a ship is **strong,** the ocean's tides do **not bother it.**"

Six Years at a Glance (PNSC)

	UOM	2021-2022	2020-2021 (Reclassified)	2019-2020	2018-2019	2017-2018	2016-2017
		(Rupees in '000)					
Profit & loss							
Revenue		10,412,448	2,598,011	1,953,042	3,287,614	4,873,768	8,517,814
Expenditure		(8,647,010)	(2,151,442)	(1,752,593)	(2,823,489)	(3,484,147)	(5,396,502)
Gross profit		1,765,438	446,569	200,449	464,125	1,389,621	3,121,312
Administrative & other expenses		(683,808)	(418,713)	(408,772)	(545,417)	(614,048)	(632,376)
Impairment (loss) / reversal on financial assets - net		(585,498)	280,348	(302,617)	(37,264)	(27,852)	(202,407)
Other income		1,465,365	1,042,376	887,965	1,123,655	976,247	902,415
Finance costs		(525,573)	(551,417)	(1,129,661)	(445,490)	(247,210)	(328,107)
Profit / (loss) before taxation		1,435,924	799,163	(752,636)	559,609	1,476,758	2,860,837
Taxation		(565,922)	(104,345)	(88,206)	(205,585)	(173,119)	(585,426)
Profit / (loss) after taxation		870,002	694,818	(840,842)	354,024	1,303,639	2,275,411
Balance sheet							
Non-current assets		43,612,839	43,422,518	42,655,967	42,519,747	33,789,362	33,337,092
Current assets		16,815,794	11,309,154	9,693,058	9,317,055	10,413,386	10,060,178
Total assets		60,428,633	54,731,672	52,349,025	51,836,802	44,202,748	43,397,270
Paid-up capital		1,320,634	1,320,634	1,320,634	1,320,634	1,320,634	1,320,634
Reserves		9,226,223	8,739,441	8,276,295	9,363,611	9,767,740	8,710,641
Surplus on revaluation of fixed assets		1,623,362	1,624,111	1,231,193	1,234,901	1,242,161	1,140,525
Share-holders' equity		12,170,219	11,684,186	10,828,122	11,919,146	12,330,535	11,171,800
Non-current liabilities		4,365,100	5,478,562	6,882,876	8,047,184	2,345,119	3,536,547
Current liabilities		43,893,314	37,568,924	34,638,027	31,870,472	29,527,094	28,688,923
		60,428,633	54,731,672	52,349,025	51,836,802	44,202,748	43,397,270
RATIOS							
Profitablility ratios							
Gross profit / operating revenue	%	16.96	17.19	10.26	14.12	28.51	36.64
Profit / (loss) before tax / operating revenue	%	13.79	30.76	(38.54)	17.02	30.30	33.59
Profit / (loss) after tax / operating revenue	%	8.36	26.74	(43.05)	10.77	26.75	26.71
Return on capital employed	%	5.26	4.05	(4.75)	1.77	8.88	15.47
Liquidity / leverage ratios							
Current ratio	Times	0.38	0.30	0.28	0.29	0.35	0.35
Fixed assets turnover ratio	Times	0.24	0.06	0.05	0.09	0.15	0.26
Equity / Total assets	%	20.14	21.35	20.68	22.99	27.90	25.74
Return to shareholders							
Earnings / (loss) per share	Rs.	6.59	5.26	(6.37)	2.68	9.87	17.23
Price / (loss) earning ratio	Rs.	7.33	13.82	(11.87)	23.82	8.30	7.31
Cash dividend	Rs. / share	5.00	3.00	2.25	2.00	1.50	2.00
Break-up value per share	Rs.	92.15	88.47	81.99	90.25	93.37	84.59
Share prices in rupees							
High		81.79	97.90	107.00	88.99	155.25	213.00
Low		47.77	64.00	50.01	47.13	80.00	90.37

Yousuf Adil
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Karachi - 75350, Pakistan

Grant Thornton Anjum Rahman
Chartered Accountants
1st & 3rd Floor, Modern Motors House,
Beaumont Road,
Karachi - 75530, Pakistan

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakistan National Shipping Corporation

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of Pakistan National Shipping Corporation ("the Corporation") for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Corporation. Our responsibility is to review whether the Statement of Compliance reflects the status of the Corporation's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Corporation's personnel and a review of various documents prepared by the Corporation to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Corporation's corporate governance procedures, and risks.

The Regulations require the Corporation to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance with this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Corporation's process for identification of related parties and whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to the attention that causes us to believe that the Statement of Compliance does not appropriately reflect the Corporation's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Corporation for the year ended June 30, 2022.

Yousuf Adil

Yousuf Adil
Chartered Accountants
Karachi
Date: September 30, 2022
UDIN: CR202210186GYHIrsR4i

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi
Date: September 30, 2022
UDIN: CR2022100932HcCAvLTE

YOUSUF ADIL

Grant Thornton

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

PAKISTAN NATIONAL SHIPPING CORPORATION

Year ended 30th June, 2022

The Corporation has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of directors are seven as per the following:

   a) Male : 7*
   b) Female : 0*

2. The composition of the Board of Directors (the Board) is as follows:

Category*	Names
Chairman & Chief Executive	Mr. Rizwan Ahmed
Non-Executive Director (appointed by Federal Government under the PNSC Ordinance, 1979).	Mr. Imdad Ullah Bosal Additional Finance Secretary (Expenditure) Mr. Kamran Farooq Ansari Joint Secretary Ministry of Maritime Affairs, Islamabad Syed Syedain Raza Zaidi The Director General (Ports & Shipping) Ministry of Maritime Affairs, Karachi. Mr. Muhammad Ali
Non-Executive Directors (elected by shareholders under the PNSC Ordinance, 1979).	Mr. Khowaja Obaid Imran Ilyas Captain Anwar Shah

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Corporation.

4. The Corporation has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Corporation along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Corporation. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Corporation.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the PNSC Ordinance 1979, Companies Act, 2017(the Act) and the Regulations.

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the PNSC Ordinance 1979, the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

8. The Board have a formal policy and transparent procedures for remuneration/meetings attendance fee of directors in accordance with the PNSC Regulations, 2004 framed under the PNSC Ordinance 1979, the Act and the Regulations.

9. As at 30 June 2022, all the Board of the directors have attended the Directors' Training Program.

10. During the year, the Board has approved the appointment of Head of Internal Audit including his remuneration and terms and conditions. No new appointment of Company Secretary and Chief Financial Officer (CFO) has been made during the year except their remuneration and terms and conditions of employment which was approved by the Board and the Board complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

(a) Audit and Finance Committee:

	Names	Designation
-	Mr. Khowaja Obaid Imran Ilyas	Chairman of Committee
-	Mr. Imdad Ullah Bosal Additional Finance Secretary (Expenditure), Finance Division Islamabad, (Ex-Officio Member).	Member
-	Mr. Kamran Farooq Ansari Joint Secretary Ministry of Maritime Affairs, Islamabad	Member
-	Syed Syedain Raza Zaidi The Director General (Ports & Shipping) Ministry of Maritime Affairs,Karachi.	Member
-	Captain Anwar Shah	Member
-	Mr. Talha bin Hamid	Secretary of the Committee

(b) HR, Nomination and CSR Committee:

	Names	Designation
-	Mr. Muhammad Ali	Chairman
-	Mr. Rizwan Ahmed	Member
-	Syed Syedain Raza Zaidi	Member
-	Mr. Khowaja Obaid Imran Ilyas	Member
-	Mr. Atique Sultan Raja	Secretary of the Committee

(c) Strategy and Risk Management Committee:

	Names	Designation
-	Mr. Muhammad Ali	Chairman
-	Mr. Imdad Ullah Bosal	Member
-	Mr. Kamran Farooq Ansari	Member
-	Capt. Anwar Shah	Member
-	Mr. S. Jarar Haider Kazmi	Secretary of the Committee

(d) Vessels Procurement Committee:

	Names	Designation
-	Mr. Rizwan Ahmed	Chairman
-	Mr. Muhammad Ali	Member
-	Mr. Khowaja Obaid Imran Ilyas	Member
-	Capt. Anwar Shah	Member
-	Mr. Khurram Mirza	Secretary of the Committee

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings: Audit & Finance Committee is held at least on quarterly basis and HR, Nomination and CSR Committee, Strategy and Risk Management Committee and Vessels Procurement Committee are held on as an when needed basis.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Corporation.

16. The statutory auditors of the Corporation have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer / chairman, chief financial officer, head of internal audit, company secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 8, 27, 32, 33 and 36 are below:

    a) Section 505 (1) (d) of the Companies Act, 2017 (the Act) allows companies governed by any special enactments to follow the provisions of their special enactments in case of any inconsistencies arising between the Act and their respective enactments. As the Corporation was established under PNSC Ordinance 1979, certain requirements of the PNSC Ordinance 1979 relating to composition of Board and its Committees prevail over the provisions of the Act as follows:

    b) Section 14 states that five directors are appointed by the Federal Government and two directors are elected by the Shareholders other than Federal Government.

    c) Section 19 inter alia, states that the Chairman shall direct and control, on behalf of the Board, the business and affairs of the Corporation, as its Chief Executive.

Rizwan Ahmed

Rizwan Ahmed
CHAIRMAN / CHIEF EXECUTIVE

DIRECTOR

Independent Auditor's Report and Consolidated Financial Statements of Pakistan National Shipping Corporation (Group)

For the year ended
June 30, 2022

Yousuf Adil
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN NATIONAL SHIPPING CORPORATION

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Pakistan National Shipping Corporation** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	**Impairment of trade debts** As disclosed in notes 6.7.3 and 17 to the annexed consolidated financial statements, the Group has recorded allowance for impairment of financial assets, using the Expected Credit Loss (ECL) model. Assessment of impairment allowance using ECL requires significant judgement, estimates and assumptions applied by the management including historical credit loss experience adjusted with forward-looking macro-economic information.	Our key audit procedures amongst others included the following: • Reviewed the methodology developed and applied by management to estimate the allowance for ECL against trade debts.

	We have considered assessment of ECL as a key audit matter due to significance of the estimates and judgements used by the management related to the calculation of allowance for ECL.	• Considered and evaluated the assumptions used in applying the ECL model based on historical information and qualitative factors as relevant for such estimates. • Assessed the integrity and quality of the data used for allowance for ECL computation based on the accounting records and information system of the Group as well as the external sources used for this purpose. • Checked the mathematical accuracy of the ECL model by performing recalculation. • Assessed the adequacy of related disclosures made in the annexed consolidated financial statements.
2.	**Contingencies** The Group has various contingent liabilities in respect of income / sales tax matters and claims from employees and customers which are pending adjudication before the relevant regulatory authorities and the courts of law as disclosed in notes 33.1 to 33.20 the annexed consolidated financial statements. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Group regarding disclosure, recognition and measurement of any provision that may be required against such contingencies. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of the matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingencies as a key audit matter.	Our key audit procedures amongst others included the following: • Obtained an understanding of the Group's processes and controls over litigations through meetings with the management, in-house legal department and review of the minutes of the Board of Directors and the Board Audit Committee. • Reviewed correspondence of the Group with regulatory departments, tax authorities (including judgments and orders passed by competent authorities from time to time, where applicable) and the Group's external counsel. Where relevant, also assessed external legal / tax advices obtained by the Group. • Discussed open matters and developments with the in-house legal department of the Group. • Involved internal tax professionals to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of management and external tax advisors engaged by the Group. • Circularized confirmations to the Group's external legal and tax advisors for their views and assessment on the pending cases. • Assessed the adequacy and appropriateness of related disclosures in the annexed consolidated financial statements for compliance with the requirement of the applicable financial reporting framework.

Yousuf Adil
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KCHSU, Shahrah-e-Faisal,
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1st & 3rd Floor, Modern Motors House,
Beaumont Road,
Karachi - 75530, Pakistan

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

YOUSUF ADIL

Grant Thornton

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The consolidated financial statements of the Group for the year ended June 30, 2021 were audited by KPMG Taseer Hadi & Co. Chartered Accountants and Grant Thornton Anjum Rahman Chartered Accountants who had expressed an unmodified opinion thereon dated October 06, 2021.

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

Yousuf Adil

Yousuf Adil
Chartered Accountants
Karachi
Date: September 30, 2022
UDIN: AR202210186WpKF3TB48

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi
Date: September 30, 2022
UDIN: AR202210093IdPuEVJ8H

YOUSUF ADIL

GrantThornton

Consolidated Statement of Financial Position
As at June 30, 2022

	Note	June 30, 2022	June 30, 2021
		----------------(Rupees in '000)--------------	
ASSETS			
Non-current assets			
Property, plant and equipment	8	26,708,229	27,772,552
Right-of-use assets	9	93,312	105,653
Intangible assets	10	51,806	39,436
Investment properties	11	3,949,584	3,687,374
Long-term investments in:			
- Related party (an associate)	12	-	-
- Listed companies and other entity	13	38,858	49,359
Long-term loans	14	20,374	8,144
Deferred taxation - net	15	47,246	98,145
		30,909,409	31,760,663
Current assets			
Stores and spares	16	1,767,463	1,647,781
Trade debts - unsecured	17	5,311,573	3,019,161
Agents' and owners' balances - unsecured	18	15,707	7,617
Loans and advances	19	365,002	94,537
Trade deposits and short-term prepayments	20	39,338	19,213
Interest accrued on bank deposits and short-term investments		114,970	102,298
Other receivables	21	360,085	414,388
Incomplete voyages	22	100,784	173,265
Insurance claims		81,495	91,049
Taxation - net		1,488,254	1,603,883
Short-term investments	23	7,427,491	6,606,184
Cash and bank balances	24	5,414,650	1,050,945
		22,486,812	14,830,321
TOTAL ASSETS		53,396,221	46,590,984
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY			
Authorised share capital			
200,000,000 (2021: 200,000,000) ordinary shares of Rs 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up share capital	25	1,320,634	1,320,634
Reserves			
Capital reserve		131,344	131,344
Revenue reserves		39,518,993	34,262,953
Remeasurement of post retirement benefits obligation - net of tax		(221,783)	(228,098)
Surplus on revaluation of property, plant and equipment - net of tax	8.10	1,623,362	1,624,111
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY		41,051,916	35,790,310
NON-CONTROLLING INTEREST	26	10,783	6,468
TOTAL EQUITY		42,383,333	37,117,412
Non-current liabilities			
Long-term financing - secured	27	3,547,219	4,684,138
Lease liabilities	28	104,746	114,805
Employee benefits	29	713,135	679,619
		4,365,100	5,478,562
Current liabilities			
Trade and other payables	30	5,306,228	2,363,050
Contract liabilities	31	240,253	182,564
Provision against damage claims	32	42,307	19,012
Current portion of long-term financing	27	949,793	1,334,965
Current portion of lease liabilities	28	6,804	1,803
Unclaimed dividend		87,245	77,498
Accrued mark-up on long-term financing		15,158	16,118
		6,647,788	3,995,010
TOTAL LIABILITIES		11,012,888	9,473,572
TOTAL EQUITY AND LIABILITIES		53,396,221	46,590,984
CONTINGENCIES AND COMMITMENTS	33		

The annexed notes 1 to 59 form an integral part of these consolidated financial statements.

Syed Jarar Haider Kazmi	Rizwan Ahmed	Khowaja Obaid Imran Ilyas
Chief Financial Officer	Chairman & Chief Executive	Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2022

	Note	June 30, 2022	June 30, 2021
		-------------(Rupees in '000)-------------	
REVENUE FROM CONTRACTS WITH CUSTOMERS			
Income from shipping business	34	23,572,426	12,019,367
Other operating activities	35	3,902,755	548,578
Rental income		239,014	220,616
		27,714,195	12,788,561
EXPENDITURE			
Fleet expenses - direct	36	(19,579,589)	(9,786,809)
Fleet expenses - indirect	37	(16,289)	(16,928)
Real estate expenses	38	(117,414)	(113,356)
		(19,713,292)	(9,917,093)
GROSS PROFIT		8,000,903	2,871,468
Administrative expenses	39	(1,216,633)	(1,034,518)
Impairment (loss) / reversal on financial assets - net	40	(929,525)	285,266
Other expenses	41	(423,127)	(216,557)
Other income	42	1,396,178	1,094,139
		(1,173,107)	128,330
OPERATING PROFIT		6,827,796	2,999,798
Finance costs	43	(530,658)	(557,607)
PROFIT BEFORE TAXATION		6,297,138	2,442,191
Taxation	44	(647,248)	(177,165)
PROFIT FOR THE YEAR		5,649,890	2,265,026
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of post-retirement benefits obligation	29.1.8 & 29.2.5	7,232	88,759
- Related tax	15.1	(917)	(25,740)
		6,315	63,019
- Revaluation of property, plant and equipment		-	412,821
- Related tax	15.1	5,906	(17,453)
		5,906	395,368
		12,221	458,387
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,662,111	2,723,413
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the Holding Company		5,645,575	2,263,779
Non-controlling interest	26	4,315	1,247
		5,649,890	2,265,026
TOTAL COMREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Holding Company		5,657,796	2,722,166
Non-controlling interest	26	4,315	1,247
		5,662,111	2,723,413
		------------------(Rupees)------------------	
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY - basic and diluted	45	42.75	17.14

The annexed notes 1 to 59 form an integral part of these consolidated financial statements.

Syed Jarar Haider Kazmi	Rizwan Ahmed	Khowaja Obaid Imran Ilyas
Chief Financial Officer	Chairman & Chief Executive	Director

Consolidated Statement of Changes in Equity

For the year ended June 30, 2022

	Attributable to the owners of the Holding Company									
			Revenue reserves							
	Issued, subscribed and paid-up share capital	Capital reserve*	General reserve	Unappropri-ated profit	Sub-total revenue reserves	Remeasur-ement of post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total reserves	Non-controlling interest (refer note 26)	Total equity
	(Rupees in '000)									
Balance as at July 1, 2020	1,320,634	131,344	129,307	32,164,560	32,293,867	(291,117)	1,231,193	33,365,287	5,221	34,691,142
Transactions with owners										
Final cash dividend for the year ended June 30, 2020 paid to shareholders of the Holding Company @ Rs 2.25 per ordinary share	-	-	-	(297,143)	(297,143)	-	-	(297,143)	-	(297,143)
Comprehensive income for the year										
Profit for the year	-	-	-	2,263,779	2,263,779	-	-	2,263,779	1,247	2,265,026
Other comprehensive income for the year	-	-	-	-	-	63,019	395,368	458,387	-	458,387
Total comprehensive income for the year	-	-	-	2,263,779	2,263,779	63,019	395,368	2,722,166	1,247	2,723,413
Transferred from surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	2,450	2,450	-	(2,450)	-	-	-
Balance as at June 30, 2021	1,320,634	131,344	129,307	34,133,646	34,262,953	(228,098)	1,624,111	35,790,310	6,468	37,117,412
Transactions with owners										
Final cash dividend for the year ended June 30, 2021 paid to shareholders of the Holding Company @ Rs 3.00 per ordinary share	-	-	-	(396,190)	(396,190)	-	-	(396,190)	-	(396,190)
Comprehensive income for the year										
Profit for the year	-	-	-	5,645,575	5,645,575	-	-	5,645,575	4,315	5,649,890
Other comprehensive income for the year	-	-	-	-	-	6,315	5,906	12,221	-	12,221
Total comprehensive income for the year	-	-	-	5,645,575	5,645,575	6,315	5,906	5,657,796	4,315	5,662,111
Transferred from surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	6,655	6,655	-	(6,655)	-	-	-
Balance as at June 30, 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

* 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 59 form an integral part of these consolidated financial statements.

Syed Jarar Haider Kazmi
Chief Financial Officer

Rizwan Ahmed
Chairman & Chief Executive

Khowaja Obaid Imran Ilyas
Director

Consolidated Statement of Cash Flows

For the year ended June 30, 2022

	Note	June 30, 2022	June 30, 2021
		--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	46	9,094,147	4,085,467
Employees' gratuity paid	29.1.6	(23,847)	(10,859)
Employees' compensated absences paid	29.2.4	(81,085)	(63,094)
Post-retirement medical benefits paid	29.1.6	(14,785)	(22,096)
Long term loans		(12,230)	3,683
Finance costs paid		(509,044)	(537,962)
Taxes paid		(476,070)	(286,137)
Net cash generated from operating activities		7,977,086	3,169,002
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,410,571)	(720,306)
Proceeds from disposal of property, plant and equipment	42	1,762	42,840
Addition to intangible asset	10	(12,370)	(26,545)
Additions to investment properties	11	(20,179)	(1,000)
Short-term investments - net		4,651,394	(3,947,349)
Interest received on short-term investments		565,735	352,498
Dividend received	42	10,808	710
Net cash generated from / (used in) investing activities		3,786,579	(4,299,152)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing repaid	27.7	(1,527,550)	(1,334,965)
Lease rentals paid		(13,266)	(7,329)
Dividends paid		(386,443)	(288,632)
Net cash used in financing activities		(1,927,259)	(1,630,926)
Net increase / (decrease) in cash and cash equivalents		9,836,406	(2,761,076)
Cash and cash equivalents at the beginning of the year		1,750,945	4,512,021
Cash and cash equivalents at the end of the year	47	11,587,351	1,750,945

The annexed notes 1 to 59 form an integral part of these consolidated financial statements.

Syed Jarar Haider Kazmi
Chief Financial Officer

Rizwan Ahmed
Chairman & Chief Executive

Khowaja Obaid Imran Ilyas
Director

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2022

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 fromed and registered under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), respectively. The Group is principally engaged in the business of shipping, including charter of vessels, transportation of cargo and other related services. The Group is also engaged in renting out its properties to tenants under lease agreements. The Group's registered office is situated at PNSC Building, Moulvi Tamizuddin Khan Road, Karachi except for Pakistan Co-operative Ship Stores (Private) Limited which is situated at 70/4, Timber Pond, N.M Reclamation Kemari, Karachi.

The Group consists

Holding company

- Pakistan National Shipping Corporation

Subsidiary companies	Percentage of Shareholding
- 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 Co-operative Ship Stores (Private) Limited**	73
- 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
Associate	
- Muhammadi Engineering Works (Private) Limited	49

During the year, the Board of Directors of the Holding Company in their meeting held on June 06, 2022 resolved to priortize the sale or scrap of Karachi vessel at completion of its useful life on January 22, 2023. Therefore, the financial statements of Karachi Shipping (Private) Limited have been prepared on basis other than going concern.

* These wholly owned subsidiaries operate one vessel / tanker.
** These wholly owned subsidiaries currently do not own any vessel.

2 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and

- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

3 BASIS OF MEASUREMENT

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

3.2 These consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

4 BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and all of its subsidiaries.

4.1 Subsidiaries

Subsidiaries are entities controlled by the Holding Company. The Holding Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in these consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting year as the Holding Company, using consistent accounting policies.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interest that do not result in loss of control as transactions with equity owners of the Group. For purchase of interest from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the equity is remeasured to its fair value, with the change in carrying amount recognised in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial assets. In addition, any amount previously recognised in other comprehensive income in respect to that entity are accounted for as if the Group had directly disposed off the related assets and liabilities.

4.2 Associates

Associates are those entities in which the Holding Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Holding Company holds between 20 and 50 percent of the voting power of another entity or when the Holding Company has significant influence through common directorship(s).

Group's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

5 STANDARDS, INTERPRETATIONS, AMENDMENTS AND IMPROVEMENTS APPLICABLE TO FINANCIAL STATEMENTS

5.1 New accounting standards and amendments that are effective for the year ended June 30, 2022

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 1, 2021. These are considered not to be relevant or do not have any significant effect on the Group's financial statements and are therefore not stated in these financial statements.

5.2 New accounting standards and amendments that are not yet effective

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

	Effective from Accounting period beginning on or after
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid standards and amendments,IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented:

6.1 Property, plant and equipment

These are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any, except for leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment which are carried at revalued amounts less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The value assigned to leasehold land is not depreciated as the leases are expected to be renewed for further periods on payment of relevant rentals. Annual lease rentals are charged to profit or loss and premium paid at the time of renewal, if any, is amortised over the remaining period of the lease.

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalized and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the statement of profit or loss as an expense when it is incurred.

Cost in relation to vessel includes cost of acquisition and other related expenses incidental to the purchase of vessel accumulated to the date the vessel is commissioned into service. Major spare parts and stand-by equipment are recognized as property, plant and equipment when the Company expects to use them for more than one year. Upon acquisition of a vessel, the components of the vessel which are required to be replaced at the next drydocking are identified and the estimate of the cost to be incurred is determined. The cost of these components are depreciated over a period to the next estimated drydocking date.

Deferred charges represent drydocking expenditure incurred for major overhauls of vessels, which is deferred when incurred and depreciated over a period from the current drydocking date to the next estimate drydocking date. When significant drydocking expenditures recur prior to the expiry of the depreciation period, the remaining carrying value of the previous drydocking is written-off. Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred.

Depreciation is charged to profit or loss applying the straight-line method at the rates specified in note 8.1. No depreciation is charged if the asset's residual value exceeds its carrying amount. Full month's depreciation is charged from the month the asset is available for intended use and no depreciation is charged in the month of disposal.

Residual values, useful lives and methods of depreciation are reviewed at each reporting date and adjusted, if expectations differ significantly from previous estimates.

The revaluation of related assets is carried out at regular intervals to ensure that the carrying amounts do not differ materially from those which would have been determined using fair values at the reporting date. Increase in the carrying amounts arising on revaluation of leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment is recognised, net of tax, in other comprehensive income and accumulated in surplus on revaluation of fixed assets in statement of changes in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss.

Decrease in the carrying amounts arising as a result of revaluation, that reverses previous increase of the same asset is first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decrease are charged to profit or loss.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset’s original cost, net of tax, is reclassified from the revaluation surplus on property, plant and equipment to unappropriated profit. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the assets and the net amount is restated to the revalued amount of the assets. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to unappropriated profit. The revaluation reserve is not available for distribution.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals determined by comparing proceeds with carrying amount of the relevant assets are included in profit or loss.

6.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when these assets are available for intended use.

6.3 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group does not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

6.4 Intangible assets

These are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is charged to profit or loss by applying straight-line method whereby the cost less residual value, if not insignificant, of an asset is written off over its estimated useful life to the Holding Company. Full month's amortisation is charged from the month the asset is available for intended use and no amortisation is charged in the month of disposal. Gains and losses on disposals determined by comparing proceeds with carrying amount of the relevant assets are included in profit or loss.

6.5 Investment properties

Properties held for long-term rental yields which are significantly rented out by the Group are classified as investment properties.

Investment properties are measured initially at cost, including related transaction costs directly attributable to acquisition. After initial recognition at cost, investment properties are carried at their fair values based on market value determined by professional independent valuers with sufficient regularity. Fair values are based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Gain or loss arising as a result of fair valuation is charged to profit or loss.

Additions to investment properties consist of costs of a capital nature. The profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus capital expenditure in the period.

6.6 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

6.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

6.7.1 Financial assets

a) Initial recognition and measurement

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; (FVOCI) – equity investment; or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade debt without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

b) Subsequent measurement

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses including on account of derecognition are recognised in OCI and are never reclassified to profit or loss.

6.7.2 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Group becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed dividend, accrued mark-up and trade and other payables. The Group derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

Loans and borrowings

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost using the effective interest rate (EIR) method, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss account over the period of the borrowings using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

6.7.3 Impairment of financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost. The Group uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Group has established a provision matrix that is based on The Group's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

At each reporting date, the Group assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

6.7.4 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the consolidated financial statements if the Group has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

6.8 Stores and spares

Stores and spares are stated at lower of cost and net realisable value. Cost is determined as follows:

- Stores at weighted average cost; and
- Spares on first-in first-out basis.

Stores and spares in transit are valued at cost incurred upto the reporting date.

Certain spares having low value and high consumption levels are charged to profit or loss at the time of purchase.

The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence, if there is any change in the usage pattern and physical form.

6.9 Trade debts, agents' and owners' balances, loans, deposits and other receivables

Trade debts, agents' and owners' balances, loans, deposits and other receivables are stated initially at fair value and subsequently measured at amortised cost less an allowance for ECL. Allowance for ECL is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts, agents' and owners' balances, loans, deposits and other receivables. Bad debts, if any, are written off when considered irrecoverable.

6.10 Incomplete voyage

An asset is booked as incomplete voyage when revenue in respect of voyage charter is deferred to the next financial year due to non-satisfaction of performance obligation as at balance sheet date. Incomplete voyages include the direct and indirect expenses attributable to the voyage charter. These are stated at cost.

6.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Corporation, management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

6.11.1 Current tax

Provision for current taxation is based on taxable income for the year at corporate tax or alternative corporate tax, whichever is higher.

Corporate tax means tax payable by the Group at the current rates of taxation after taking into account tax credits and tax rebates available, if any, and tax paid on final tax basis or minimum tax on turnover whichever is higher.

Alternative corporate tax means the tax payable by the Group at prescribed rate applied on accounting profit before tax.

The charge for current taxation is based on taxable income at the current prevailing rates of taxation in accordance with the Income Tax Ordinance, 2001. Current tax in respect of voyage charter is taxable under Final Tax Regime (FTR) under section 7A of the Income Tax Ordinance, 2001. The impact of prior year tax, if any, is charged to profit or loss.

6.11.2 Deferred tax

Deferred tax is provided using the balance sheet liability method for all temporary differences arising at the reporting date, between tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilised. Deferred tax is recorded at the current prevailing rate of taxation.

The Group recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

6.12 Insurance claims

Insurance expenses relating to hull are charged to profit or loss and claims filed there against are taken to profit or loss when such claims are accepted by the underwriters.

Afloat medical expenses, cargo claims and other relevant amounts recoverable from underwriters are taken to insurance claims receivable.

6.13 Lease liabilities

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments less any incentive received, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option and if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit and loss if the carrying amount of right-to-use asset has been reduced to zero.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

The lease liability is remeasured when the Group reassesses the reasonable certainty of exercise of extension or termination option upon occurrence of either a significant event or a significant change in circumstance, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payment. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increase the scope of lease by adding the right-to-use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

6.14 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

6.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate .

6.16 Dividend and appropriations

Dividend distribution to the Holding Company’s shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved.

6.17 Employee benefits

6.17.1 Defined contribution plan - Provident fund

The Group operates an approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Group and its employees, to the fund at the rate of 10 percent of the basic salaries of employees. Contributions by the Group are charged to profit or loss for the year.

6.17.2 Defined benefit plans - Gratuity fund

The Group operates a funded retirement gratuity scheme for its permanent employees other than those who joined the Group on or after October 16, 1984. Further, the Group also operates an unfunded retirement gratuity scheme for contractual employees. Provisions are made in the consolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually under the projected unit credit method. The latest valuation was carried out as at June 30, 2022. The remeasurement of defined benefit plan is recognised directly to equity through other comprehensive income net of tax.

The benefit is payable on completion of prescribed qualifying period of service under these schemes.

The Group's crew members are also entitled to gratuity in accordance with the Pakistan Maritime Board Regulations. However, these employee benefits are recognised upon payment as the amounts involved are not material.

6.17.3 Defined benefit plan - Post-retirement medical benefits

The Group provides lump sum medical allowance and free medical facilities to its retired employees in accordance with the service regulations.

During the year ended June 30, 2014, the Group introduced the policy of post-retirement medical benefits for its shore based contractual employees with effect from October 29, 2013.

Provisions are made in the consolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually using the projected unit credit method. The latest valuation was carried out as at June 30, 2022. The remeasurement of post-retirement benefit obligation is recognised directly to equity through OCI.

The benefit is payable on completion of prescribed qualifying period of service under these schemes.

With effect from July 01, 2020, the Group has decided to restrict the Post-retirement medical benefits facility for contractual employees.

6.18 Employees' compensated absences

The Group accounts for the liability in respect of employees' compensated absences in the year in which these are earned.

Provisions are made in the consolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually using the projected unit credit method. The latest valuation was carried out as at June 30, 2022. The remeasurement of employees' compensated absences are charged to profit or loss for the year.

6.19 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques in hand, bank balances and other short-term highly liquid investments with maturities of three months or less.

6.20 Foreign currency transactions and translation

Foreign currency transactions are recorded using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupee using the exchange rate ruling at the reporting date. Foreign exchange gain or losses resulting from the settlement of foreign currency transactions and translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are recognised in profit or loss.

6.21 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Moreover, the considerations received before satisfying the performance obligations are recognised as contract liabilities. Revenue from contract with customers is recognised net of variable consideration wherever applicable as more fully explained below.

Performance obligations

Information about the Group's performance obligations are summarised below:

Voyage charter revenue

Revenue in respect of freight income is recognized at a point in time when the cargo is discharged and control of the cargo is transferred to the customer, i.e., on completion of the voyage. Voyages are taken as complete when a vessel arrives at the last port of discharge and completes discharge of entire cargo on or before the date of statement of financial position. Revenue from voyage charter revenue is recorded net of overage premium and ocean losses based on the respective contract with the customers and is shown as deduction from gross revenue.

Time charter revenue

Revenue in respect of freight income for a period of time, i.e., on time charter basis are recognized over time on per day basis for the period for which the vessel is under the control of the charterer as per terms of charter party agreement.

Slot charter revenue

Revenue in respect of slot charter in foreign flag vessels is recognised at the point in time when the vessel arrives at the discharging port.

Others

- Rental income is recognised as revenue on a straight-line basis over the term of the respective lease arrangements.
- Dividend income is recognised when the Group's right to receive the dividend is established.
- Mark-up on bank accounts, return on short-term investments and other income is recognised on accrual basis.
- Demurrage income due as per contractual terms is recognised on estimated basis, based on past experience of settlements and recent recovery trends.

6.22 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

6.23 Benazir Employees' Stock Option Scheme

On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees’ Stock Option Scheme (the Scheme) for eligible employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises (non-SOEs) where GoP holds significant investments. To administer the Scheme, the GoP transferred 12% of its investment to BESOS Trust Fund (the Trust) created for the purpose by each of such entities.

Keeping in view the difficulties that may be faced by the entities covered under the Scheme, SECP on receiving representation from some of the entities covered under the scheme and after having consulted the Institute of Chartered Accountants of Pakistan vide their letter number CAIDTS/PS& TAC/2011-2036 dated February 2, 2011 granted exemption to such entities from the application of IFRS 2 (Share based payment) to the Scheme vide SRO 587 (1)/2011 dated June 7. 2011.

The Supreme Court of Pakistan (SCP), vide its detailed judgment dated December 22, 2021, has declared the BESOS Scheme ultra vires. Accordingly, the appropriate measures in collaboration with relevant stakeholders are being taken by the Holding Company to implement the decision of the SCP.

6.24 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

6.25 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

7. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to these consolidated financial statements:

(a) Valuation of certain property, plant and equipment and investment properties (notes 6.1, 6.5, 8 and 11);

(b) Depreciation rate and determination of the residual values of property, plant and equipment (notes 6.1 and 8);

(c) Allowance for ECL of on trade debts, agents' and owners' balances, other receivables and other financial assets (notes 6.6, 17, 18, 20 and 21);

(d) Provision for current and deferred tax (notes 6.11, 15 and 44);

(e) Accounting for provision against damage claims (notes 6.15 and 32);

(f) Accounting for employee benefits and compensated absences (notes 6.17 and 29);

(g) Recognition of demurrage income, income from heating and miscellaneous claims (notes 6.21 and 34);

(h) Contingencies and Commitments (notes 6.23 and 33); and

(i) Provision for slow moving stores and spares (notes 6.9 and 16).

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.

8. PROPERTY, PLANT AND EQUIPMENT	Note	June 30, 2022	June 30, 2021
		--------------(Rupees in '000)--------------	
- Operating fixed assets	8.1	25,799,614	26,970,426
- Major spare parts and stand-by equipment	8.8	781,917	736,178
- Capital work-in-progress - buildings on leasehold land	8.11	126,698	65,948
		26,708,229	27,772,552

8.1 Operating fixed assets

	Leasehold land (notes 8.2 - 8.5)	Buildings on leasehold land (notes 8.2 - 8.5)	Vessel fleet (note 8.6) Cost	Vessel fleet (note 8.6) Drydocking	Vessel fleet (note 8.6) Total	Vehicles	Office equipment	Furniture and fittings	Equipment on board	Beach huts (notes 8.2 - 8.5)	Workshop machinery and equipment (notes 8.4 & 8.5)	Computer equipment	Total
	-----	-----	-----	-----	-----	-----	(Rupees in '000)	-----	-----	-----	-----	-----	-----
Year ended June 30, 2021													
Opening net book value	1,086,960	699,435	25,656,023	528,822	26,184,845	15,649	15,514	7,098	15,973	12,997	7,103	22,288	28,067,862
Additions	-	3,105	-	384,264	384,264	-	1,612	841	65,029	-	-	8,003	462,854
Disposals													
- Cost	-	-	-	-	-	(42,844)	-	-	-	-	-	-	(42,844)
- Accumulated Depreciation	-	-	-	-	-	42,844	-	-	-	-	-	-	42,844
	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation surplus	312,820	90,432	-	-	-	-	-	-	-	6,872	2,697	-	412,821
Transfers	-	-	-	-	-	-	(1,776)	-	-	-	-	1,776	-
Depreciation charge for the year - note 8.7 & 8.8	-	(33,880)	(1,523,062)	(451,390)	(1,974,452)	(3,963)	(3,756)	(1,166)	(8,156)	(1,627)	(1,447)	(10,777)	(2,039,224)
Impairment / reversal	-	(5,366)	71,479	-	71,479	-	-	-	-	-	-	-	66,113
Closing net book value	1,399,780	753,726	24,204,440	461,696	24,666,136	11,686	11,594	6,773	72,846	18,242	8,353	21,290	26,970,426
As at June 30, 2021													
Cost or revalued amount	1,086,960	780,429	35,654,220	3,005,925	38,660,145	42,393	75,819	40,613	113,933	16,251	21,528	109,689	40,947,760
Accumulated depreciation	-	(102,116)	(11,449,780)	(2,544,229)	(13,994,009)	(30,707)	(64,225)	(33,840)	(41,087)	(4,881)	(15,872)	(88,399)	(14,375,136)
Accumulated impairment loss	-	(15,019)	-	-	-	-	-	-	-	-	-	-	(15,019)
Revaluation surplus	312,820	90,432	-	-	-	-	-	-	-	6,872	2,697	-	412,821
Net book value	1,399,780	753,726	24,204,440	461,696	24,666,136	11,686	11,594	6,773	72,846	18,242	8,353	21,290	26,970,426
	-												
Year ended June 30, 2022													
Opening net book value	1,399,780	753,726	24,204,440	461,696	24,666,136	11,686	11,594	6,773	72,846	18,242	8,353	21,290	26,970,426
Additions including transfer	-	29,298	-	1,028,954	1,028,954	9,714	5,113	1,620	35,260	-	-	8,677	1,118,636
Disposals / Adjustments													
- Cost	-	-	-	(1,680,163)	(1,680,163)	-	(4,546)	(41)	-	-	-	(33,271)	(1,718,021)
- Accumulated Depreciation	-	-	-	1,680,163	1,680,163	-	4,546	41	-	-	-	33,271	1,718,021
	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year - note 8.8 & 8.7	-	(34,943)	(1,572,108)	(620,998)	(2,193,106)	(4,185)	(3,782)	(1,827)	(35,228)	(1,826)	(1,313)	(13,238)	(2,289,448)
Closing net book value	1,399,780	748,081	22,632,332	869,652	23,501,984	17,215	12,925	6,566	72,878	16,416	7,040	16,729	25,799,614
As at June 30, 2022													
Cost or revalued amount	1,399,780	900,159	35,654,220	2,354,716	38,008,936	52,107	76,386	42,192	149,193	23,123	24,225	85,095	40,761,196
Accumulated depreciation	-	(137,059)	(13,021,888)	(1,485,064)	(14,506,952)	(34,892)	(63,461)	(35,626)	(76,315)	(6,707)	(17,185)	(68,366)	(14,946,563)
Accumulated impairment loss	-	(15,019)	-	-	-	-	-	-	-	-	-	-	(15,019)
Net book value	1,399,780	748,081	22,632,332	869,652	23,501,984	17,215	12,925	6,566	72,878	16,416	7,040	16,729	25,799,614
Annual rate of depreciation (%) 2022	-	3 to 20	3.33 to 5	20 to 40		20	15	10 to 15	10 to 15	10	5 to 10	33	
Annual rate of depreciation (%) 2021	-	3 to 20	3.33 to 4	20 to 40		20	15	10 to 15	10 to 15	10	5 to 10	33	

8.2 Particulars of immovable property (i.e. Leasehold land and Buildings on leasehold land) are as follows:

S #	Location	Usage of immovable property	Total area (Sq. yards)	Covered area (Sq. feet)
1	PNSC Building, Plot No. 30-A Off. M.T. Khan Road, Karachi.	Registered office	7,833	257,093
2	Plot bearing No. 31-A, situated at M.T. Khan Road, Karachi.	Leasehold land	1,834	9,000
3	Plot No. 17/1, West Wharf, Karachi.	Storage facility	705	19,035
4	Plot No. 30, Township, Kemari, Karachi.	Workshop	7,925	28,963
5	Plot No. D-51, Block-5, Clifton, Karachi.	Residential banglow	1,000	5,360
6	PNSC Beach Hut-I, No. 12-S, Sandspit, Karachi	Beach hut	417	1,990
7	PNSC Beach Hut-II, No. 37-N, Sandspit, Karachi	Beach hut	448	1,990
8	Plot No. 70/4, Timber hard, Keamari, Karachi	Storage facility	974	15,680

8.3 Forced sales value of the aforementioned immovable properties determined on the basis of latest revaluation carried out as at June 30, 2021 are as follows:

S.No	Class of asset	(Rupees in '000)
1	Leasehold land	1,189,813
2	Buildings on leasehold land	638,012
3	Beach huts	15,521

8.4 The revaluation of the 'leasehold land', 'buildings on leasehold land', 'beach huts' and 'workshop machinery and equipment' was carried out as of June 30, 2021 by an independent valuer.

8.4.1 Valuation Techniques

The valuers have performed inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilization and current trends in price of real estate including assumptions that ready buyers are available in the current scenario and analyzed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the better estimates of the fair value.

8.5 Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Leasehold land, buildings on leasehold land and beach huts	537,150	552,250
Workshop machinery and equipment	1,461	2,774
	538,611	555,024

8.6 Cost and accumulated depreciation of vessel amounting to Rs 1.440 million relates to M.V Ilyas Bux. This vessel was seized by the Indian Authorities during the 1965 war and the Group does not have physical possession or control over the vessel.

8.7 The depreciation charge for the year has been allocated as follows:

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Fleet expenses - direct	36	2,398,386	2,041,904
Fleet expenses - indirect	37	1,089	1,214
Real estate expenses	38	29,903	24,111
Administrative expenses	39	28,416	30,870
	8.1 & 8.8	2,457,794	2,098,099

		June 30, 2022	June 30, 2021
		-------------(Rupees in '000)------------	
8.8	**Major spare parts and stand-by equipment**		
	Opening net book value	**736,178**	549,479
	Additions during the year	**277,856**	245,574
	Transfer to operating fixed assets	**(46,671)**	-
	Write-offs	**(17,100)**	-
		950,263	795,053
	Depreciation (rate 5% - 7%)	**(168,346)**	(58,875)
	Closing net book value	**781,917**	736,178

8.9 Disposals of fixed assets do not include any asset whose aggregating book value exceeds Rs. 5 million.

		June 30, 2022	June 30, 2021
		-------------(Rupees in '000)------------	
8.10	**Surplus on revaluation of property, plant and equipment - net of tax**		
	As at July 1,	**1,658,835**	1,248,879
	Surplus arising during the year	**-**	412,821
	Less: transferred to unappropriated profit on account of:		
	- incremental depreciation	**(7,600)**	(2,865)
		(7,600)	409,956
		1,651,235	1,658,835
	As at June 30,		
	Less: related deferred tax liability on:		
	Revaluation surplus as at July 1,	**34,724**	17,686
	Surplus arising during the year	**-**	19,485
	Adjustment due to change in tax rate	**(5,906)**	(2,032)
	Incremental depreciation charged during the year	**(945)**	(415)
		27,873	34,724
		1,623,362	1,624,111
8.11	**Capital work-in-progress - buildings on leasehold land**		
	Balance at beginning of the year	**65,948**	56,881
	Additions during the year	**72,628**	11,878
	Transfers to operating fixed assets	**(11,878)**	-
	Impairment	**-**	(2,811)
	Balance at end of the year	**126,698**	65,948

8.12 Change in accounting estimate

Due to changes in regulations in various jurisdictions in relation to eligibility of a vessel to travel on certain routes, management (based on directions of the Board of Directors of the Holding Company) has reassessed the useful lives of vessels (only tankers except M.T. Quetta) and related equipment. Accordingly, the useful lives of vessels and related equipment have been reduced from 25 years to 20 years due to which depreciation expense of the current period and future periods have been impacted. Had there been no change in useful lives of vessels, depreciation expense would have been lower by Rs. 729.614 million in the current year. Further, subject to any other changes, the depreciation per annum will increase by Rs. 786.749 million in future years until the end of life of vessels .

		Note	June 30, 2022	June 30, 2021
			-------------(Rupees in '000)------------	
9.	**RIGHT-OF-USE ASSETS**			
	Rental Properties			
	Balance at beginning of the year		**105,653**	118,145
	Depreciation	9.2	**(12,341)**	(12,492)
	Balance at end of the year		**93,312**	105,653

9.1 The annual rate of depreciation for the right-of-use assets is 10%.

9.2 Depreciation charge on right-of-use assets for the year has been allocated as follows:

	Note	June 30, 2022	June 30, 2021
		---------(Rupees in '000)---------	
Administrative expenses	39	12,341	12,492

10. INTANGIBLE ASSETS

	Note	June 30, 2022	June 30, 2021
Ship Management Expert System			
Cost		16,503	16,503
Accumulated depreciation		(16,503)	(16,503)
	10.1	-	-
Capital work-in-progress (CWIP)			
Computer Software - opening		39,436	12,891
Additions during the year		12,370	26,545
Closing as at June 30		51,806	39,436

10.1 Ship Management Expert System (SES) (costing Rs. 16.503 million) was being amortised over the useful life of five years and was fully amortised during the year ended June 30, 2009, however, it is still in active use.

11. INVESTMENT PROPERTIES

At fair value	Note	Leasehold land	Buildings on leasehold land	Total
		--------------------(Rupees in '000)--------------------		
Balance as at July 1, 2020		3,350,325	75,866	3,426,191
Additions during the year		-	1,000	1,000
Gain on revaluation	42	260,788	(605)	260,183
Balance as at June 30, 2021		3,611,113	76,261	3,687,374
Balance as at July 1, 2021		3,611,113	76,261	3,687,374
Additions during the year		-	20,179	20,179
Gain on revaluation	42	234,324	7,707	242,031
Balance as at June 30, 2022		3,845,437	104,147	3,949,584

11.1 Particulars of immovable investment properties are as follows:

Location	Usage of immovable property	Total area (Sq. yards)	Covered area (Sq. feet)
Plot bearing Survey No. 4/1-A, Main I. I. Chundrigar Road, Karachi	Investment property	2,786	230,555
Plot No. 35-B, North circular avenue, DHA, Phase I, Karachi	Investment property	1,088	5,675
Plot No. 6 & 6-A, Block H, Gulberg-II, Lahore	Investment property	268	2,410
Plot bearing Survey No. 15, Main Talpur Road, I.I. Chundrigar Road, Karachi	Investment property	9,856	111,200

11.2 Forced sales value of the aforementioned investment properties as of the reporting date are as follows:

S.No.	Class of asset	June 30, 2022	June 30, 2021
		---------(Rupees in '000)---------	
1	Leasehold land	3,076,878	3,069,445
2	Buildings on leasehold land	78,837	64,417

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For the year ended June 30, 2022

11.3 The revaluation of the Group's investment properties were carried out by an independent valuer as of June 30, 2022.

11.4 Valuation Techniques

The valuers have performed inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilization and current trends in price of real estate including assumptions that ready buyers are available in the current scenario and analyzed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the better estimates of the fair value.

12. LONG-TERM INVESTMENT IN RELATED PARTY (AN ASSOCIATE)

Equity Method

No. of shares - ordinary June 30, 2022	No. of shares - ordinary June 30, 2021	Name of the company	Country of incorporation	Share of net assets June 30, 2022	Share of net assets June 30, 2021	Latest available audited financial statements for the year ended	Percentage holding %	Face value per share (Rupees)	June 30, 2022	June 30, 2021
				------(Rupees in '000)-----					--------(Rupees in '000)--------	
Associate - unlisted										
12,250	12,250	Muhammadi Engineering Works Limited	Pakistan	1,600	1,600	December 31, 1982	49	100	1,600	1,600
	Less:	Accumulated impairment losses							1,600	1,600
									-	-

13. LONG-TERM INVESTMENTS IN LISTED COMPANIES AND OTHER ENTITY

	Note	June 30, 2022	June 30, 2021
		-------(Rupees in '000)-------	
At fair value through profit or loss Listed companies			
Siemens (Pakistan) Engineering Company Limited 6,930 (2021: 6,930) fully paid ordinary shares of Rs 10 each Market value per share as at June 30, 2022 Rs. 649.93 (2021: Rs. 657.63)	13.1	4,504	4,558
Pakistan State Oil Company Limited 199,336 (2021: 199,336) fully paid ordinary shares of Rs. 10 each. Market value per share as at June 30, 2022 Rs. 171.84 (2021: Rs. 224.25)	13.2	34,254	44,701
		38,758	49,259
Other entity (at cost)			
Pakistan Tourism Development Corporation Limited 10,000 (2021: 10,000) fully paid ordinary shares of Rs. 10 each.		100	100
		38,858	49,359

13.1 The Group holds 0.084% (2021: 0.084%) of the investee's share capital.

	Note	2022	2021
Balance at beginning of the year		4,558	3,894
(Loss) / gain on revaluation	41 & 42	(54)	664
Balance at end of the year		4,504	4,558

13.2 The Group holds 0.04246% (2021: 0.04246%) of the investee's share capital.

	Note	2022	2021
Balance at beginning of the year		44,701	31,527
(Loss) / gain on revaluation	41 & 42	(10,447)	13,174
Balance at end of the year		34,254	44,701

14. LONG-TERM LOANS

	Note	2022	2021
Considered good			
- due from executives	14.1, 14.2 & 14.3	10,718	10,524
- due from other employees		20,376	5,767
		31,094	16,291
Less: Recoverable within one year	19	10,720	8,147
		20,374	8,144

		June 30, 2022	June 30, 2021
		---------(Rupees in '000)--------	
14.1	Reconciliation of carrying amount of loans to executives:		
	Balance at beginning of the year	10,524	12,772
	Disbursements	8,788	6,299
	Repayments	(8,594)	(8,547)
	Balance at end of the year	10,718	10,524

14.2 These loans have been given to executives and other employees of the Holding Company for personal use in accordance with their terms of employment. These loans are to be repaid over a period of one to five years in equal monthly installments. Any outstanding loan due from an employee at the time of leaving the service of the Holding Company is adjustable against final settlement.

14.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 10.718 million (2021: Rs. 13.159 million).

14.4 The interest charged on the loan is KIBOR + 2%

		Note	June 30, 2022	June 30, 2021
			---------(Rupees in '000)--------	
15.	**DEFERRED TAXATION - net**			
	Deductible temporary differences arising in respect of Provisions and deferred liabilities	15.1	108,017	135,583
	Taxable temporary differences arising in respect of:			
	- surplus on revaluation of property, plant and equipment		(27,873)	(34,724)
	- accelerated tax depreciation		(32,898)	(2,714)
			(60,771)	(37,438)
			47,246	98,145

15.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2020	Recognised in profit or loss	Recognised in other comprehen-sive income	Balance as at June 30, 2021	Recognised in profit or loss	Recognised in other comprehen-sive income	Balance as at June 30, 2022
Deductible temporary differences:							
- provisions and employee benefits	142,286	19,037	(25,740)	135,583	(26,649)	(917)	108,017
Taxable temporary differences:							
- surplus on revaluation of property, plant and equipment	(17,686)	415	(17,453)	(34,724)	945	5,906	(27,873)
- accelerated tax depreciation	(5,195)	2,481	-	(2,714)	(30,184)	-	(32,898)
	(22,881)	2,896	(17,453)	(37,438)	(29,239)	5,906	(60,771)
	119,405	21,933	(43,193)	98,145	(55,888)	4,989	47,246

		June 30, 2022	June 30, 2021
16.	**STORES AND SPARES**	---------(Rupees in '000)--------	
	Stores		
	- at depot	9,112	9,112
	- at buildings	472	472
	- on board	46,761	36,927
		56,345	46,511
	Spares		
	- at buildings	796	796
	- in transit	27,017	19,808
	- on board	672,753	694,206
		700,566	714,810
	Bunker on board	1,193,316	886,460
		1,950,227	1,647,781
	Provision for slow moving stores and spares	(182,764)	-
		1,767,463	1,647,781

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17. TRADE DEBTS - unsecured

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Considered good			
- Due from related parties	17.1	2,356,952	2,535,532
- Due from others	17.2	2,954,621	483,629
		5,311,573	3,019,161
Considered doubtful			
- Due from related parties	17.1	2,202,360	1,119,930
- Due from others		41,703	218,883
		2,244,063	1,338,813
		7,555,636	4,357,974
Expected credit loss on trade debts	17.5	(2,244,063)	(1,338,813)
		5,311,573	3,019,161

17.1 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	As at June 30, 2022	As at June 30, 2021
	(Rupees in '000)				
Pakistan State Oil Company Limited	-	-	2,436,165	2,436,165	2,436,165
Pak Arab Refinery Limited	875,585	178,558	517,231	1,571,374	816,095
Pakistan Refinery Limited	142,967	29,946	63,544	236,457	122,403
Sui Northern Gas Pipelines Limited	950	-	-	950	1,812
District Controller of Stores	2,172	-	2,749	4,921	2,748
Others	90,396	131,274	87,775	309,445	276,239
	1,112,070	339,778	3,107,464	4,559,312	3,655,462

17.2 Ageing analysis of amounts due from others, included in trade debts that are past due but not impaired is as follows:

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Upto 1 month	1,337,037	85,545
1 to 6 months	917,976	119,172
More than 6 months	699,608	278,912
	2,954,621	483,629

17.3 Ageing analysis of related parties, included in trade debts, that are past due and impaired is as follows:

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Upto 1 month	5,200	7,575
1 to 6 months	733,072	372,114
More than 6 months	1,464,088	959,124
	2,202,360	1,338,813

17.4 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 4,559 million (2021: Rs. 3,283 million).

17.5 Expected credit loss on trade debts

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Balance at beginning of the year		1,338,813	1,623,511
Charged / (reversed) during the year	40	905,250	(284,698)
Balance at end of the year		2,244,063	1,338,813

		Note	June 30, 2022	June 30, 2021
			-------------(Rupees in '000)------------	
18.	AGENTS' AND OWNERS' BALANCES - unsecured			
	- Considered good	18.1	15,707	7,617
	- Considered doubtful		10,642	8,157
			26,349	15,774
	Expected credit loss on agents' and owners' balances	18.2	(10,642)	(8,157)
			15,707	7,617

18.1 The ageing analysis of agents' and owners' balances that are past due but not impaired are as follows:

	Note	June 30, 2022	June 30, 2021
		-------------(Rupees in '000)------------	
Upto 1 month		5,236	-
1 to 6 months		4,341	320
More than 6 months		6,130	7,297
		15,707	7,617

18.2 Expected credit loss on agents' and owners' balances

	Note	June 30, 2022	June 30, 2021
Balance at beginning of the year		8,157	8,725
Charged / (reversed) during the year	40	2,485	(568)
Balance at end of the year		10,642	8,157

19. LOANS AND ADVANCES - considered good

	Note	June 30, 2022	June 30, 2021
Current portion of long-term loans			
- due from executives		4,824	5,962
- due from other employees		5,896	2,185
	14	10,720	8,147
Advances - unsecured			
- employees		62,250	60,491
- contractors and suppliers		271,032	25,899
- Port Qasim Authority	19.1	21,000	-
		354,282	86,390
		365,002	94,537

19.1 The maximum aggregate amount of advance to Port Qasim Authority, a related party, at the end of any month during the year was Rs. 21 million (2021: Rs. Nil).

		Note	June 30, 2022	June 30, 2021
20.	TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		-------------(Rupees in '000)------------	
	Trade deposits			
	- Considered good	20.1	33,244	14,023
	- Considered doubtful		369	369
			33,613	14,392
	Expected credit loss on trade deposits		(369)	(369)
			33,244	14,023
	Short-term prepayments		6,094	5,190
			39,338	19,213

20.1 This includes Rs. 2.102 million (2021: Rs. 2.102 million) amount deposited with Karachi Port Trust (KPT), a related party.

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
21.	**OTHER RECEIVABLES**			
	Considered good			
	- Due from related parties	21.1	197,133	118,811
	- Due from others		162,952	295,577
			360,085	414,388
	Considered doubtful		109,890	88,100
		21.2	469,975	502,488
	Expected credit loss on other receivables	21.3	(109,890)	(88,100)
			360,085	414,388

21.1 The ageing analysis of other receivables, due from related parties that are past due but not impaired is as follows:

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Upto 1 month		18,879	31,003
1 to 6 months		14,546	12,401
More than 6 months		163,708	75,407
	21.2	197,133	118,811

21.2 This includes an amount of Rs. 83.858 million (2021: Rs. 24.867 million) due from the Government of Pakistan, Rs. 95.072 million (2021: Rs. 73.277 million) from Port Qasim Authority, Rs. 4.535 million (2021: Rs. 7.096 million) from Karachi Port Trust and Rs. 13.667 million (2021: Rs. 13.667 million) from Sindh Revenue Board.

		Note	June 30, 2022	June 30, 2021
21.3	**Expected credit loss on other receivables**		(Rupees in '000)	
	Balance at beginning of the year		88,100	88,100
	Charged during the year	40	21,790	-
	Balance at end of the year		109,890	88,100

21.4 Represents amount reversed during the year on account of recoveries from certain receivables.

21.5 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs 271.949 million (2021: Rs. 173.867 million).

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
22.	**INCOMPLETE VOYAGES**			
	Salaries and allowances		-	20,973
	Diesel, fuel and lubricants		51,027	117,509
	Stores and spares consumed		2,657	9,104
	Port, light, canal and customs dues		46,524	11,861
	Insurance		-	8,640
	Charter hire and related expenses		-	2,825
	Victualling		576	2,353
			100,784	173,265
23.	**SHORT-TERM INVESTMENTS**			
	Fair value through profit and loss			
	Mutual funds	23.1	104,890	50,544
	Amortised cost			
	Term deposits with banks:			
	- more than three but upto six months		1,149,900	5,855,640
	- three months or less		6,172,701	700,000
		23.2	7,322,601	6,555,640
			7,427,491	6,606,184

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
23.1	**Movement of mutual funds**			
	Opening		**50,544**	-
	Purchase during the year		**50,000**	50,000
	Dividend reinvested during the year		**4,346**	544
	Closing		**104,890**	50,544

23.2 Mark-up on these term deposits denominated in local currency ranges from 7.45% to 15.50% (2021: 7.45% to 7.95%) per annum, whereas mark-up on term deposits denominated in foreign currency was 3.00% (2021: 1.60%) per annum.

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
24.	**CASH AND BANK BALANCES**			
	Cash in hand			
	- foreign currency		**1,881**	1,841
	- local currency		**515**	1,900
			2,396	3,741
	Cash at bank			
	in current accounts			
	- local currency	24.1	**448,104**	189,876
	- foreign currency		**4,511,914**	311,736
			4,960,018	501,612
	in saving accounts:			
	- local currency	24.2	**443,324**	537,139
	- foreign currency	24.3	**8,912**	8,453
			452,236	545,592
			5,414,650	1,050,945

24.1 This includes Rs 2.142 million (2021: Rs. 2.142 million), Rs. 5 million (2021: Rs. 5 million) and Rs. 12.527 million (2021: 11.777 million) held as security by Habib Bank Limited, PNSC branch, Soneri Bank, AKU branch and JS Bank Limited, Jheel Park Branch respectively against guarantees issued on behalf of the Holding Company.

24.2 Mark-up on these savings accounts ranges from 6.14% to 14.00% (2021: 5.50% to 7.00%) per annum.

24.3 Mark-up on these savings accounts ranges from 0.15% to 0.5% (2021: 0.15% to 0.5%) per annum.

25. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

June 30, 2022	June 30, 2021		June 30, 2022	June 30, 2021
(No. of shares)			(Rupees in '000)	
24,130,789	24,130,789	Ordinary shares of Rs 10 each issued to shareholders of former National Shipping Corporation (NSC) and Pakistan Shipping Corporation (PSC) in consideration of their shareholdings in those companies.	**241,308**	241,308
25,900,000	25,900,000	Ordinary shares of Rs. 10 each issued to GoP for cash received in the year 1985.	**259,000**	259,000
64,309,800	64,309,800	Ordinary shares of Rs. 10 each issued to the GoP on the financial restructuring of the Corporation in the year 1989-90.	**643,098**	643,098
17,722,791	17,722,791	Ordinary shares of Rs. 10 each issued as bonus shares.	**177,228**	177,228
132,063,380	132,063,380		**1,320,634**	1,320,634

25.1 As at June 30, 2022, Government of Pakistan held 115,633,710 (2021: 115,633,710) ordinary shares, representing 87.56% (2021: 87.56%) shareholding of the Holding Company.

25.2 The Holding Company has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Holding Company. All shares rank equally with regard to the Holding Company's residual assets.

		Note	June 30, 2022	June 30, 2021
26.	**NON-CONTROLLING INTEREST**		(Rupees in '000)	
	Share of non-controlling interest in:			
	- Share capital		59	59
	- General reserve		10	10
	- Opening unappropriated profit		6,399	5,152
	- Profit for the year		4,315	1,247
			10,783	6,468

		Note	June 30, 2022	June 30, 2021
27.	**LONG-TERM FINANCING - secured**			
	From banking companies			
	Financing under syndicate term finance agreement			
	- MCB Bank Limited	27.1	-	384,121
	- Faysal Bank Limited	27.2	2,783,865	3,369,428
			2,783,865	3,753,549
	Financing under musharika agreement			
	- MCB Bank Limited	27.4	-	192,061
	- Faysal Bank Limited	27.5	1,713,147	2,073,493
			1,713,147	2,265,554
			4,497,012	6,019,103
	Less: Current portion of long-term financing		949,793	1,334,965
			3,547,219	4,684,138

27.1 During the current year, the loan has been repaid before maturity in November 2021 without any penalty.

27.2 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. As of the reporting date, 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.

27.3 Mark-up paid under conventional mode of financing during the year amounted to Rs. 316.221 million (2021: Rs. 336.028 million).

27.4 During the current year, the loan has been repaid before maturity in November 2021 without any penalty.

27.5 Represents financing facility obtained during the financial 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. As of the reporting date, the Holding Company 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.

27.6 Mark-up paid under Islamic mode of financing during the year amounted to Rs.192.202 million (2021: Rs. 201.933 million).

27.7 Following is the movement in long-term financing:

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
	Balance at beginning of the year		6,019,103	7,345,117
	Repayments		(1,527,550)	(1,334,965)
	Amortisation of arrangement fee		5,459	8,951
	Balance at end of the year		4,497,012	6,019,103
28.	**LEASE LIABILITIES**			
	Balance at the beginning of the year		116,608	115,527
	Interest expense	43	8,208	8,410
	Payments		(13,266)	(7,329)
	Balance at the end of the year		111,550	116,608
	Current		6,804	1,803
	Non-current		104,746	114,805
			111,550	116,608

28.1 Lease liabilities are payable as follows:

	June 30, 2022			June 30, 2021		
	Minimum lease payment	Interest cost	Present value of minimum lease payment	Minimum lease payment	Interest cost	Present value of minimum lease payment
	------------------(Rupees in '000)------------------			------------------(Rupees in '000)------------------		
Less than one year	14,504	7,700	6,804	13,266	10,934	2,332
One to five years	72,966	21,229	51,737	64,004	27,646	36,358
More than five years	58,933	5,924	53,009	87,679	9,761	77,918
	146,403	34,853	111,550	164,949	48,341	116,608

29. EMPLOYEE BENEFITS

	Note	June 30, 2022	June 30, 2021
		--------(Rupees in '000)---------	
Employees' gratuity			
- funded	29.1.3	10,892	3,517
- unfunded	29.1.3	438,832	378,512
		449,724	382,029
Post-retirement medical benefits	29.1.3	65,663	73,952
Employees' compensated absences	29.2.3	197,748	223,638
		713,135	679,619

29.1 Retirement benefit schemes

29.1.1 The disclosures made in notes 29.1.2 to 29.1.16 of these consolidated financial statements are based on the information included in the actuarial valuation report as of June 30, 2022.

29.1.2 As stated in notes 6.17.2 and 6.17.3 of these consolidated financial statements, the Group operates a funded retirement gratuity scheme for those permanent employees who joined the Group before October 16, 1984, an unfunded retirement gratuity scheme for contractual employees and an unfunded post-retirement medical benefit scheme for permanent and contractual employees. Liability is maintained against these schemes based on the actuarial recommendations. The following significant assumptions were used for the actuarial valuation of the defined benefit obligation schemes:

	June 30, 2022			June 30, 2021		
	Employees' gratuity		Post retirement medical benefits	Employees' gratuity		Post retirement medical benefits
	Funded	Unfunded		Funded	Unfunded	
Discount rate	13.25%	13.25%	13.25%	10.25%	10.25%	10.25%
Future salary increases - for permanent employees						
For the year 2021-22	-	-	-	10.25%	-	-
For the year 2022-23	13.25%	-	-	10.25%	-	-
For the year 2023-24	13.25%	-	-	10.25%	-	-
For the year 2024-25	13.25%	-	-	10.25%	-	-
For the year 2025-26	13.25%	-	-	10.25%	-	-
For the year 2026-27 and onwards	13.25%	-	-	10.25%	-	-
		-	-		-	-
Future salary increases - for contractual employees						
For the year 2021-22		-	-	-	10.25%	-
For the year 2022-23	-	13.25%	-	-	10.25%	-
For the year 2023-24	-	13.25%	-	-	10.25%	-
For the year 2024-25	-	13.25%	-	-	10.25%	-
For the year 2025-26	-	13.25%	-	-	10.25%	-
For the year 2026-27 and onwards	-	13.25%	-	-	10.25%	-
Medical escalation rate			10.25%			7.25%
Death rate	based on SLIC (2001-05) Ultimate mortality tables					

	June 30, 2022			June 30, 2021		
	Employees' gratuity		Post retirement medical benefits	Employees' gratuity		Post retirement medical benefits
	Funded	Unfunded		Funded	Unfunded	
	(Rupees in '000)					

29.1.3 Reconciliation of statement of financial position

	Funded 2022	Unfunded 2022	Post retirement medical benefits 2022	Funded 2021	Unfunded 2021	Post retirement medical benefits 2021
Present value of defined benefit obligation	46,826	438,832	65,663	49,080	378,512	73,952
Fair value of plan assets	(35,934)	-	-	(45,563)	-	-
Net liability in the statement of of financial position	10,892	438,832	65,663	3,517	378,512	73,952

29.1.4 Movement in present value of defined benefit obligation

	Funded 2022	Unfunded 2022	Post retirement medical benefits 2022	Funded 2021	Unfunded 2021	Post retirement medical benefits 2021
Balance at beginning of the year	49,080	378,512	73,952	103,487	340,547	168,015
Current service cost	1,228	42,514	946	2,095	42,758	9,613
Past service cost	-	-	-	-	-	(74,654)
Interest cost	4,805	39,954	6,920	6,637	30,441	13,723
Benefits paid	(11,996)	(23,847)	(14,785)	(57,999)	(10,859)	(22,096)
Remeasurements on obligation	3,709	1,699	(1,370)	(5,140)	(24,375)	(20,649)
Balance at end of the year	46,826	438,832	65,663	49,080	378,512	73,952

29.1.5 Movement in fair value of plan assets

	Funded 2022	Unfunded 2022	Post retirement medical benefits 2022	Funded 2021	Unfunded 2021	Post retirement medical benefits 2021
Balance at beginning of the year	45,563	-	-	98,991	-	-
Expected return on plan assets	4,436	-	-	6,236	-	-
Benefits paid	(11,996)	-	-	(57,999)	-	-
Remeasurements on plan assets	(2,069)	-	-	(1,665)	-	-
Balance at end of the year	35,934	-	-	45,563	-	-

29.1.6 Movement in net liability in the statement of financial position

	Funded 2022	Unfunded 2022	Post retirement medical benefits 2022	Funded 2021	Unfunded 2021	Post retirement medical benefits 2021
Balance at beginning of the year	3,517	378,512	73,952	4,496	340,547	168,015
Expense / (income) recognised for the year	1,597	82,468	7,866	2,496	73,199	(51,318)
Contributions made by the Holding Company / benefits paid	-	(23,847)	(14,785)	-	(10,859)	(22,096)
Remeasurements recognised in other comprehensive income	5,778	1,699	(1,370)	(3,475)	(24,375)	(20,649)
Balance at end of the year	10,892	438,832	65,663	3,517	378,512	73,952

29.1.7 The amounts recognised in profit or loss

	Funded 2022	Unfunded 2022	Post retirement medical benefits 2022	Funded 2021	Unfunded 2021	Post retirement medical benefits 2021
Current service cost	1,228	42,514	946	2,095	42,758	(65,041)
Net interest amount	369	39,954	6,920	401	30,441	13,723
Expense	1,597	82,468	7,866	2,496	73,199	(51,318)

29.1.8 Remeasurements recognised in other comprehensive income

	Funded 2022	Unfunded 2022	Post retirement medical benefits 2022	Funded 2021	Unfunded 2021	Post retirement medical benefits 2021
Gain / (loss) from changes in financial assumptions	313	2,936	311	(5,960)	1,511	(3,023)
Experience adjustment	3,396	(1,237)	(1,681)	820	(25,886)	(17,626)
Remeasurement of fair value of plan assets	2,069	-	-	1,665	-	-
	5,778	1,699	(1,370)	(3,475)	(24,375)	(20,649)

		June 30, 2022		June 30, 2021	
		Rupees in '000	%	Rupees in '000	%
29.1.9	Categories / composition of plan assets				
	Cash and cash equivalents	35,934	100%	45,563	100%

29.1.10 The expenses in respect of employees' gratuity and post-retirement medical benefits have been charged on the basis of actuarial recommendations.

29.1.11 Actual gain on plan assets during the year ended June 30, 2022 was Rs. 2.153 million (2021: Rs. 4.366 million).

29.1.12 Assumed future salary increase rate and discount rate have a significant effect on the employees' gratuity. A one percentage point change in assumed future salary increase rate and discount rate would have the following effects:

		Increase / (decrease) in defined benefit obligation of`			
		Funded Gratuity Scheme		Unfunded Gratuity Scheme	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees in '000)			
Discount rate	1%	(10,066)	11,744	(44,794)	52,550
Salary increase rate	1%	11,841	(9,957)	53,132	(46,034)

29.1.13 The weighted average duration of the defined benefit obligations for funded and unfunded gratuity scheme is 1.76 years (2021: 2.44 years) and 10.21 years (2021: 13.65 years).

29.1.14 Assumed medical cost escalation rate and discount rate have a significant effect on the post-retirement medical benefit. A one percentage point change in assumed medical cost escalation rate and discount rate would have the following effects:

		Increase / (decrease) in defined benefit obligation of`			
		Post Retirement Medical Benefits			
		Permanent Employees		Contractual Employees	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees in '000)			
Discount rate	1%	(1,087)	1,159	-	-
Medical cost escalation rate	1%	1,255	(1,195)	-	-

29.1.15 The weighted average duration of the defined benefit obligations post retirement medical benefit scheme for permanent employees is 3.43 years (June 2021: 2.88 years).

29.1.16 The employee gratuity funded and unfunded scheme and post retirement medical benefit plans exposes the Group to the following risks:

Investment risk: The risk of the investment underperforming and not being sufficient to meet the liabilities.

Mortality risk: The risk that the actual mortality rate is different. The effect depends on the beneficiaries service / age distribution and the benefit.

Medical cost escalation risks: The risk that the hospitalisation cost could be higher than what we assumed.

Final salary risk: The risk that the final salary at the time of cessation of service is greater than what is assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risk: The risk of higher or lower withdrawal experienced than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

29.2 Employees' compensated absences

29.2.1 The disclosures made in notes 29.2.2 to 29.2.9 of these consolidated financial statements are based on the information included in the actuarial valuation as of June 30, 2022.

29.2.2 As stated in note 6.18 of these consolidated financial statements, the Group operates an employees' compensated absences scheme. Provision is maintained against this scheme based on the actuarial recommendations. The following significant assumptions were used for the actuarial valuation of the scheme:

	June 30, 2022	June 30, 2021
Discount rate	13.25%	10.25%
Future salary increases - for permanent employees for this year 2021-22 and onwards	13.25%	10.25%
Future salary increases - for contractual employees for this year 2021-22 and onwards	13.25%	10.25%

	Note	June 30, 2022	June 30, 2021
		------------(Rupees in '000)------------	
29.2.3 Reconciliation of statement of financial position			
Present value of defined benefit obligation (recognised)		197,748	223,638
29.2.4 Movement in present value of defined benefit obligation			
Balance at the beginning of the year		223,638	250,462
Current service cost		44,744	54,240
Interest cost		23,790	22,290
Remeasurements of obligation		(13,339)	(40,260)
Benefits paid		(81,085)	(63,094)
Balance at the end of the year		197,748	223,638
29.2.5 Expense			
Current service cost		44,744	54,240
Interest cost		23,790	22,290
	41	68,534	76,530
29.2.5.1 Other comprehensive income			
Remeasurements of obligation		(13,339)	(40,260)

29.2.6 Amounts for the current period and prior period of the present value of defined benefit obligation are as follows:

	June 30, 2022	June 30, 2021
	------------(Rupees in '000)------------	
Present value of defined benefit obligation	197,748	223,638
Experience gain on defined benefit obligation	(13,339)	(40,260)

29.2.7 Assumed future salary increase rate and discount rate have a significant effect on the employees' compensated absences. A one percentage point change in assumed future salary increase rate and discount rate would have the following effects:

		Increase / (decrease) in defined benefit obligation of` Employees' Compensated Absences			
		Permanent Employees		Contractual Employees	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		---------(Rupees in '000)---------			
Discount rate	1%	(1,018)	1,058	(15,541)	18,195
Salary growth rate	1%	1,150	(1,124)	18,399	(15,973)

29.2.8 The risks to which the scheme exposes the Group are disclosed in note 29.1.16 to these consolidated financial statements.

29.2.9 The expenses in respect of employees' compensated absences have been charged on the basis of actuarial recommendations and are in accordance with the Administrative and Financial Services Agreement of the Holding Company with the subsidiary companies.

29.3 Expected retirement benefits costs for the year ending June 30, 2023 are as follows:

	(Rupees in '000)
Gratuity	
- funded	2,604
- unfunded	108,224
Post-retirement medical benefits	8,756
Compensated absences	76,291

29.4 Maturity profile

	June 30, 2022			
	Employees' gratuity		Post retirement medical benefits	Employees Compensated Absences
	Funded	Unfunded		
Weighted average duration of the present value of defined benefit obligations (in years)	1.76	10.21	3.43	2.27
Distribution of timing of benefit payments (time in periods)				
	(Rupees in '000)			
1	7,203	23,514	13,473	-
2	26,032	36,193	7,718	-
3	10,352	52,133	12,565	-
4	20,511	42,463	10,654	-
5	-	28,586	6,648	-
6 - 10	-	244,910	5,927	-

29.5 During the year, the Group contributed Rs. 4.859 million (2021: Rs. 7.767 million) to the provident fund.

30. TRADE AND OTHER PAYABLES

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Creditors		**458,569**	262,520
Agents' and owners' balances		**942,913**	251,998
Accrued liabilities		**3,741,164**	1,591,589
Deposits	30.1	**47,805**	44,608
Withholding tax payable		**25,990**	53,823
Advance rent		**81,733**	53,008
Other liabilities		**8,054**	105,504
		5,306,228	2,363,050

30.1 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.

31. CONTRACT LIABILITIES

Represents advance received from various related parties and customers. Revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to Rs. 83.903 million (2021: Rs. 83.018 million).

32. PROVISION AGAINST DAMAGE CLAIMS

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Balance at beginning of the year	**19,012**	24,261
Charged / (reversal) during the year	**23,295**	(5,249)
Balance at end of the year	**42,307**	19,012

33. CONTINGENCIES AND COMMITMENTS

Contingencies

33.1 The contingent liability in respect of claims not acknowledged by the Holding Company aggregated to Rs. 543.192 million as of the period end (2021: Rs. 727.966 millions). These claims mainly relate to deficiencies in shipping documentation, delay in delivery of cargo and damages to cargo. A sum of Rs. 500.885 million (2021: Rs. 708.953 millions) would be recoverable from P&I Club, Steamship Mutual Underwriting Association (Bermuda) Limited in the event that these claims are accepted by the Holding Company. As a matter of prudence, the management has made a total provision of Rs. 42.307 million (2021: Rs.19.013 million) against the aforementioned claims in these consolidated financial statements.

33.2 Chittagong Steamship Corporation Limited and Trans Oceanic Steamship Company Limited had initiated litigation that involved the Government of Pakistan and the Holding Company. The litigation relates to the compensation to the former owners. The legal suits are pending in the Honourable High Court of Sindh. The amounts claimed are approximately Rs. 1.300 million (2021: Rs. 1.300 million) and Rs. 66.800 million (2021: Rs. 66.800 million) respectively. The Holding Company disclaims any liability in respect of the above mentioned amounts and any accretions to it upto final determination and settlement of the matters.

33.3 Certain other claims have been filed against the Holding Company in respect of employees' matters for an aggregate amount of approximately Rs. 82.597 million (2021: Rs. 92.957 million). These cases are pending and the management is confident that the outcome of these cases will be in the Holding Company's favour and accordingly no provision for these claims has been made in these consolidated financial statements.

33.4 While framing the tax assessment for the income year ended June 30, 1990, the assessing officer had made an addition to income of Rs 3,974.455 million, being the remission of liabilities due to the Federal Government under the scheme of financial restructuring of the Holding Company. The resultant tax liability including additional taxes for late payment of tax amounted to Rs 1,293.694 million, part of which was paid by the Holding Company and the remaining amount of Rs 1,233.694 million was directly discharged at source by the Federal Government. The assessing officer while framing the order of income year ended June 30, 1996 had treated the aforementioned payment of tax liability by the Government as the income of the Holding Company. Appellate Tribunal Inland Revenue (ATIR) has given the decision in favour of the Holding Company on the appeals filed against the above orders. However, the department has filed an appeal with the Honourable High Court of Sindh against the aforementioned orders of ATIR. The Honourable High Court of Sindh has decided the appeal against the Holding Company. The leave to appeal filed by the Holding Company has been accepted by the Honourable Supreme Court of Pakistan and the decision of the Honourable High Court of Sindh has been suspended. Hearing of the appeal was pending in the Honourable Supreme Court of Pakistan. During the year ended June 30, 2018, this hearing was remanded to the Honourable High Court of Sindh. The management, in consultation with its legal advisor is confident that the matter will eventually be decided in favour of the Holding Company.

33.5 During the year ended June 30, 2012, the Officer Inland Revenue (OIR) issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2011. According to the orders, the OIR has made certain additions and determined additional tax demand of Rs. 251.092 million. OIR has disallowed a portion of administrative expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Holding Company on the contention that the same is equity specific and hence being capital in nature. The Holding Company had paid Rs. 160.513 million under protest. During the year ended June 30, 2015, the Commissioner of Inland Revenue (Appeals) in his order has upheld certain additions and has given decisions in favour of the Holding Company on certain matters, and has worked out refund of Rs 15.068 million. The Holding Company and the department have filed appeals with the ATIR in respect of aforementioned disallowances, which have been decided by the ATIR. The ATIR, in its order has interalia deleted certain additions made by the OIR which were upheld by the Commissioner (Appeals). However, while giving effect to the order of the ATIR, the taxation officer has disallowed the expenses allocated to dividend income. Accordingly, the Holding Company has filed an appeal before the Commissioner (Appeals) on July 20, 2018. Further, being aggrieved by the decision of the appellate tribunal, the department has filed a reference application which is pending before the Honourable High Court of Sindh. The management, in consultation with its legal advisor, is confident that the matter will eventually be decided in favour of the Holding Company.

33.6 During the year ended June 30, 2013, the OIR issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2012. According to the orders, the OIR has made certain additions and determined additional tax demand of Rs. 107.499 million. OIR has disallowed a portion of administrative expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Holding Company on the contention that the same is equity specific and hence being capital in nature. The Holding Company has paid Rs 65 million under protest and filed an appeal with the Commissioner of Inland Revenue (Appeals). During the year ended June 30, 2015, Commissioner of Inland Revenue (Appeals) in his order has upheld certain additions and has given decisions in favour of the Holding Company on certain matters, and has worked out refund of Rs. 24.022 million. The Holding Company and the department have filed appeals with the ATIR in respect of aforementioned disallowances. The ATIR vide appellate order dated August 7, 2018 has interalia deleted certain additions made by the taxation officer. Appeal effect proceeding in respect of appellate order was initiated through notice dated October 4, 2019. However, while giving effect to the order of the ATIR, the taxation officer has disallowed the expenses allocated to dividend income and setting off of business loss against property income. Accordingly, the Holding Company has filed an appeal before the Commissioner (Appeals) against the appeal effect order. The management, in consultation with its tax advisor, is confident that the matter will eventually be decided in favour of the Holding Company.

33.7 During the year ended June 30, 2014, the OIR has issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2013. According to the orders, the OIR has made certain additions and determined additional tax demand of Rs. 303.333 million. OIR has disallowed a portion of retirement benefit expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Holding Company on the contention that the same is equity specific and hence being capital in nature. Moreover, OIR also disallowed the basis of apportionment of expenses. The Holding Company has paid Rs. 288.265 million under protest and adjusted refund of Rs. 3.581 million. Further, the management has filed an appeal with the Commissioner of Inland Revenue (Appeals) who in his order has upheld certain additions and has given decisions in favour of the Holding Company on certain matters, and worked out a Nil demand. The Holding Company and the department have filed appeals with the ATIR in respect of aforementioned disallowances. Appeal effect proceedings in respect of appellate order was initiated through notice dated October 4, 2019 and same has been responded by Tax Advisor. ATIR in his order maintained certain additions and directed to allocate expenses against service fee. Further, being aggrieved by the decision of the appellate tribunal, the Holding Company has filed a reference application which is pending before the Honourable High Court of Sindh. The management, in consultation with its legal advisor, is confident that the matter will eventually be decided in favour of the Holding Company.

33.8 During the year ended June 30, 2015, ACIR issued assessment order under section 122 (5A) of the ITO, 2001 in respect of tax year 2014. According to the order the ACIR made certain additions and determined additional tax demand of Rs. 184.059 million in respect of certain disallowances regarding financial expenses, administrative costs and post-retirement benefits. The Holding Company paid Rs. 83.438 million under protest and adjusted Rs. 86.998 million against refunds available for tax year 2008, 2009 and 2010. The Holding Company had filed an appeal before the Commissioner of Inland Revenue (Appeals) who passed his order and maintained the decision of the ACIR. The Holding Company had filed an appeal with the ATIR in respect of aforementioned order of the Commissioner Inland Revenue (Appeals) in respect of aforementioned disallowances. The management is confident that the matter will eventually be decided in favour of the Holding Company.

33.9 During the year ended June 30, 2014, the Holding Company received assessment orders from the taxation authorities in respect of tax years 2008-2013. The taxation officer has held that the Holding Company is liable to deduct withholding tax under section 152(2) of the ITO, 2001, while making payments to the non-resident shipping companies and in the event of default to do so, the Holding Company becomes personally liable to pay tax under section 161 along with default surcharge under section 205 of the Ordinance. By virtue of above orders, a cumulative tax demand was raised by the taxation authorities amounting to Rs 2,695.496 million. The Holding Company filed an appeal with the Commissioner of Inland Revenue (Appeals) who maintained the orders passed by the Deputy Commissioner Inland Revenue (DCIR) and consequently an appeal was filed before the ATIR. The ATIR, in the appellate order, has held that the payments made by the Holding Company to the non-resident shipping companies are in the nature of "Royalty" and the rate of tax withholding applicable on such payments would be 15 percent. Accordingly, the tax demand originally raised was reduced to Rs 1,659.485 million. The Holding Company lodged rectification applications in respect of the orders passed by ATIR. However, during the year ended June 30, 2016, the said rectification applications have been rejected. Without prejudice to the rectification applications, the Holding Company has also filed a petition before the Honourable Sindh High Court in respect of the aforesaid orders passed by ATIR seeking protection from any adverse action. The Honourable Sindh High Court has granted an interim order restraining FBR from taking any coercive action, the said interim order is still operative. Further, the aforementioned cases are still pending with the Honourable Sindh High Court.

33.10 During the year ended June 30, 2019, the DCIR vide order dated June 29, 2020 has treated the Holding Company assesse in default for tax year 2014 for not withholding tax on: Payments to Non-Resident shipping companies, Payment of Dividend, Interest free advance to Employees & Closing balance of advances to employees and others and on salaries. Consequent to above order, a cumulative tax demand of Rs. 899.5 million was raised by tax authorities. Being aggrieved with the order, the Holding Company filed an appeal before the Commissioner Inland Revenue (Appeal). The CIR(A) had fixed the hearing for July 20, 2020 and had granted the Holding Company a stay from recovery of tax demand till August 10, 2020. On August 7, 2020, written arguments were submitted on behalf of Holding Company and the hearing was re-fixed for August 21, 2020. However, due to transfers and postings, the stay granted by the CIR(A) could not be extended and the Holding Company had to approach Honorable Sindh High Court for grant of stay. The Honorable Sindh High Court has granted the Holding Company a stay from recovery of tax demand vide order dated August 11, 2020. The order was passed by CIR(A) on December 9, 2021. No appeal effect proceedings have yet been initiated by the DCIR subsequent to the passing of the above order. Being aggrieved with the above appellate order in respect of the remaining issues relating to withholding of tax on payment of dividends, the Holding Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). The appeal filed before the ATIR is pending for hearing. The management, in consultation with its legal advisor, is confident that the subject matter will eventually be decided in favour of the Holding Company.

33.11 During the year ended June 30, 2018, the DCIR vide order dated June 29, 2018 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2016. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits. Brought forward business losses and unabsorbed depreciation for tax year 2016 have also been adjusted in the computation of taxable income. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 91.592 million was raised, which is amply covered by the refunds available for prior tax years. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals) on July 23, 2018, which was decided vide order dated July 11, 2019.

The CIR(A) in its order has decided all the matters in favour of the Holding Company by deleting all the additions made by the ACIR. However, the appeal effect order is still pending. The management is confident that the subject matters in respect of tax year 2016 will eventually be decided in favour of the Holding Company.

33.12 During the year ended June 30, 2018, the ACIR vide order dated June 29, 2018 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2017. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs. 318.212 million was raised, out of which the Holding Company has made a payment of Rs. 75 million under protest. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals) on July 23, 2018, which has been decided vide order dated July 11, 2019. The CIR(A) in its order has decided all the matters in favour of the Holding Company by deleting all the additions made by the ACIR. However, the appeal effect order is still pending. The management is confident that the subject matters in respect of tax year 2017 will eventually be decided in favour of the Holding Company.

33.13 The Taxation Officer (TO) issued an amended assessment order under section 122(5A) of the ITO, 2001 in respect of tax year 2003 against the subsidiary company namely Karachi Shipping (Private) Limited (KSPL). According to the amended order, TO made additions to taxable income of KSPL aggregating to Rs 163.523 million mainly on account of interest income and gain on sale of fixed assets, which have been taxed separately. KSPL made payment of Rs 70.315 million under protest, being the additional tax demand raised by the TO in his order and filed an appeal against the subject order with Commissioner Income Tax (Appeals) - CIT(A). Consequently, KSPL also filed a petition to Alternate Dispute Resolution Committee (ADRC) with respect to the said matter. During the year ended June 30, 2009, the ADRC upheld the decision of TO and decided the matter against KSPL. As KSPL was not satisfied with the order, KSPL continued to pursue its remedy against CIT(A) which is, at present, pending for hearing. The management is confident that the matter in the appeal shall eventually be decided in its favour. Without prejudice to the contentions of the management, the management has as a matter of prudence provided for amount aggregating Rs 70.315 million as payment under protest during the year ended June 30, 2008.

33.14 While framing tax assessment for income of the year ended June 30, 2005, the TO issued an order under section 122(5A) of the ITO, 2001 whereby demand of Rs 139.118 million was raised by the tax department against the subsidiary company namely Lalazar Shipping (Private) Limited (LSPL). According to the order, the TO is of the view that the income appearing under the head ‘other income’ in the annual audited financial statements for the said year is taxable under Normal Tax Regime with reference to section 39 of the ITO, 2001. LSPL had filed appeals with the Commissioner Income Tax (Appeals) and Income Tax Appellate Tribunal, however, the appeals were decided in favour of the tax department. Subsequently, LSPL filed an appeal in the Honourable Sindh High Court and during the year ended June 30, 2011, the Honourable Sindh High Court had heard the appeal filed by LSPL and reduced the tax demand raised by TO Rs 68.284 million. LSPL had paid the reduced tax demand under protest and filed an appeal with the Honourable Supreme Court for which leave to appeal was granted to the LSPL. Further, the tax department had also filed an appeal with the Honourable Supreme Court against the order and the matter is at present pending for hearing. The management of LSPL, based on the advise of its tax advisor, is confident that the matter shall eventually be decided in favour of LSPL.

33.15 The Additional Commissioner Inland Revenue (ACIR) issued an amended assessment order dated March 24, 2014, under section 124/122(5A) of the ITO, 2001 in respect of tax year 2012 against the subsidiary company namely Sargodha Shipping (Private) Limited (SSPL). According to the amended order, ACIR had only considered the original purchase price of the vessel for the computation of capital gain, as per annual audited financial statements for the year ended June 30, 2003 and ignored the capitalization of spare, equipment on board and dry docking expenditure. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 35.545 million was raised. SSPL being aggrieved with the above said order, had filed an appeal with the Commissioner (Appeals) who had decided the matter in the favour of the SSPL and consequently an appeal was filed before the ATIR. The ATIR in his order dated November 21, 2016 upheld the same decision of the Commissioner (Appeal). In previous years, the tax department has filed a suit before the Honorable Sindh High Court, which is still pending. The management, in consultation with its tax advisor, is confident that the subject matters will eventually be decided in favour of the SSPL.

33.16 During the year ended June 30, 2021, the Additional Commissioner-IR (ACIR) vide order dated May 24, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2015. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs. 1,279.035 million was raised. During the year ended June 30, 2022, the Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Holding Company on certain other matters. The ACIR vide order dated June 25, 2022 issued appeal effect order under section 124 of the Ordinance to give effect to the appellate order of the Commissioner (Appeals). The Holding Company has filed appeal on July 21, 2022 before the Commissioner (Appeals) on unfavorable issues mentioned in appeal effect order. The Management has filed an appeal in ATIR on matters which are unfavorable to Holding Company. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2015 will eventually be decided in favour of the Holding Company.

33.17 During the year ended June 30, 2022, the ACIR vide order dated July 28, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2018. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 550.722 million was raised. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Holding Company on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2018 will eventually be decided in favour of the Holding Company.

33.18 During the year ended June 30, 2022, the ACIR vide order dated September 17, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2019. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs 477.364 million was raised. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated January 13, 2022. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Holding Company on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2019 will eventually be decided in favour of the Holding Company.

33.19 During the year ended June 30, 2022, the ACIR vide order dated September 30, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2020. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 271.121 million was raised. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated January 13, 2022. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Holding Company on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2020 will eventually be decided in favour of the Holding Company.

33.20 During the year ended June 30, 2022, the ACIR vide order dated March 4, 2022 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2021. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs 577.4 Million was raised. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated May 13, 2022. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2021 will eventually be decided in favour of the Corporation.

Commitments

33.21 Commitments in respect of capital expenditure amounted to Rs. 32.571 million (2021: Rs. 32.571 million).

33.22 Outstanding letters of guarantee amounted to Rs 19.669 million (2021: Rs. 18.919 million).

33.23 The Holding Company has provided an undertaking amounting to USD 11.6 million (Rs 2,378 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.

33.24 Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounting to USD 0.417 million (Rs. 85.485 million) and USD 0.192 million (Rs. 39.36 million) respectively.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2022

		Note	June 30, 2022	June 30, 2021
			-------------(Rupees in '000)------------	
34.	**INCOME FROM SHIPPING BUSINESS**			
	Bulk carriers			
	Freight revenue		5,163,672	2,179,001
	Oil tankers			
	Freight revenue		10,782,781	7,933,078
	Overage premium		(55,221)	(34,530)
	Ocean losses		(85,633)	(23,578)
			10,641,927	7,874,970
			15,805,599	10,053,971
	Chartered vessels - Foreign flag vessels			
	Freight revenue		5,270,351	728,415
	Overage premium		(9,481)	(210)
	Ocean losses		(14,311)	(1,823)
			5,246,559	726,382
	Slot charter revenue	34.1	2,520,268	1,239,014
			23,572,426	12,019,367

34.1 Sindh sales tax charged amounting to Rs. 0.605 million (2021: Rs. 0.298 million).

		Note	June 30, 2022	June 30, 2021
35.	**OTHER OPERATING ACTIVITIES**			
	Demurrage income		3,102,717	362,685
	Income from miscellaneous claims		800,038	185,893
			3,902,755	548,578
36.	**FLEET EXPENSES - direct**			
	Charter hire and related expenses	36.1	6,273,305	1,170,863
	Diesel, fuel and lubricants consumed		4,735,751	2,570,385
	Port, light, canal and customs dues		1,625,948	1,221,413
	Salaries, benefits and allowances	36.2	1,161,708	987,465
	Demurrage expense		1,198,402	2,765
	Fleet communication expenses		33,375	31,454
	Agency commission and brokerage		516,132	231,144
	Victualling		168,411	142,393
	Insurance		519,879	515,030
	Claim charges		9,818	32,755
	Stores and spares consumed		577,541	475,260
	Repairs, maintenance and special surveys		89,172	125,523
	Depreciation	8.7	2,398,386	2,041,904
	Exchange loss		-	23,096
	Services sales tax expense		10,054	6,918
	Travelling and conveyance		81,064	77,894
	Survey fee		77,959	66,621
	Sundries		102,684	63,926
			19,579,589	9,786,809

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2022

			June 30, 2022	June 30, 2021
			-------------(Rupees in '000)------------	
36.1	**Charter hire and related expenses**			
	Foreign flag vessels			
	- voyage charter expenses		**4,479,488**	507,894
	- slot charter expenses		**1,793,817**	662,969
			6,273,305	1,170,863

36.2 This includes Rs. 2.842 million (2021: Rs. 6.387 million) in respect of provident fund contribution. The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Act and conditions specified thereunder.

		Note	June 30, 2022	June 30, 2021
			-------------(Rupees in '000)------------	
37.	**FLEET EXPENSES - indirect**			
	Agents' and other general expenses		**15,200**	15,714
	Depreciation	8.7	**1,089**	1,214
			16,289	16,928
38.	**REAL ESTATE EXPENSES**			
	Salaries, benefits and allowances	38.1	**44,925**	47,670
	General establishment expenses	38.2	**29,236**	26,204
	Rent, rates and taxes		**10,742**	10,591
	Insurance		**2,145**	4,020
	Depreciation on property, plant and equipment	8.7	**29,903**	24,111
	Legal and professional charges		**463**	760
			117,414	113,356

38.1 This includes Rs. 0.278 million (2021: Rs. 0.519 million) in respect of provident fund contribution.

		Note	June 30, 2022	June 30, 2021
			-------------(Rupees in '000)------------	
38.2	**General establishment expenses**			
	Repairs and maintenance		**12,531**	7,074
	Security charges		**7,151**	10,328
	Light, power and water		**9,554**	8,780
	Vehicle running, repairs and maintenance expenses		**-**	22
			29,236	26,204
39.	**ADMINISTRATIVE EXPENSES**			
	Workshop management		**90,194**	68,255
	Salaries, benefits and allowances	39.1	**738,837**	665,928
	General establishment	39.2	**256,540**	180,192
	Rent, rates and taxes		**22,742**	16,039
	Scholarship and training		**3,468**	917
	Insurance		**4,055**	3,747
	Depreciation on property, plant and equipment	8.7	**28,416**	30,870
	Depreciation on right-of-use assets	9.2	**12,341**	12,492
	Directors' fee	48.1	**5,853**	5,310
	Legal and professional charges		**28,299**	24,918
	Sales tax expenses		**25,888**	25,850
			1,216,633	1,034,518

39.1 This includes Rs. 4.572 million (2021: Rs. 7.248 million) in respect of provident fund contribution. The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Act and conditions specified thereunder.

39.2 General establishment	Note	June 30, 2022	June 30, 2021
		-----------(Rupees in '000)----------	
Repairs and maintenance		29,559	18,558
Medical		48,467	50,588
Contribution to group term insurance		1,576	607
Security charges		4,788	3,022
Travelling and conveyance		4,346	4,672
Entertainment and canteen subsidy		4,307	3,609
Books, periodicals and subscription		14,012	11,505
Uniform and liveries		1,637	1,579
Hajj expenses		4,215	-
Printing and stationery		6,809	5,120
Telephone, telex and postage		11,148	9,943
Light, power and water		39,009	13,671
Computer expenses		13,808	9,846
Advertisement and publicity		17,982	12,786
Vehicle running, repairs and maintenance		8,781	8,609
Ship inspection expenses		38,423	16,939
Sundry expenses		7,673	9,138
		256,540	180,192

40. IMPAIRMENT LOSS / (REVERSAL) ON FINANCIAL ASSETS

	Note	June 30, 2022	June 30, 2021
Trade debts	17.5	905,250	(285,834)
Other receivables	21.3	21,790	-
Agents and owner's balance	18.2	2,485	568
		929,525	(285,266)

41. OTHER EXPENSES

	Note	June 30, 2022	June 30, 2021
Donations	41.1	15,963	3,111
Auditors' remuneration	41.2	10,552	9,466
Impairment loss on property, plant and equipment		-	8,177
Employees' gratuity			
- funded	29.1.7	1,597	2,496
- unfunded	29.1.7	82,468	73,198
		84,065	75,694
Post-retirement medical benefits	29.1.7	7,866	-
Employees' compensated absences	29.2.5	68,534	76,530
Provision for slow moving stores and spares	16	182,764	-
Loss on revaluation of long-term investments in listed companies	13.1 & 13.2	10,501	-
Exchange loss		-	43,191
Net increase in provision against damage claims	32	23,295	-
Sindh sales tax		1,226	388
Write-off of capital spares	8.8	17,100	-
Others		1,261	-
		423,127	216,557

41.1 This includes donation made to Pakistan Marine Academy as a scholarship for students amounting to Rs. 2.541 million (2021: Rs. 3.04 million). No director or his spouse had any interest in the donee. Further, the Holding Company arranged COVID-19 vaccination drive in various areas of Karachi amounting to Rs. 13.369 million

41.2 Auditors' remuneration

	June 30, 2022			June 30, 2021		
	Grant Thornton Anjum Rahman	Yousuf Adil Chartered Accountants	Total	Grant Thornton Anjum Rahman	KPMG Taseer Hadi & Co.	Total
	------(Rupees in '000)------					
Statutory audit fee - the Holding Company	1,514	1,514	3,028	1,376	1,376	2,752
Audit fee - subsidiaries	2,153	2,153	4,306	1,957	1,957	3,914
Fee for review of half yearly financial statements	530	530	1,060	482	482	964
Fee for review report on CCG	163	163	326	148	148	296
Fee for audit of the consolidated financial statements	191	191	382	174	174	348
Statutory certifications	-	66	66	120	-	120
Out of pocket expenses	301	301	602	301	301	602
Sales tax services	388	393	782	470	-	470
	5,240	5,311	10,552	5,028	4,438	9,466

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2022

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
42.	OTHER INCOME			
	Income from financial assets			
	Income from saving accounts and term deposits		578,407	414,857
	Income from loans to employees		2,503	1,873
	Dividend income		10,808	641
	Gain on revaluation of long-term investments		-	13,838
	Exchange gain		276,499	-
			868,217	431,209
	Income from non-financial assets			
	Gain on revaluation of investment properties	11	242,031	260,183
	Agency fee		34,662	9,319
	Liabilities no longer payable written back		12,476	138,198
	Insurance claim income	42.1	9,369	26,743
	Gain on disposal of property, plant and equipment		1,762	42,840
	Reversal of impairment on property, plant and equipment		-	71,479
	Income from manning service		21,762	21,711
	Post-retirement medical benefits		-	51,318
	Reversal of provision against damage claims	32	-	5,249
	Gain on sale of bunker		106,633	24,308
	Workshop income		60,259	11,582
	Others		39,007	-
			527,961	662,930
			1,396,178	1,094,139

42.1 This represents recoveries from hull, cargo and other claims according to the insurance policies.

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
43.	FINANCE COSTS			
	Mark-up on long-term financing		508,423	532,257
	Amortization of arrangement fees		5,459	8,951
	Mark-up on lease liability	28.1	8,208	8,410
	Bank charges		8,568	7,989
			530,658	557,607
44.	TAXATION			
	Tax charge for:			
	- current year		615,581	199,098
	- prior year		(24,221)	-
			591,360	199,098
	- Deferred tax expense / (income)	15.1	55,888	(21,933)
		44.1	647,248	177,165

		June 30, 2022	June 30, 2021
44.1	**Relationship between tax expense and accounting profit**		
	Accounting profit before tax	6,297,138	2,441,055
	Tax rate	29%	29%
	Tax on accounting profit	1,826,170	707,906
	Tax effect in respect of inadmissible expenses (including business loss)	-	81,968
	Income under section 7A	64,247	(25,267)
	Income under section 7A on subsidiaries profits	(1,325,077)	(565,956)
	Effect of super tax	58,278	-
	Effect of rate difference	24,604	-
	Effect on tax from income from property	16,703	-
	Effect of admissible expenses	(4,961)	-
	Dividend income	1,513	(99)
	Effect of prior year	(24,221)	-
	Others (including the impact arising as a consequence of change in allocation ratio of revenue chargeable under FTR and NTR tax regime)	9,992	(21,716)
	Tax expense for the year	647,248	177,165
		10%	7%

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For the year ended June 30, 2022

		June 30, 2022	June 30, 2021
		(Rupees in '000)	
45. EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY - basic and diluted			
Profit for the year		5,645,575	2,263,779
		(No. of Shares)	
Weighted average ordinary shares in issue during the year		132,063,380	132,063,380
		(Rupees)	
Earnings per share - basic and diluted		42.75	17.14

45.1 There were no dilutive potential ordinary shares outstanding as at June 30, 2022 and 2021.

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
46. CASH GENERATED FROM OPERATIONS			
Profit before taxation		6,297,138	2,442,191
Adjustments for non-cash charges and other items:			
Depreciation on:			
Property, plant and equipments	8.7	2,457,794	2,098,099
Right-of-use assets	9.2	12,341	12,492
Impairment loss / (reversal) - net	40	929,525	(285,266)
Write-off of capital spares	41	17,100	-
Reversal of impairment of property, plant and equipment - net	41 & 42	-	(63,302)
Exchange (gain) / loss	42	(276,499)	20,164
Provision for employees' gratuity	29.1.7	84,065	75,694
Provision for employees' compensated absences	29.2.5	68,534	76,530
Provision for post retirement medical benefits	29.1.7	7,866	(51,318)
Provision for slow moving stores and spares	16	182,764	-
Dividend income	42	(10,808)	(710)
Liabilities no longer payable written back	42	(12,476)	(138,198)
Income from saving account and term deposit	42	(578,407)	(414,857)
Finance cost on:			
Long-term financing	43	513,882	541,208
Lease liabilities	43	8,208	8,410
Loss / (gain) on revaluation of long-term investments in listed companies	41	10,501	(13,838)
Gain on disposal of property, plant and equipment		(1,762)	(42,840)
Gain on revaluation of investment properties	42	(242,031)	(260,183)
Working capital changes	46.1	(373,588)	81,191
		9,094,147	4,085,467
46.1 Working capital changes (Increase) / decrease in current assets:			
Stores and spares		(302,446)	(326,340)
Trade debts		(2,921,163)	406,640
Trade deposits and short-term prepayments		(20,125)	8,966
Agents' and owners' balances		(10,575)	2,579
Loans and advances		(270,465)	(19,704)
Other receivables		32,513	205,968
Incomplete voyages		72,481	(78,336)
Insurance claims		9,554	(1,830)
		(3,410,226)	197,943
Increase / (decrease) in current liabilities:			
Trade and other payables		2,955,654	(65,491)
Net increase / (decrease) in provision against damage claims		23,295	(5,249)
Contract liabilities		57,689	(46,012)
		3,036,638	(116,752)
		(373,588)	81,191
47. CASH AND CASH EQUIVALENTS			
Short-term investments having maturity of three months or less	23	6,172,701	700,000
Cash and bank balances	24	5,414,650	1,050,945
		11,587,351	1,750,945

48. REMUNERATION OF CHAIRMAN & CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

The aggregate amount of remuneration including all benefits payable to the Chairman and Chief Executive, Executive Directors and Executives of the Group were as follows:

	Chairman & Chief Executive		Executive Directors*		Other Executives	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees in '000)					
Managerial remuneration and allowances	3,159	1,461	30,785	24,562	326,313	324,550
Retirement benefits - note 48.2	-	-	-	-	4,223	5,027
House rent	838	-	11,242	10,168	106,335	115,378
Conveyance	362	44	-	742	4,525	5,287
Medical	156	560	2,032	2,099	12,696	11,124
Utilities	443	990	2,055	1,829	37,422	36,974
Personal staff subsidy	-	-	-	-	387	383
Club membership fee and expenses	45	23	664	682	-	-
Bonus	1,552	-	3,807	3,961	33,486	39,031
Other allowances	6,749	9,460	118	330	296,901	300,362
	13,304	12,538	50,703	44,373	822,288	838,116
Number of persons	1	1	5	5	142	145

*Executive Directors represent the designation of the personnel and are not the members of Board of Directors of the Group.

48.1 The aggregate amount charged in the consolidated financial statements for fee to 7 (2021: 8) non-executive directors was Rs. 5.853 million (2021: Rs 5.250 million).

48.2 Retirement benefits represent amount contributed towards various retirement benefit plans. The Executives of the Corporation are entitled to retirement benefits as outlined in note 6.17 and 6.18 to these consolidated financial statements. The Chairman & Chief Executive, Executive Directors and other Executives are provided with the car allowance in lieu of Group owned cars.

49. FINANCIAL INSTRUMENTS BY CATEGORY

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
FINANCIAL ASSETS			
Fair value through profit or loss			
Long-term investments - listed companies	13	38,758	49,259
Short-term investment	23	104,890	50,544
		143,648	99,803
Amortised cost			
Trade debts - unsecured		5,311,573	3,019,161
Agents' and owners' balances - unsecured		15,707	7,617
Loans - employees		10,720	8,147
Trade deposits		33,244	14,023
Interest accrued on bank deposits and short-term investments		114,970	102,298
Other receivables		360,085	414,388
Insurance claims		81,495	91,049
Short-term investments	23	7,322,601	6,555,640
Cash and bank balances	24	5,414,650	1,050,945
Long-term investments - other entity	13	100	100
Long-term loans		20,374	8,144
		18,685,519	11,271,512
		18,829,167	11,371,315
FINANCIAL LIABILITIES			
Amortised cost			
Trade and other payables		5,198,505	2,256,219
Unclaimed dividend		87,245	77,498
Provision against damage claims		42,307	19,012
Long-term financing - unsecured		4,497,012	6,019,103
Accrued mark-up on long-term financing		15,158	16,118
Lease liabilities		111,550	116,608
		9,951,777	8,504,558

50. FINANCIAL RISK MANAGEMENT

50.1 Financial risk factors

The Group finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk. Taken as a whole, the Group is exposed to credit risk, market risk (including interest rate risk, currency risk and other price risk) and liquidity risk. The Group's principle financial liabilities comprise trade and other payables and long term financing. The Group also has various financial assets such as trade debts, other receivables, bank balances and short-term investments which are directly related to its operations. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2022. The policies for managing each of these risks are summarised below:

50.1.1 Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including trade receivables and committed transactions. Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted.

	Note	June 30, 2022	June 30, 2021
		------------(Rupees in '000)------------	
Loans to employees	14	**31,094**	16,291
Trade debts - unsecured	17	**5,311,573**	3,019,161
Agents' and owners' balances - unsecured	18	**15,707**	7,617
Trade deposits	20	**33,244**	14,023
Interest accrued on bank deposits and short-term investments		**114,970**	102,298
Other receivables	21	**360,085**	414,388
Insurance claims		**81,495**	91,049
Short-term investments	23	**7,322,601**	6,555,640
Bank balances	24	**5,412,254**	1,047,204
		18,683,023	11,267,671

Credit risk related to investments and cash deposits

The Company limits its exposure to credit risk of investments by only investing in term deposit receipts (TDRs) of banks with high credit rating and in mutual funds having good stock exchange rating.

The credit risk on liquid funds (bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of major banks where the Company maintains its bank balances are as follows:

Name of bank	Rating agency	Credit rating	
		Long-term	Short-term
Bank Al Habib Limited	PACRA	AAA	A-1+
Habib Bank Limited	VIS	AAA	A-1+
MCB Bank Limited	PACRA	AAA	A-1+
Meezan Bank Limited	VIS	AAA	A-1+
National Bank of Pakistan Limited	PACRA / VIS	AAA	A-1+
Standard Chartered Bank Limited	PACRA	AAA	A-1+
United Bank Limited	VIS	AAA	A-1+
Bank Al Falah Limited	PACRA	AA+	A-1+
Habib Metro Bank Limited	PACRA	AA+	A-1+
Pak Oman Investment Company	VIS	AA+	A-1+
Al Baraka Bank Limited	VIS	A+	A-1
Bank Islami Pakistan Limited	PACRA	A+	A-1
Sindh Bank Limited	VIS	A+	A-1
Dubai Islami Bank Limited	VIS	AA	A-1+
Faysal Bank Limited	PACRA / VIS	AA	A-1+
MCB Islamic Bank Limited	PACRA	A	A-1
JS Bank Limited	PACRA	AA-	A-1+

Moreover, a significant component of the receivable balances of the Group relates to amounts due from the Public Sector organisations. Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their related credit standing, management does not expect non–performance by those counter parties on their obligations to the Group.

The sector wise analysis of gross amounts of receivables, comprising trade debts, other receivables, agents' and owners' balances and deposits is given below:

	June 30, 2022	June 30, 2021
	------------(Rupees in '000)------------	
Public Sector	**9,531,358**	3,655,462
Private Sector	**3,056,286**	718,286
	12,587,644	4,373,748

Out of Rs.12,587.644 million (2021: 4,373.748 million), the Group has recognized an allowance of ECL amounting to Rs. 2,364.595 million (2021: Rs. 1,435.439 million).

50.1.2 Market Risk

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Group faces foreign currency risk on receivable and payable transactions at foreign ports.

As at June 30, 2022, if the currency had weakened / strengthened by 5% against the US dollar with all other variables held constant, profit before taxation for the year would have been higher / lower by Rs. 148.687 million (2021: Rs. 394.970 million), mainly as a result of foreign exchange gains / losses on translation of US dollar denominated assets and liabilities.

Cash flow and fair value interest rate risk

The Group has interest bearing liabilities that have floating interest rates. At June 30, 2022, if interest rates on borrowings had been 100 basis points higher / lower with all other variables held constant, profit after taxation for the year would have been lower / higher by Rs 28.557 million (2021: Rs 37.997 million).

Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The effects of changes in fair value of investments made by the Group, on the future profits are not considered to be material in the overall context of these consolidated financial statements.

50.1.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in raising funds to meet commitments associated with financial instruments. The Group believes that it is not exposed to any significant level of liquidity risk.

The management forecasts the liquidity of the Group on basis of expected cash flow considering the level of liquid assets necessary to meet such risk. This involves monitoring statement of financial position, liquidity ratios and maintaining debt financing plans.

Financial liabilities in accordance with their contractual maturities are presented below:

	Total Contractual cash flows	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
June 30, 2022	(Rupees in '000)				
Long-term financing	6,225,045	1,569,803	1,442,550	3,212,692	-
Unclaimed dividend	87,245	87,245	-	-	-
Trade and other payables	5,198,505	5,198,505	-	-	-
Accrued mark-up on long-term financing	15,158	15,158	-	-	-
Lease liabilities	146,403	14,504	18,242	54,725	58,933
	11,672,356	6,885,215	1,460,792	3,267,417	58,933

	Total Contractual cash flows	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
June 30, 2021	(Rupees in '000)				
Long-term financing	8,069,778	1,937,640	1,623,127	3,749,324	759,687
Unclaimed dividend	77,498	77,498	-	-	-
Trade and other payables	2,256,219	2,256,219	-	-	-
Accrued mark-up on long-term financing	16,118	16,118	-	-	-
Lease liabilities	164,949	13,266	25,602	38,402	87,679
	10,584,562	4,300,741	1,648,729	3,787,726	847,366

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For the year ended June 30, 2022

50.1.4 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 June 30, 2022, the Group's all assets and liabilities are carried 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 latest fair valuation of the Group's leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment was performed by an independent valuer as at June 30, 2021.

The Group classifies investment properties and long-term investments in listed companies measured at fair value in the statement of financial position. The latest fair valuation of the Group'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 date (unobservable inputs).

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

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:

		June 30, 2022			
	Note	Level 1	Level 2	Level 3	Total
		-----------(Rupees in '000)-----------			
Assets carried at fair value					
Long-term investments in listed companies	13	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		-	748,081	-	748,081
Beach huts		-	16,416	-	16,416
Workshop machinery and equipment		-	7,040	-	7,040
Investment properties		-	3,949,584	-	3,949,584
		-	6,120,901	-	6,120,901

		June 30, 2021			
		Level 1	Level 2	Level 3	Total
		-----------(Rupees in '000)-----------			
Assets carried at fair value					
Long-term investments in listed companies	13	49,359	-	-	49,359
Short-term investments - mutual funds		50,544	-	-	50,544
		99,903	-	-	99,903
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

51 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure by monitoring return on net assets and makes adjustment to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Group is in compliance with externally imposed capital requirements applicable at consolidated financial statements level. The debt equity ratios as at June 30, 2022 and 2021 were as follows:

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Long-term financing - secured	27	4,497,012	6,019,103
Total equity		42,372,550	37,110,944
Total		46,869,562	43,130,047
Debt-to-equity ratio		11:89	16:84

52. ENTITY WIDE INFORMATION

52.1 The Group constitutes a single reportable segment, the principal classes of services provided are transportation of dry cargo, liquid cargo and rental income.

52.2 Information about services

The Group's principal classes of services accounted for the following amount of revenue:

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Transportation of dry cargo	7,683,940	3,418,015
Transportation of liquid cargo	15,888,486	8,601,352
Rental income	239,014	220,616
	23,811,440	12,239,983

52.3 Information about geographical areas

The Group does not hold non-current assets in any foreign country.

52.4 Information about major customers

The Group has the following exposure to concentration of credit risk with clients representing significant percentage of the total revenue balances:

	Revenue 2022		Revenue 2021	
	(Rupees in '000)	% of Total	(Rupees in '000)	% of Total
Client 1	6,426,971	27.26	3,640,783	30.29
Client 2	3,200,504	13.58	1,534,737	12.77
Client 3	2,531,663	10.74	1,254,373	10.44
	12,159,138	51.58	6,429,893	53.50

53. RELATED PARTY DISCLOSURES

Related parties comprise of companies affiliated to the Holding Company and the directors, chief executives of the Holding Company and employee funds maintained by the Holding Company. Particulars of remuneration to key personnel are disclosed in note 48 to these consolidated financial statements.

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

Name and particulars	Relationship with the Group	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Transactions with state owned / controlled entities			
Freight income	State owned/controlled entities	**10,736,320**	6,365,164
Income from other operating activities	State owned/controlled entities	**231,174**	-
Rental income	State owned/controlled entities	**14,426**	12,407
Rental expense	State owned/controlled entities	**3,300**	13,945
Transactions with other related parties			
Directors' fee and travelling allowance	Key management personnel	**5,853**	5,310
Compensation to key management personnel	Key management personnel	**65,034**	57,631
Sale of vehicles to directors	Key management personnel	**-**	9,212
Contributions to provident fund	Employees benefit plan	**4,859**	7,767
Dividend paid to Government of Pakistan	Government holding	**349,556**	261,094

53.1 Outstanding balances due from / due to related parties have been disclosed in notes 17, 18 and 21 to these consolidated financial statements.

53.2 Following are the related parties with whom the Group had entered into transactions or have arrangements / agreements in place.

S.No.	Name	Basis of relationship	Aggregate % of shareholding in the Company
1	Muhammadi Engineering Works (Private) Limited	Associate	N/A
2	Employees' Gratuity Fund	Staff retirement benefits	N/A
3	Employees' Contributory Provident Fund	Staff retirement benefits	N/A
4	Civil Aviation Authority	State owned/controlled entity/Common director	N/A
5	Central Power Generation Company Limited	State owned/controlled entity	N/A
6	Heavy Industries Taxila	State owned/controlled entity	N/A
7	Karachi Port Trust	State owned/controlled entity	N/A
8	National Bank of Pakistan	State owned/controlled entity	N/A
9	National Diaster Risk Management Fund	State owned/controlled entity/Common director	N/A
10	Naval Stores	State owned/controlled entity	
11	National Telecommunication Corporation	State owned/controlled entity	N/A
12	Embarkation Commandant	State owned/controlled entity	N/A
13	National Security Printing Company Private Limited	State owned/controlled entity/Common director	N/A
14	National Insurance Company Limited	State owned/controlled entity	N/A
15	Pakistan Ordinance Factory	State owned/controlled entity	N/A
16	Pak Arab Refinery Limited	State owned/controlled entity	N/A
17	Pakistan International Airlines	State owned/controlled entity	N/A
18	Pakistan Machine Tool Factory	State owned/controlled entity	N/A
19	Pakistan Refinery Limited	State owned/controlled entity	N/A
20	Pakistan Security Printing Corporation	State owned/controlled entity	N/A
21	Pakistan State Oil Company Limited	State owned/controlled entity	N/A
22	Pakistan Telecommunication Company Limited	State owned/controlled entity	N/A
23	Pakistan Petroleum Limited	State owned/controlled entity	N/A
24	Trading Corporation of Pakistan	State owned/controlled entity	N/A
25	District Controller of Stores	State owned/controlled entity	N/A
26	Port Qasim Authority	State owned/controlled entity	N/A
27	Stores Liasion Officers (PAF)	State owned/controlled entity	N/A
28	Sui Northern Gas Pipelines Limited	State owned/controlled entity	N/A
29	Sui Southern Gas Company Limited	State owned/controlled entity	N/A
30	Wah Brass Mills (Private) Limited	State owned/controlled entity	N/A
31	Kot Addu Power Company Limited	State owned/controlled entity	N/A
32	Lahore Electric Supply Company Limited	State owned/controlled entity	N/A
33	National Transmission & Despatch Company Limited	State owned/controlled entity	N/A
34	Water and Power Development Authority	State owned/controlled entity	N/A
35	Oil & Gas Development Company Limited	State owned/controlled entity	N/A
36	Gwadar Port Authority	State owned/controlled entity	N/A
37	Federal Bureau of Revenue- Comissionor AEOI	State owned/controlled entity	N/A
38	Directors / Executives	Key management personnel	N/A

54. LISTING OF SUBSIDIARY COMPANIES AND AN ASSOCIATE

Name of Subsidiaries	Financial year end
- Bolan Shipping (Private) Limited	June 30
- Chitral Shipping (Private) Limited	June 30
- Hyderabad Shipping (Private) Limited	June 30
- Johar Shipping (Private) Limited	June 30
- Karachi Shipping (Private) Limited	June 30
- Khairpur Shipping (Private) Limited	June 30
- Lahore Shipping (Private) Limited	June 30
- Lalazar Shipping (Private) Limited	June 30
- Makran Shipping (Private) Limited	June 30
- Malakand Shipping (Private) Limited	June 30
- Multan Shipping (Private) Limited	June 30
- National Ship Management and Crewing (Private) Limited	June 30
- Pakistan Co-operative Ship Stores (Private) Limited	June 30
- Pakistan Marine and Shipping Services Company (Private) Limited	June 30
- Quetta Shipping (Private) Limited	June 30
- Sargodha Shipping (Private) Limited	June 30
- Shalamar Shipping (Private) Limited	June 30
- Sibi Shipping (Private) Limited	June 30
- Swat Shipping (Private) Limited	June 30
Name of Associate	
- Muhammadi Engineering Works (Private) Limited	December 31

54.1 Set out below is summarised financial information of Pakistan Co-operative Ship Stores (Private) Limited that has Non-Controlling Interest (NCI). The following amounts are disclosed before inter-company eliminations.

	June 30, 2022	June 30, 2021
	----------- (Percentage) ----------	
Non-controlling interest	27%	27%
	------------(Rupees in '000)------------	
Non-current assets	13,283	514
Current assets	26,967	20,254
Current liabilities	1,795	1,745
Net assets attributable to NCI	10,488	5,188
Revenue	3,803	3,884
Expenses	(11,389)	1,645
Profit after tax for the year	15,192	2,239
Profit attributable to NCI	4,143	611
Other comprehensive income for the year	-	-
Other comprehensive income attributable to NCI	-	-
Total comprehensive income attributable to NCI	4,143	611
Net cash flows from operating activities	1,978	467
Net cash flows from investing activities	(1,430)	(54)
Net cash flows from financing activities	-	-

55. NUMBER OF EMPLOYEES

The average and total number of employees during the year and as at June 30, 2022 and 2021 respectively are as

	June 30, 2022	June 30, 2021
Average number of employees during the year	635	641
Number of employees as at end of the year	642	627

56. RECONCILIATION OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2022			2021		
	Long-term financing	Unclaimed dividend	Lease liability	Long-term financing	Unclaimed dividend	Lease liability
	(Rupees in '000)					
Balance at beginning of the year	6,019,103	77,498	116,608	7,345,117	68,989	115,527
Changes from financing cash flows						
Repayment	(1,527,550)	-	(13,266)	(1,334,965)	-	(7,329)
Dividend paid	-	(386,443)	-	-	(288,634)	-
Total changes from financing activities	(1,527,550)	(386,443)	(13,266)	(1,334,965)	(288,634)	(7,329)
Other changes						
Amortisation of arrangement fee	5,459	-	-	8,951	-	-
Accretion of interest	-	-	8,208	-	-	8,410
Final dividend	-	396,190	-	-	297,143	-
Total other changes	5,459	396,190	8,208	8,951	297,143	8,410
Balance at end of the year	4,497,012	87,245	111,550	6,019,103	77,498	116,608

57. SUBSEQUENT EVENTS

57.1 The Board of Directors in their meeting held on September 13, 2022 have proposed for the year ended June 30, 2022 cash dividend of Rs. 5.00 per share amounting to Rs. 660.317 million subject to the approval of the members at the annual general meeting to be held on October 28, 2022. These consolidated financial statements for the year ended June 30, 2022 do not include the effect of this appropriation which will be accounted for subsequent to the year end.

57.2 Subsequent to the year end, the Group has acquired vessels for Sargodha Shipping (Private) Limited on August 11, 2022 and Lalazar Shipping (Private) Limited on August 03, 2022 respectively.

58. GENERAL

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

59. DATE OF AUTHORISATION

These consolidated financial statements were authorised for issue on September 13, 2022 by the Board of Directors of the Holding Company.

Syed Jarar Haider Kazmi	**Rizwan Ahmed**	**Khowaja Obaid Imran Ilyas**
Chief Financial Officer	Chairman & Chief Executive	Director

Independent Auditor's Report and Unconsolidated Financial Statements of Pakistan National Shipping Corporation (Holding Company)

For the year ended
June 30, 2022

Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8,
KCHSU, Shahrah-e-Faisal,
Karachi - 75350, Pakistan

Grant Thornton Anjum Rahman
Chartered Accountants
1st & 3rd Floor, Modern Motors House,
Beaumont Road,
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN NATIONAL SHIPPING CORPORATION

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Pakistan National Shipping Corporation** (the Corporation), which comprise the unconsolidated statement of financial position as at June 30, 2022, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Corporation's affairs as at June 30, 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

YOUSUF ADIL

Grant Thornton

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S. No.	Key audit matter	How the matter was addressed in our audit
1.	**Impairment of trade debts** As disclosed in notes 5.8.3 and 16 to the annexed unconsolidated financial statements, the Corporation has recorded allowance for impairment of trade debts using the Expected Credit Loss (ECL) model. Assessment of impairment allowance using ECL requires significant judgement, estimates and assumptions applied by the management including historical credit loss experience adjusted with forward-looking macro-economic information. We have considered assessment of ECL as a key audit matter due to significance of the estimates and judgements used by the management related to the calculation of allowance for ECL.	Our key audit procedures amongst others included the following: • Reviewed the methodology developed and applied by management to estimate the allowance for ECL against trade debts. • Considered and evaluated the assumptions used in applying the ECL model based on historical information and qualitative factors as relevant for such estimates. • Assessed the integrity and quality of the data used for allowance for ECL computation based on the accounting records and information system of the Corporation as well as the external sources used for this purpose. • Checked the mathematical accuracy of the ECL model by performing recalculation. • Assessed the adequacy of related disclosures made in the annexed unconsolidated financial statements.
2.	**Contingencies** The Corporation has various contingent liabilities in respect of income / sales tax matters and claims from employees and customers which are pending adjudication before the relevant regulatory authorities and the courts of law as disclosed in notes 29.1 to 29.17 to the annexed unconsolidated financial statements. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Corporation regarding disclosure, recognition and measurement of any provision that may be required against such contingencies.	Our key audit procedures amongst others included the following: • Obtained an understanding of the Corporation's processes and controls over litigations through meetings with the management, in-house legal department and review of the minutes of the Board of Directors and the Board Audit Committee. • Reviewed correspondence of the Corporation with regulatory departments, tax authorities (including judgments and orders passed by competent authorities from time to time, where applicable) and the Corporation's external counsel. Where relevant, also assessed external legal / tax advices obtained by the Corporation.

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	Due to significance of amounts involved, inherent uncertainties with respect to the outcome of the matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingencies as a key audit matter.	• Discussed open matters and developments with the in-house legal department of the Corporation. • Involved internal tax professionals to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of management and external tax advisors engaged by the Corporation. • Circularized confirmations to the Corporation's external legal and tax advisors for their views and assessment on the pending cases. • Assessed the adequacy and appropriateness of related disclosures in the annexed unconsolidated financial statements for compliance with the requirement of the applicable financial reporting framework.

Information Other than the Unconsolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated and unconsolidated financial statements and our auditors' report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Corporation's financial reporting process.

YOUSUF ADIL

GrantThornton

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Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

YOUSUF ADIL

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Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Corporation as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Corporation's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Corporation and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The unconsolidated financial statements of the Corporation for the year ended June 30, 2021 were audited by KPMG Taseer Hadi & Co. Chartered Accountants and Grant Thornton Anjum Rahman Chartered Accountants who had expressed an unmodified opinion thereon dated October 06, 2021.

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

Yousuf Adil
Chartered Accountants
Karachi
Date: September 30, 2022
UDIN: AR202210186FnCzalhAL

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi
Date: September 30, 2022
UDIN: AR202210093Ynil1KdbG

YOUSUF ADIL

Grant Thornton

Unconsolidated Statement of Financial Position

As at June 30, 2022

ASSETS	Note	June 30, 2022	June 30, 2021
		-----------------(Rupees in '000)----------------	
Non-current assets			
Property, plant and equipment	7	2,271,281	2,294,029
Right-of-use assets	8	93,312	105,653
Intangible assets	9	51,806	39,436
Investment properties	10	3,949,584	3,687,374
Long-term investments in:			
- Related parties (subsidiaries and an associate)	11	37,140,378	37,140,378
- Listed companies and other entity	12	38,858	49,359
		37,179,236	37,189,737
Long-term loans	13	20,374	8,144
Deferred taxation - net	14	47,246	98,145
		43,612,839	43,422,518
Current assets			
Stores and spares	15	-	10,380
Trade debts - unsecured	16	1,986,270	1,536,615
Agents' and owners' balances - unsecured	17	15,707	7,617
Loans and advances	18	113,750	98,535
Trade deposits and short-term prepayments	19	35,643	17,079
Interest accrued on bank deposits and short-term investments		114,970	102,117
Other receivables	20	222,150	297,183
Incomplete voyages		46,524	11,861
Taxation - net		1,466,246	1,594,402
Short-term investments	21	7,404,491	6,606,184
Cash and bank balances	22	5,410,043	1,027,181
		16,815,794	11,309,154
TOTAL ASSETS		60,428,633	54,731,672
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
200,000,000 (2021: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up share capital	23	1,320,634	1,320,634
Reserves			
Capital reserve		126,843	126,843
Revenue reserve - unappropriated profit		9,321,161	8,840,694
Remeasurement of post retirement benefits obligation - net of tax		(221,781)	(228,096)
Surplus on revaluation of property, plant and equipment - net of tax	7.8	1,623,362	1,624,111
		10,849,585	10,363,552
		12,170,219	11,684,186
Non-current liabilities			
Long-term financing - secured	24	3,547,219	4,684,138
Lease liabilities	25	104,746	114,805
Employee benefits	26	713,135	679,619
		4,365,100	5,478,562
Current liabilities			
Trade and other payables	27	42,717,103	36,020,870
Contract liabilities		99,353	98,660
Provision against damage claims	28	17,858	19,012
Current portion of long-term financing	24	949,793	1,334,965
Current portion of lease liabilities	25	6,804	1,803
Unclaimed dividend		87,245	77,496
Accrued markup on long-term financing		15,158	16,118
		43,893,314	37,568,924
TOTAL LIABILITIES		48,258,414	43,047,486
TOTAL EQUITY AND LIABILITIES		60,428,633	54,731,672
CONTINGENCIES AND COMMITMENTS	29		

The annexed notes 1 to 56 form an integral part of these unconsolidated financial statements.

Syed Jarar Haider Kazmi	**Rizwan Ahmed**	**Khowaja Obaid Imran Ilyas**
Chief Financial Officer	Chairman & Chief Executive	Director

Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2022

	Note	June 30, 2022	June 30, 2021
		--------------(Rupees in '000)--------------	
REVENUE FROM CONTRACTS WITH CUSTOMERS			
Freight income - foreign flag vessels	30	7,766,827	1,965,394
Service fees - net	31	637,859	404,712
Rental income		235,211	218,080
Other operating activities	32	1,772,551	9,825
		10,412,448	2,598,011
EXPENDITURE			
Fleet expenses - direct	33	(7,808,402)	(1,207,142)
Fleet expenses - indirect	34	(8,084)	(8,276)
Vessel management expenses	35	(713,110)	(822,686)
Real estate expenses	36	(117,414)	(113,338)
		(8,647,010)	(2,151,442)
GROSS PROFIT		1,765,438	446,569
Administrative expenses	37	(480,121)	(185,910)
Impairment (loss) / reversal of impairment on financial assets - net	38	(585,498)	280,348
Other expenses	39	(203,687)	(232,803)
Other income	40	1,465,365	1,042,376
		196,059	904,011
OPERATING PROFIT		1,961,497	1,350,580
Finance costs	41	(525,573)	(551,417)
PROFIT BEFORE TAXATION		1,435,924	799,163
Taxation	42	(565,922)	(104,345)
PROFIT FOR THE YEAR		870,002	694,818
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of post-retirement benefits obligation	26.1.8 & 26.2.6	7,232	88,761
- Related tax	14.1	(917)	(25,740)
		6,315	63,021
- Revaluation of property, plant and equipment		-	412,821
- Related tax	14.1	5,906	(17,453)
		5,906	395,368
		12,221	458,389
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		882,223	1,153,207
		-------------------(Rupees)-------------------	
EARNINGS PER SHARE - basic and diluted	43	6.59	5.26

The annexed notes 1 to 56 form an integral part of these unconsolidated financial statements.

Syed Jarar Haider Kazmi	Rizwan Ahmed	Khowaja Obaid Imran Ilyas
Chief Financial Officer	Chairman & Chief Executive	Director

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2022

	Issued, subscribed and paid-up share capital	Capital reserve*	Revenue reserve - unappropriated profit	Remeasurement of post-retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total equity
	-----	-----	-----	(Rupees in '000)	-----	-----
Balance as at July 1, 2020	1,320,634	126,843	8,440,569	(291,117)	1,231,193	10,828,122
Transaction with owners						
Final cash dividend for the year ended June 30, 2020 (Rs. 2.25 per ordinary share)	-	-	(297,143)	-	-	(297,143)
Profit for the year	-	-	694,818	-	-	694,818
Other comprehensive income	-	-	-	63,021	395,368	458,389
Total comprehensive income for the year	-	-	694,818	63,021	395,368	1,153,207
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	2,450	-	(2,450)	-
Balance as at June 30, 2021	1,320,634	126,843	8,840,694	(228,096)	1,624,111	11,684,186
Transaction with owners						
Final cash dividend for the year ended June 30, 2021 (Rs 3 per ordinary share of Rs. 10 each)	-	-	(396,190)	-	-	(396,190)
Profit for the year	-	-	870,002	-	-	870,002
Other comprehensive income	-	-	-	6,315	5,906	12,221
Total comprehensive income for the year	-	-	870,002	6,315	5,906	882,223
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	6,655	-	(6,655)	-
Balance as at June 30, 2022	1,320,634	126,843	9,321,161	(221,781)	1,623,362	12,170,219

* 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 56 form an integral part of these unconsolidated financial statements.

Syed Jarar Haider Kazmi
Chief Financial Officer

Rizwan Ahmed
Chairman & Chief Executive

Khowaja Obaid Imran Ilyas
Director

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2022

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	44	7,623,573	3,328,860
Employees' gratuity paid	26.1.4	(23,847)	(10,859)
Employees' compensated absences paid	26.2.4	(81,085)	(63,094)
Post-retirement medical benefits paid	26.1.4	(14,785)	(22,096)
Long-term loans and advances		(12,230)	3,683
Finance costs paid		(509,383)	(537,960)
Taxes paid		(381,341)	(227,188)
Net cash generated from operating activities		6,600,902	2,471,346
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7.1 & 7.9	(36,634)	(25,438)
Proceeds from disposal of property, plant and equipment		1,762	42,840
Acquisition of intangible asset	9	(12,370)	(26,545)
Additions to investment properties	10	(20,179)	(1,000)
Short-term investments made - net		4,674,394	(3,962,349)
Interest received on short-term investments		564,137	350,165
Dividends received	40	10,808	710
Net cash used in investing activities		5,181,918	(3,621,617)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing repaid	24.7	(1,527,550)	(1,334,965)
Lease rentals paid	53	(13,266)	(7,329)
Dividends paid	53	(386,441)	(288,634)
Net cash used in financing activities		(1,927,257)	(1,630,928)
Net increase / (decrease) in cash and cash equivalents		9,855,563	(2,781,199)
Cash and cash equivalents at the beginning of the year		1,727,181	4,508,380
Cash and cash equivalents at the end of the year	45	11,582,744	1,727,181

The annexed notes 1 to 56 form an integral part of these unconsolidated financial statements.

Syed Jarar Haider Kazmi
Chief Financial Officer

Rizwan Ahmed
Chairman & Chief Executive

Khowaja Obaid Imran Ilyas
Director

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2022

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.

Details of the Corporation's investment in subsidiaries and associated company are stated in note 11 to these unconsolidated financial statements.

2. STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and

- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

These are separate financial statements wherein subsidiaries and associated company are measured at cost.

3. BASIS OF MEASUREMENT

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

3.2 These unconsolidated financial statements are presented in Pakistani Rupee, which is the Corporation’s functional and presentation currency.

4. New accounting standards and amendments that are effective for the year ended June 30, 2022

Amendments to accounting standards that are mandatory for accounting periods beginning July 1, 2021 other than those disclosed in note 4.1. These are considered not to be relevant or do not have any significant effect on the Corporation's financial statements and are therefore not stated in these financial statements.

4.1 New accounting standards and amendments that are not yet effective

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Corporation's operations or are not expected to have significant impact on the Corporation's financial statements other than certain additional disclosures.

	Effective from Accounting period beginning on or after
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022

	Effective from Accounting period beginning on or after
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid standards and amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

5.1 Property, plant and equipment

These are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any, except for leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment which are carried at revalued amounts less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The value assigned to leasehold land is not depreciated as the leases are expected to be renewed for further periods on payment of relevant rentals. Annual lease rentals are charged to profit or loss and premium paid at the time of renewal, if any, is amortised over the remaining period of the lease.

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalized and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the statement of profit or loss as an expense when it is incurred.

Depreciation is charged to profit or loss applying the straight-line method at the rates specified in note 7.1. No depreciation is charged if the asset's residual value exceeds its carrying amount. Full month's depreciation is charged from the month the asset is available for intended use and no depreciation is charged in the month of disposal.

Residual values, useful lives and methods of depreciation are reviewed at each reporting date and adjusted, if expectations differ significantly from previous estimates.

The revaluation of related assets is carried out at regular intervals to ensure that the carrying amounts do not differ materially from those which would have been determined using fair values at the reporting date. Increase in the carrying amounts arising on revaluation of leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment is recognised, net of tax, in other comprehensive income and accumulated in surplus on revaluation of fixed assets in statement of changes in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss.

Decrease in the carrying amounts arising as a result of revaluation, that reverses previous increase of the same asset is first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decrease are charged to profit or loss.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus on property, plant and equipment to unappropriated profit. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the assets and the net amount is restated to the revalued amount of the assets. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to unappropriated profit. The revaluation reserve is not available for distribution to the Corporation's shareholders.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals determined by comparing proceeds with carrying amount of the relevant assets are included in profit or loss.

5.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when these assets are available for intended use.

5.3 Right-of-use asset

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Corporation does not recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

5.4 Intangible assets

These are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is charged to profit or loss by applying straight-line method whereby the cost less residual value, if not insignificant, of an asset is written-off over its estimated useful life to the Corporation. Full month's amortisation is charged from the month the asset is available for intended use and no amortisation is charged in the month of disposal. Gains and losses on disposals determined by comparing proceeds with carrying amount of the relevant assets are included in profit or loss.

5.5 Investment properties

Properties held for long-term rental yields which are significantly rented out by the Corporation are classified as investment properties.

Investment properties are measured initially at cost, including related transaction costs directly attributable to acquisition. After initial recognition at cost, investment properties are carried at their fair values based on market value determined by professional independent valuers with sufficient regularity. Fair values are based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Gain or loss arising as a result of fair valuation is charged to profit or loss.

Additions to investment properties consist of costs of a capital nature. The profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus capital expenditure in the period.

5.6 Impairment of non-financial assets

At the end of each reporting period, the Corporation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

5.7 Investments in subsidiaries and associate

Investments in subsidiaries and associate are stated at cost less provision for impairment, if any. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the statement of profit or loss.

5.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

5.8.1 Financial assets

a) Initial recognition and measurement

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; (FVOCI) – equity investment; or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Corporation may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Corporation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade debt without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

b) Subsequent measurement

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses including on account of derecognition are recognised in OCI and are never reclassified to profit or loss.

5.8.2 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Corporation becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed dividend, accrued mark-up and trade and other payables. The Corporation derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate (EIR) method.

Loans and borrowings

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost using the EIR method, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss account over the period of the borrowings using the EIR.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the unconsolidated statement of profit or loss.

5.8.3 Impairment of financial assets

The Corporation recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost. The Corporation uses the standard’s simplified approach and calculates ECL based on life time ECL on its financial assets. The Corporation has established a provision matrix that is based on the Corporation’s historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

At each reporting date, the Corporation assesses whether financial assets are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Corporation expects to receive. The shortfall is then discounted at an approximation to the asset’s original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Corporation may also consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation.

5.8.4 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the unconsolidated financial statements if the Corporation has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

5.9 Stores and spares

Stores and spares are stated at lower of cost and net realisable value. Cost is determined as follows:

- Stores at weighted average cost; and
- Spares on first-in first-out basis.

Stores and spares in transit are valued at cost incurred upto the reporting date.

Certain spares having low value and high consumption levels are charged to profit or loss at the time of purchase.

The Corporation reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence, if there is any change in the usage pattern and physical form.

5.10 Trade debts, agents' and owners' balances, loans, deposits and other receivables

Trade debts, agents' and owners' balances, loans, deposits and other receivables are stated initially at fair value and subsequently measured at amortised cost less an allowance for ECL. Allowance for ECL is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts, agents' and owners' balances, loans, deposits and other receivables. Bad debts, if any, are written-off when considered irrecoverable.

5.11 Incomplete voyage

An asset is booked as incomplete voyage when revenue in respect of voyage charter is deferred to the next financial year due to non-satisfaction of performance obligation as at reporting date. Incomplete voyages include the direct and indirect expenses attributable to the voyage charter. These are stated at cost.

5.12 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Corporation, management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

5.12.1 Current tax

Provision for current taxation is based on taxable income for the year at corporate tax or alternative corporate tax, whichever is higher.

Corporate tax means tax payable by the Corporation at the current rates of taxation after taking into account tax credits and tax rebates available, if any, and tax paid on final tax basis or minimum tax on turnover whichever is higher.

Alternative corporate tax means the tax payable by the Corporation at prescribed rate applied on accounting profit before tax.

The charge for current taxation is based on taxable income at the current prevailing rates of taxation in accordance with the Income Tax Ordinance, 2001. Current tax in respect of voyage charter is taxable under Final Tax Regime (FTR) under section 7A of the Income Tax Ordinance, 2001. The impact of prior year tax, if any, is charged to profit or loss.

5.12.2 Deferred tax

Deferred tax is provided using the balance sheet liability method for all temporary differences arising at the reporting date, between tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilised. Deferred tax is recorded at the current prevailing rate of taxation.

The Corporation recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

5.13 Insurance claims

Insurance expenses relating to hull are charged to profit or loss and claims filed there against are taken to profit or loss when such claims are accepted by the underwriters.

Afloat medical expenses, cargo claims and other relevant amounts recoverable from underwriters are taken to insurance claims receivable.

5.14 Lease liabilities

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Corporation.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

Lease payments include fixed payments less any incentive received, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option and if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Corporation is reasonably certain to exercise these options.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit and loss if the carrying amount of right-to-use asset has been reduced to zero.

The Corporation applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Corporation reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increase the scope of lease by adding the right-to-use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

5.15 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

5.16 Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

5.17 Dividend and appropriations

Dividend distribution to the Corporation's shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved.

5.18 Employee benefits

5.18.1 Defined contribution plan - Provident fund

The Corporation operates an approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Corporation and its employees, to the fund at the rate of 10 percent of the basic salaries of employees. Contributions by the Corporation are charged to profit or loss for the year.

5.18.2 Defined benefit plans - Gratuity fund

The Corporation operates a funded retirement gratuity scheme for its permanent employees other than those who joined the Corporation on or after October 16, 1984. Further, the Corporation also operates an unfunded retirement gratuity scheme for contractual employees. Provisions are made in the unconsolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually under the projected unit credit method. The latest valuation was carried out as at June 30, 2022. The remeasurement of defined benefit plan is recognised directly to equity through other comprehensive income net of tax.

The benefit is payable on completion of prescribed qualifying period of service under these schemes.

The Corporation's crew members are also entitled to gratuity in accordance with the Pakistan Maritime Board Regulations. However, these employee benefits are recognised upon payment as the amounts involved are not material.

5.18.3 Defined benefit plan - Post-retirement medical benefits

The Corporation provides lump sum medical allowance and free medical facilities to its retired employees in accordance with the service regulations.

Provisions are made in the unconsolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually using the projected unit credit method. The latest valuation was carried out as at June 30, 2022. The remeasurement of post-retirement benefit obligation is recognised directly to equity through OCI.

The benefit is payable on completion of prescribed qualifying period of service under these schemes.

With effect from July 01, 2020, the Corporation has decided to restrict the Post-retirement medical benefits facility for contractual employees.

5.19 Employees' compensated absences

The Corporation accounts for the liability in respect of employees' compensated absences in the year in which these are earned.

Provisions are made in the unconsolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually using the projected unit credit method. The latest valuation was carried out as at June 30, 2022. The remeasurement of employees' compensated absences are charged to profit or loss for the year.

5.20 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques in hand, bank balances and other short-term highly liquid investments with maturities of three months or less.

5.21 Foreign currency transactions and translation

Foreign currency transactions are recorded using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupee using the exchange rate ruling at the reporting date. Foreign exchange gain or losses resulting from the settlement of foreign currency transactions and translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are recognised in profit or loss.

5.22 Revenue recognition

Revenue is measured based on the consideration to which the Corporation expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Moreover, the considerations received before satisfying the performance obligations are recognised as contract liabilities. Revenue from contract with customers is recognised net of variable consideration wherever applicable as more fully explained below.

Performance obligations

Information about the Corporation's performance obligations are summarised below:

Voyage charter revenue

Revenue in respect of voyage charter is recognised at a point in time when the cargo is discharged and control of the cargo is transferred to the customer i.e., on completion of the voyage. Voyages are taken as complete when a vessel arrives at the last port of discharge and completes discharge of entire cargo on or before the reporting date. Revenue from voyage charter is recorded net of overage premium and ocean losses based on the respective contract with the customers and is shown as a deduction from gross revenue.

Time charter revenue

Revenue in respect of voyages chartered for a period of time i.e., on time charter basis are recognised over time on per day basis for the period for which the vessel is under the control of the customer.

Slot charter revenue

Revenue in respect of slot charter in foreign flag vessels is recognised at the point in time when the vessel arrives at the discharging port.

Others

- Fee for technical, commercial, administrative and financial services are recognised as revenue as and when the services are rendered in accordance with the terms of the agreement.

- Rental income is recognised as revenue on a straight line basis over the term of the respective lease arrangement

- Dividend income is recognised when the Corporation's right to receive the dividend is established.

- Mark-up on bank accounts, return on short-term investments and other income is recognised on accrual basis.

- Demurrage income due as per contractual terms is recognised on estimated basis, based on past experience of settlements and recent recovery trends.

5.23 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.24 Benazir Employees' Stock Option Scheme

On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees’ Stock Option Scheme (the Scheme) for eligible employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises (non-SOEs) where GoP holds significant investments. To administer the Scheme, the GoP transferred 12% of its investment to BESOS Trust Fund (the Trust) created for the purpose by each of such entities.

Keeping in view the difficulties that may be faced by the entities covered under the Scheme, SECP on receiving representation from some of the entities covered under the scheme and after having consulted the Institute of Chartered Accountants of Pakistan vide their letter number CAIDTS/PS& TAC/2011-2036 dated February 2, 2011 granted exemption to such entities from the application of IFRS 2 (Share based payment) to the Scheme vide SRO 587 (I)/2011 dated June 7, 2011.

The Supreme Court of Pakistan (SCP), vide its detailed judgment dated December 22, 2021, has declared the BESOS Scheme ultra vires. Accordingly, the appropriate measures in collaboration with relevant stakeholders are being taken by the Corporation to implement the decision of the SCP.

5.25 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

5.26 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

6. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the Corporation's unconsolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to these unconsolidated financial statements:

(a) Valuation of certain property, plant and equipment and investment properties (notes 5.1, 5.5, 7 and 10);

(b) Depreciation rate and determination of the residual values and useful lives of property, plant and equipment (notes 5.1 and 7);

(c) Recoverable amount of long-term investment in related parties - subsidiaries (notes 5.7 and 11);

(d) Expected credit loss on trade debts, agents' and owners' balances, other receivables and other financial assets (notes 5.8.3 16, 17, 19 and 20);

(e) Provision for current and deferred tax (notes 5.12, 14 and 42);

(f) Accounting for provision against damage claims (notes 5.16 and 28);

(g) Accounting for employee benefits (notes 5.18 and 26);

(h) Recognition of demurrage income (notes 5.22 and 32);

(i) Contingencies and commitments (notes 5.23 and 29); and

(j) Provision for slow moving stores and spares (note 5.9).

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.

	Note	June 30, 2022	June 30, 2021
		----(Rupees in '000)----	
7. PROPERTY, PLANT AND EQUIPMENT			
- Operating fixed assets	7.1	2,209,276	2,228,082
- Capital work-in-progress (CWIP) - buildings on leasehold land	7.10	62,005	65,947
		2,271,281	2,294,029

7.1 Operating fixed assets:

	Leasehold land (notes 7.2 - 7.5)	Buildings on leasehold land (notes 7.2 - 7.5)	Vessel (note 7.6)	Vehicles	Office equipment	Furniture and fittings	Equipment on board	Beach huts (notes 7.2 - 7.5)	Workshop machinery and equipment (note 7.5)	Computer equipment	Total
	-----(Rupees in '000)-----										
As at June 30, 2020											
Cost or revalued amount	1,086,960	773,138	1,440	84,969	75,950	39,760	1,736	16,251	21,530	99,910	2,201,644
Accumulated depreciation	-	(67,467)	(1,440)	(69,320)	(60,391)	(32,653)	(1,736)	(3,254)	(14,427)	(77,622)	(328,310)
Accumulated impairment	-	(9,653)	-	-	-	-	-	-	-	-	(9,653)
Net book value	1,086,960	696,018	-	15,649	15,559	7,107	-	12,997	7,103	22,288	1,863,681
Year ended June 30, 2021											
Opening net book value	1,086,960	696,018	-	15,649	15,559	7,107	-	12,997	7,103	22,288	1,863,681
Additions	-	3,105	-	-	1,612	841	-	-	-	8,003	13,561
Disposals:											
Cost or revalued amount	-	-	-	(42,844)	-	-	-	-	-	-	(42,844)
Accumulated depreciation	-	-	-	42,844	-	-	-	-	-	-	42,844
	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	(1,776)	-	-	-	-	1,776	-
Revaluation Surplus	312,820	90,432	-	-	-	-	-	6,872	2,697	-	412,821
Impairment	-	(5,366)	-	-	-	-	-	-	-	-	(5,366)
Depreciation charge for the year - note 7.7	-	(33,879)	-	(3,963)	(3,756)	(1,166)	-	(1,627)	(1,447)	(10,777)	(56,615)
Closing net book value	1,399,780	750,310	-	11,686	11,639	6,782	-	18,242	8,353	21,290	2,228,082
As at June 30, 2021											
Cost or revalued amount	1,086,960	776,243	1,440	42,125	75,786	40,601	1,736	16,251	21,530	109,689	2,172,361
Revaluation surplus	312,820	90,432	-	-	-	-	-	6,872	2,697	-	412,821
Accumulated depreciation	-	(101,346)	(1,440)	(30,439)	(64,147)	(33,819)	(1,736)	(4,881)	(15,874)	(88,399)	(342,081)
Accumulated impairment	-	(15,019)	-	-	-	-	-	-	-	-	(15,019)
Net book value	1,399,780	750,310	-	11,686	11,639	6,782	-	18,242	8,353	21,290	2,228,082
Year ended June 30, 2022											
Opening net book value	1,399,780	750,310	-	11,686	11,639	6,782	-	18,242	8,353	21,290	2,228,082
Additions including transfer	-	16,688	-	9,714	5,113	1,620	-	-	-	7,441	40,576
Disposals:											
Cost or revalued amount	-	-	-	-	(4,546)	(41)	-	-	-	(31,154)	(35,741)
Accumulated depreciation	-	-	-	-	4,546	41	-	-	-	31,154	35,741
	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year - note 7.7	-	(34,916)	-	(4,185)	(3,782)	(1,827)	-	(1,826)	(1,313)	(11,533)	(59,382)
Closing net book value	**1,399,780**	**732,082**	**-**	**17,215**	**12,970**	**6,575**	**-**	**16,416**	**7,040**	**17,198**	**2,209,276**
As at June 30, 2022											
Cost or revalued amount	1,399,780	883,363	1,440	51,839	80,899	42,221	1,736	23,123	24,227	117,130	2,625,758
Accumulated depreciation	-	(136,262)	(1,440)	(34,624)	(67,929)	(35,646)	(1,736)	(6,707)	(17,187)	(99,932)	(401,463)
Accumulated impairment	-	(15,019)	-	-	-	-	-	-	-	-	(15,019)
Net book value	**1,399,780**	**732,082**	**-**	**17,215**	**12,970**	**6,575**	**-**	**16,416**	**7,040**	**17,198**	**2,209,276**
Annual rate of depreciation (%) 2022		**3 to 20**	**3 to 4**	**20**	**15**	**10 to 15**	**10 to 15**	**10**	**5 to 10**	**33**	
Annual rate of depreciation (%) 2021		3 to 20	3 to 4	20	15	10 to 15	10 to 15	10	5 to 10	33	

7.2 Particulars of immovable property (i.e. leasehold land, buildings on leasehold land and beach huts) are as follows:

S.No	Location	Usage of immovable	Total area (Sq. yards)	Covered area (Sq. feet)
1	PNSC Building, Plot No. 30-A, Off. M.T. Khan Road, Karachi	Registered office	7,833	257,093
2	Plot bearing No. 31-A, situated at M.T. Khan Road, Karachi	Leasehold land	1,834	9,000
3	Plot No. 17/1, West Wharf, Karachi	Storage facility	705	19,035
4	Plot No. 30, Township, Kemari, Karachi	Workshop	7,925	28,963
5	Plot No. D-51, Block - 5, Clifton, Karachi	Residential Bungalow	1,000	5,360
6	PNSC Beach Hut-I, No. 12-S, Sandspit, Karachi	Beach hut	417	1,990
7	PNSC Beach Hut-II, No. 37-N, Sandspit, Karachi	Beach hut	448	1,990

Forced sales value of the aforementioned immovable properties determined on the basis of latest revaluation carried out as at June 30, 2021 are as follows:

7.3

S.No	Class of asset	(Rupees in '000)
1	Leasehold land	1,189,813
2	Buildings on leasehold land	638,012
3	Beach huts	15,521

7.4 The revaluation of the 'leasehold land', 'buildings on leasehold land', 'beach huts' and 'Workshop machinery and equipment' was carried out as of June 30, 2021 by an independent valuer.

7.4.1 Valuation Techniques

The valuers have performed inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilization and current trends in price of real estate including assumptions that ready buyers are available in the current scenario and analyzed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the better estimates of the fair value.

7.5 Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Leasehold land, buildings on leasehold land and beach huts	537,150	552,250
Workshop machinery and equipment	1,461	2,774
	538,611	555,024

7.6 Cost and accumulated depreciation of vessel amounting to Rs 1.440 million relates to M.V Ilyas Bux. This vessel was seized by the Indian Authorities during the 1965 war and the Corporation does not have physical possession or control over the vessel.

7.7 The depreciation charge for the year has been allocated as follows:

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Fleet expenses - indirect	34	1,089	1,214
Vessel management expenses	35	26,024	28,683
Real estate expenses	36	29,903	24,112
Administrative expenses	37	2,366	2,606
		59,382	56,615

7.8 Surplus on revaluation property, plant and equipment - net of tax

	June 30, 2022	June 30, 2021
As at July 1,	1,658,835	1,248,879
Surplus arising during the year	-	412,821
Less: transferred to unappropriated profit on account of:		
- incremental depreciation - net of tax	(7,600)	(2,865)
	(7,600)	409,956
As at June 30,	1,651,235	1,658,835
Less: related deferred tax liability on:		
Revaluation surplus as at July 1,	34,724	17,686
Surplus arising during the year	-	19,485
Adjustment due to change in tax rate	(5,906)	(2,032)
Incremental depreciation charged during the year	(945)	(415)
	27,873	34,724
	1,623,362	1,624,111

Notes to and Forming Part of the Unconsolidated Financial Statements
For the year ended June 30, 2022

7.9 Disposals of fixed assets do not include any asset whose aggregated book value exceeds Rs. 5 million.

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
7.10 Capital work-in-progress - buildings on leasehold land			
Balance at beginning of the year		65,947	56,881
Additions during the year		7,935	11,877
Transfers to operating fixed assets		(11,877)	-
Impairment		-	(2,811)
Balance at end of the year		62,005	65,947

8. RIGHT-OF-USE ASSETS

	Note	June 30, 2022	June 30, 2021
Rental Properties			
Balance at beginning of the year		105,653	118,145
Depreciation	8.2	(12,341)	(12,492)
Balance at end of the year		93,312	105,653

8.1 The annual rate of depreciation for the right-of-use assets is 10%.

8.2 Depreciation charge on right of use assets for the year has been allocated as follows:

	Note	June 30, 2022	June 30, 2021
Vessel Management Expenses	35	11,313	11,451
Administrative expenses	37	1,028	1,041
		12,341	12,492

9. INTANGIBLE ASSETS

	Note	June 30, 2022	June 30, 2021
Ship Management Expert System (SES)			
Cost		16,503	16,503
Accumulated depreciation		(16,503)	(16,503)
	9.1	-	-
Capital work-in-progress (CWIP)			
Computer Software - opening		39,436	12,891
Additions during the year		12,370	26,545
Closing as at June 30, 2022		51,806	39,436

9.1 SES is still active in use, however, it was fully amortized during the year ended June 30, 2009.

10. INVESTMENT PROPERTIES

At fair value	Note	Leasehold land	Buildings on leasehold land	Total
		(Rupees in '000)		
Balance as at July 1, 2020		3,350,325	75,866	3,426,191
Additions during the year		-	1,000	1,000
Gain on revaluation	10.3 & 40	260,788	(605)	260,183
Balance as at June 30, 2021		3,611,113	76,261	3,687,374
Balance as at June 30, 2021		3,611,113	76,261	3,687,374
Additions during the year		-	20,179	20,179
Gain on revaluation	10.3 & 40	234,324	7,707	242,031
Balance as at June 30, 2022		3,845,437	104,147	3,949,584

10.1 Particulars of immovable investment properties are as follows:

S.No.	Location	Usage of immovable property	Total area (Sq. yards)	Covered area (Sq. feet)
1	Plot bearing Survey No. 4/1-A, Main I. I. Chundrigar Road, Karachi	Investment property	2,786	230,555
2	Plot No. 35-B, North circular avenue, DHA, Phase I, Karachi	Investment property	1,088	5,675
3	Plot No. 6 & 6-A, Block H, Gulberg-II, Lahore	Investment property	268	2,410
4	Plot bearing Survey No. 15, Main Talpur Road, off I.I. Chundrigar Road, Karachi	Investment property	9,856	111,200

10.2 Forced sale value of the aforementioned investment properties as of the reporting date are as follows:

S.No.	Class of asset	June 30, 2022	June 30, 2021
		(Rupees in '000)	
1	Leasehold land	3,076,878	3,069,445
2	Buildings on leasehold land	78,837	64,417

10.3 The revaluation of the Corporation's investment properties was carried out by an independent valuer as of June 30, 2022.

10.4 Valuation Techniques

The valuers have performed inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilization and current trends in price of real estate including assumptions that ready buyers are available in the current scenario and analyzed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the better estimates of the fair value.

11. LONG-TERM INVESTMENTS IN RELATED PARTIES (SUBSIDIARIES AND AN ASSOCIATE)

No. of shares - ordinary		Name of the company	Country of incorporation	Latest available audited financial statements for the year ended	Percentage holding		Face value per share	June 30, 2022	June 30, 2021
June 30, 2022	June 30, 2021				June 30, 2022	June 30, 2021			
							(Rupees)	-----(Rupees in '000)-----	
(i) Subsidiary companies - unquoted									
439,599,957	439,599,957	Bolan Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	4,396,000	4,396,000
275,344,100	275,344,100	Chitral Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	2,753,441	2,753,441
226,825,500	226,825,500	Hyderabad Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	2,268,255	2,268,255
15,686,000	15,686,000	Pakistan Marine and Shipping Services Company (Private) Limited	Pakistan	June 30, 2022	100	100	10	156,860	156,860
36,000	36,000	Johar Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	360	360
7,286,000	7,286,000	National Ship Management and Crew (Private) Limited	Pakistan	June 30, 2022	100	100	10	72,860	72,860
330,000,000	330,000,000	Karachi Shipping (Private) Limited*	Pakistan	June 30, 2022	100	100	10	3,451,994	3,451,994
441,997,735	441,997,735	Khairpur Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	4,419,977	4,419,977
340,000,000	340,000,000	Lahore Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	3,400,000	3,400,000
14,686,000	14,686,000	Lalazar Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	146,860	146,860
9,486,000	9,486,000	Makran Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	94,860	94,860
336,016,700	336,016,700	Malakand Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	3,360,167	3,360,167
140,547,500	140,547,500	Multan Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	1,405,475	1,405,475
1,600	1,600	Pakistan Co-operative Ship Stores (Private) Limited	Pakistan	June 30, 2022	73	73	100	868	868
500,000,000	500,000,000	Quetta Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	5,000,000	5,000,000
6,936,000	6,936,000	Sargodha Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	69,360	69,360
347,055,800	347,055,800	Shalamar Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	3,470,558	3,470,558
254,012,300	254,012,300	Sibi Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	2,540,123	2,540,123
13,236,000	13,236,000	Swat Shipping (Private) Limited	Pakistan	June 30, 2022	100	100	10	132,360	132,360
								37,140,378	37,140,378
(ii) Associate - unquoted									
12,250	12,250	Muhammadi Engineering Works Limited	Pakistan	December 31, 1982 (unaudited)	49	49	100	1,600	1,600
		Less: Accumulated impairment losses						1,600	1,600
								-	-
								37,140,378	37,140,378

* During the year, the Board of Directors of the Corporation in their meeting held on June 06, 2022 resolved to priortize the sale or scrap of Karachi vessel at completion of its useful life on January 22, 2023. Therefore, the financial statements of Karachi Shipping (Private) Limited have been prepared on basis other than going concern.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2022

12. LONG-TERM INVESTMENTS IN LISTED COMPANIES AND OTHER ENTITY

At fair value through profit or loss Listed companies	Note	June 30, 2022	June 30, 2021
		-------------(Rupees in '000)-------------	
Siemens (Pakistan) Engineering Company Limited 6,930 (2021: 6,930) fully paid ordinary shares of Rs. 10 each. Market value per share as at June 30, 2022 Rs. 649.93 (2021: Rs. 657.63)	12.1	4,504	4,558
Pakistan State Oil Company Limited (related party due to Government holding) 199,336 (2021: 199,336) fully paid ordinary shares of Rs. 10 each. Market value per share as at June 30, 2022 Rs. 171.84 (2021: Rs. 224.25)	12.2	34,254	44,701
		38,758	49,259
Other entity (at cost)			
Pakistan Tourism Development Corporation Limited 10,000 (2021: 10,000) fully paid ordinary shares of Rs 10 each.		100	100
		38,858	49,359

12.1 The Corporation holds 0.084% (2021: 0.084%) of the investee's share capital.

	Note	June 30, 2022	June 30, 2021
Balance at beginning of the year		4,558	3,894
(Loss) / gain on revaluation	39 & 40	(54)	664
Balance at end of the year		4,504	4,558

12.2 The Corporation holds 0.04246% (2021: 0.04246%) of the investee's

	Note	June 30, 2022	June 30, 2021
Balance at beginning of the year		44,701	31,527
(Loss) / gain on revaluation	39 & 40	(10,447)	13,174
Balance at end of the year		34,254	44,701

13. LONG-TERM LOANS

Loans - considered good	Note	June 30, 2022	June 30, 2021
- due from executives	13.1 &13.2 &13.3	10,718	10,524
- due from other employees		20,376	5,767
		31,094	16,291
Less: Recoverable within one year	18	10,720	8,147
		20,374	8,144

13.1 Reconciliation of carrying amount of loans to executives:

	June 30, 2022	June 30, 2021
Balance at beginning of the year	10,524	12,772
Disbursements	8,788	6,299
Repayments	(8,594)	(8,547)
Balance at end of the year	10,718	10,524

13.2 These loans have been given to executives and other employees of the Corporation for personal use in accordance with their terms of employment. These loans are to be repaid over a period of one to five years in equal monthly installments. Any outstanding loan due from an employee at the time of leaving the service of the Corporation is adjustable against final settlement.

13.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 10.718 million (2021: Rs. 10.524 million).

13.4 The interest charged on the loan is KIBOR + 2%.

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For the year ended June 30, 2022

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
14.	**DEFERRED TAXATION - net**			
	Deductible temporary differences arising in respect of:			
	- provisions and deferred liabilities		108,017	135,583
	Taxable temporary differences arising in respect of:			
	- surplus on revaluation of property, plant and equipment		(27,873)	(34,724)
	- accelerated tax depreciation		(32,898)	(2,714)
			(60,771)	(37,438)
		14.1	47,246	98,145

14.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2020	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at June 30, 2021	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at June 30, 2022
Deductible temporary differences							
- provisions and employee benefits	142,286	19,037	(25,740)	135,583	(26,649)	(917)	108,017
Taxable temporary differences							
- surplus on revaluation of property, plant and equipment	(17,686)	415	(17,453)	(34,724)	945	5,906	(27,873)
- accelerated tax depreciation	(5,195)	2,481	-	(2,714)	(30,184)	-	(32,898)
	(22,881)	2,896	(17,453)	(37,438)	(29,239)	5,906	(60,771)
	119,405	21,933	(43,193)	98,145	(55,888)	4,989	47,246

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
15.	**STORES AND SPARES**			
	Stores			
	- at depot		9,112	9,112
	- at buildings		472	472
			9,584	9,584
	Spares			
	- at buildings		796	796
	Provision for slow moving stores and spares		(10,380)	-
			-	10,380
16.	**TRADE DEBTS - unsecured**			
	Considered good			
	- Due from related parties	16.1	1,012,293	1,503,061
	- Due from others	16.2	973,977	33,554
			1,986,270	1,536,615
	Considered doubtful			
	- Due from related parties	16.1 & 16.3	1,254,872	686,907
	- Due from others		41,703	39,082
			1,296,575	725,989
			3,282,845	2,262,604
	Allowance for expected credit loss on trade debts	16.5	(1,296,575)	(725,989)
			1,986,270	1,536,615

16.1 Ageing analysis of related parties, included in trade debts, is as follows:

	Upto 1 month	1 to 6 months	More than 6 months	As at June 30, 2022	As at June 30, 2021
	(Rupees in '000)				
Pakistan State Oil Company Limited	-	-	1,849,833	1,849,833	1,849,833
Pak Arab Refinery Limited	-	29,294	59,065	88,359	58,539
Pakistan Refinery Limited	-	6,368	7,289	13,657	795
Sui Northern Gas Pipelines Limited	950	-	-	950	1,812
District Controller of Stores	2,172	-	2,749	4,921	2,749
Others	90,396	131,274	87,775	309,445	276,240
	93,518	166,936	2,006,711	2,267,165	2,189,968

16.2 Ageing analysis due from others, included in trade debts that are past due but not impaired is as follows:

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Upto 1 month	419,586	4,178
1 to 6 months	222,128	3,734
More than 6 months	332,263	25,642
	973,977	33,554

16.3 Ageing analysis of related parties, included in trade debts, that are past due and impaired is as follows:

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Upto 1 month	2,455	2,100
1 to 6 months	137,348	134,547
More than 6 months	1,115,069	550,260
	1,254,872	686,907

16.4 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 2,267.165 million (2021: Rs. 2,588.758 million).

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
16.5 Allowance for expected credit loss on trade debts			
Balance at beginning of the year		725,989	1,005,769
Charged / (reversed) during the year	38	570,586	(279,780)
Balance at end of the year		1,296,575	725,989

17. AGENTS' AND OWNERS' BALANCES - unsecured

	Note	June 30, 2022	June 30, 2021
- Considered good	17.1	15,707	7,617
- Considered doubtful		10,642	8,157
		26,349	15,774
Allowance for expected credit loss on agents' and owners' balances	17.2	(10,642)	(8,157)
		15,707	7,617

17.1 The ageing analysis of agents' and owners' balances that are past due but not impaired is as follows:

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Upto 1 month	5,236	-
1 to 6 months	4,341	320
More than 6 months	6,130	7,297
	15,707	7,617

		Note	June 30, 2022	June 30, 2021
			------------(Rupees in '000)------------	
17.2	Allowance for expected credit loss on agents' and owners' balances			
	Balance at beginning of the year		8,157	8,725
	Charged / (reversed) during the year	38	2,485	(568)
	Balance at end of the year		10,642	8,157
18.	LOANS AND ADVANCES - considered good			
	Current portion of long-term loans			
	- due from executives		4,824	5,962
	- due from other employees		5,896	2,185
		13	10,720	8,147
	Advances - unsecured			
	- employees		62,250	60,493
	- contractors and suppliers		19,780	29,895
	- others	18.1	21,000	-
			103,030	90,388
			113,750	98,535

18.1 The maximum aggregate amount of advance to Port Qasim Authority, a related party, at the end of any month during the year was Rs. 21 million (2021: Rs. Nil).

		Note	June 30, 2022	June 30, 2021
			------------(Rupees in '000)------------	
19.	TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
	Trade deposits			
	- Considered good	19.1	33,236	13,001
	- Considered doubtful		369	369
			33,605	13,370
	Allowance for expected credit loss on trade deposits		(369)	(369)
			33,236	13,001
	Short-term prepayments		2,407	4,078
			35,643	17,079

19.1 This includes Rs. 2.102 million (2021: Rs. 2.102 million) amount deposited with Karachi Port Trust (KPT), a related party.

		Note	June 30, 2022	June 30, 2021
20.	OTHER RECEIVABLES		------------(Rupees in '000)------------	
	Considered good			
	- Due from related parties	20.1	197,133	118,279
	- Due from others		25,017	178,904
			222,150	297,183
	Considered doubtful			
	- Due from others		46,572	34,145
			268,722	331,328
	Allowance for expected credit loss on other receivables	20.3	(46,572)	(34,145)
			222,150	297,183

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20.1 The ageing analysis of other receivables, due from related parties that are past due but not impaired is as follows:

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Upto 1 month		**59,293**	13,450
1 to 6 months		**14,546**	1,869
More than 6 months		**123,294**	102,960
	20.2	**197,133**	118,279

20.2 This includes an amount of Rs. 83.858 million (2021: Rs. 33.765 million) due from the Government of Pakistan, Rs. 95.072 million (2021: Rs. 77.417 million) from Port Qasim Authority, Rs. 4.535 million (2021: Rs. 7.096 million) from Karachi Port Trust and Rs. 13.667 million (2021: Rs. 13.667 million) from Sindh Revenue Board.

20.3 Allowance for expected credit loss on other receivables

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Balance at beginning of the year		**34,145**	34,145
Charged during the year	38	**12,427**	-
Balance at end of the year		**46,572**	34,145

20.4 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 271.949 million (2021: Rs. 173.867 million).

21. SHORT-TERM INVESTMENTS

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Amortised cost			
Term deposits with banks:			
- more than three but upto six months		**1,126,900**	5,855,640
- three months or less		**6,172,701**	700,000
	21.1	**7,299,601**	6,555,640
Fair value through profit or loss			
Mutual funds	21.2	**104,890**	50,544
		7,404,491	6,606,184

21.1 Mark-up on these term deposits denominated in local currency ranges from 7.45% to 15.50% (2021: 7.45% to 7.95%) per annum, whereas mark-up on term deposits denominated in foreign currency was 3.00% (2021: 1.60%) per annum.

21.2 Movement of mutual funds

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Opening	**50,544**	-
Purchase during the year	**50,000**	50,000
Dividend reinvested during the year	**4,346**	544
Closing	**104,890**	50,544

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
22. CASH AND BANK BALANCES			
Cash in hand			
- foreign currency		1,881	1,841
- local currency		515	1,900
		2,396	3,741
Cash at bank			
in current accounts			
- local currency	22.1	443,497	186,112
- foreign currency		4,511,914	311,736
		4,955,411	497,848
in savings accounts			
- local currency	22.2	443,324	517,139
- foreign currency	22.3	8,912	8,453
		452,236	525,592
		5,410,043	1,027,181

22.1 This includes Rs 2.142 million (2021: Rs. 2.142 million), Rs. 5 million (2021: Rs. 5 million) and Rs. 12.527 million (2021: 11.777 million) held as security by Habib Bank Limited, PNSC branch, Soneri Bank Limited, AKU branch and JS Bank Limited, Jheel Park Branch respectively against guarantees issued on behalf of the Corporation.

22.2 Mark-up on these savings accounts ranges from 6.14% to 14% (2021: 5.50% to 7.00%) per annum.

22.3 Mark-up on these savings accounts ranges from 0.15% to 0.5% (2021: 0.15% to 0.5%) per annum.

23. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

June 30, 2022	June 30, 2021		June 30, 2022	June 30, 2021
(No. of shares)			(Rupees in '000)	
24,130,789	24,130,789	Ordinary shares of Rs 10 each issued to shareholders of former National Shipping Corporation (NSC) and Pakistan Shipping Corporation (PSC) in consideration of their shareholdings in those companies.	241,308	241,308
25,900,000	25,900,000	Ordinary shares of Rs. 10 each issued to GoP for cash received in the year 1985.	259,000	259,000
64,309,800	64,309,800	Ordinary shares of Rs. 10 each issued to the GoP on the financial restructuring of the Corporation in the year 1989-90.	643,098	643,098
17,722,791	17,722,791	Ordinary shares of Rs. 10 each issued as bonus shares.	177,228	177,228
132,063,380	132,063,380		1,320,634	1,320,634

23.1 As at June 30, 2022, Government of Pakistan held 115,633,710 (2021: 115,633,710) ordinary shares, representing 87.56% (2021: 87.56%) shareholding of the Corporation.

23.2 The Corporation has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Corporation. All shares rank equally with regard to the Corporation's residual assets.

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
24. LONG-TERM FINANCING - secured			
Financing under syndicate term finance agreement			
- MCB Bank Limited	24.1	-	384,121
- Faysal Bank Limited	24.2	2,783,865	3,369,428
		2,783,865	3,753,549
Financing under musharika agreement			
- MCB Bank Limited	24.4	-	192,061
- Faysal Bank Limited	24.5	1,713,147	2,073,493
		1,713,147	2,265,554
		4,497,012	6,019,103
Less: Current portion of long-term financing		949,793	1,334,965
		3,547,219	4,684,138

24.1 During the year, the loan has been repaid before maturity in November 2021 without any penalty.

24.2 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. 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 companies.

24.3 Mark-up paid under conventional mode of financing during the year amounted to Rs. 316.221 million (2021: Rs. 336.028 million)

24.4 During the year, the loan has been repaid before maturity in November 2021 without any penalty.

24.5 Represents financing facility obtained during the financial 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. As of the reporting date, 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.

24.6 Mark-up paid under Islamic mode of financing during the year amounted to Rs.192.202 million (2021: Rs. 201.933 million).

24.7 Following is the movement in long-term financing:

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Balance at beginning of the year		6,019,103	7,345,117
Repayments		(1,527,550)	(1,334,965)
Amortisation of arrangement fee		5,459	8,951
Balance at end of the year		4,497,012	6,019,103

25. LEASE LIABILITIES

	Note	June 30, 2022	June 30, 2021
Balance at the beginning of the year		116,608	115,527
Interest expense	41	8,208	8,410
Payments		(13,266)	(7,329)
Balance at the end of the year		111,550	116,608
Current		6,804	1,803
Non-current		104,746	114,805
		111,550	116,608

25.1 Lease liabilities are payable as follows:

	June 30, 2022			June 30, 2021		
	Minimum lease payments	Interest cost	Present value of minimum lease payments	Minimum lease payments	Interest cost	Present value of minimum lease payments
	Rupees in '000			Rupees in '000		
Less than one year	14,504	7,700	6,804	13,266	10,934	1,803
One to five years	72,966	21,229	51,737	63,475	27,646	36,358
More than five years	58,933	5,924	53,009	88,208	9,761	78,447
	146,403	34,853	111,550	164,949	48,341	116,608

	Note	June 30, 2022	June 30, 2021
		--------(Rupees in '000)--------	
26. EMPLOYEES' BENEFITS			
Employees' gratuity			
- funded	26.1.3	10,892	3,517
- unfunded	26.1.3	438,832	378,512
		449,724	382,029
Post-retirement medical benefits	26.1.3	65,663	73,952
Employees' compensated absences	26.2.4	197,748	223,638
		713,135	679,619

26.1 Retirement benefit schemes

26.1.1 The disclosures made in notes 26.1.2 to 26.1.16 of these unconsolidated financial statements are based on the information included in the actuarial valuation reports as of June 30, 2022.

26.1.2 As stated in notes 5.18.2 and 5.18.3 of these unconsolidated financial statements, the Corporation operates a funded retirement gratuity scheme for those permanent employees who joined the Corporation before October 16, 1984, an unfunded retirement gratuity scheme for contractual employees and an unfunded post-retirement medical benefit scheme for permanent and contractual employees. Liability is maintained against these schemes based on the actuarial recommendations. The following significant assumptions were used for the actuarial valuation of the defined benefit obligation schemes:

	June 30, 2022			June 30, 2021		
	Employees' gratuity		Post retirement medical benefits	Employees' gratuity		Post retirement medical benefits
	Funded	Unfunded		Funded	Unfunded	
Discount rate	13.25%	13.25%	13.25%	10.25%	10.25%	10.25%
Future salary increases - for permanent employees						
For the year 2021-22	-	-	-	10.25%	-	-
For the year 2022-23	13.25%	-	-	10.25%	-	-
For the year 2023-24	13.25%	-	-	10.25%	-	-
For the year 2024-25	13.25%	-	-	10.25%	-	-
For the year 2025-26	13.25%	-	-	10.25%	-	-
For the year 2026-27 and onwards	13.25%	-	-	10.25%	-	-
		-	-			
Future salary increases - for contractual employees						
For the year 2021-22	-	-	-	-	10.25%	-
For the year 2022-23	-	13.25%	-	-	10.25%	-
For the year 2023-24	-	13.25%	-	-	10.25%	-
For the year 2024-25	-	13.25%	-	-	10.25%	-
For the year 2025-26	-	13.25%	-	-	10.25%	-
For the year 2026-27 and onwards	-	13.25%	-	-	10.25%	-
Medical escalation rate			10.25%	-	-	7.25%
Death rate	based on SLIC (2001-05) Ultimate mortality tables.					

Notes to and Forming Part of the Unconsolidated Financial Statements
For the year ended June 30, 2022

		June 30, 2022			June 30, 2021		
		Employees' gratuity		Post retirement medical benefits	Employees' gratuity		Post retirement medical benefits
		Funded	Unfunded		Funded	Unfunded	
		(Rupees in '000)					
26.1.3	Reconciliation of statement of financial position						
	Present value of defined benefit obligation	46,826	438,832	65,663	49,080	378,512	73,952
	Fair value of plan assets	(35,934)	-	-	(45,563)	-	-
	Net liability in the statement of financial position	10,892	438,832	65,663	3,517	378,512	73,952
26.1.4	**Movement in present value of defined benefit obligation**						
	Balance at beginning of the year	49,080	378,512	73,952	103,487	340,547	168,015
	Current service cost	1,228	42,514	946	2,095	42,758	9,613
	Past service cost	-	-	-	-	-	(74,654)
	Interest cost	4,805	39,954	6,920	6,637	30,441	13,723
	Benefits paid	(11,996)	(23,847)	(14,785)	(57,999)	(10,859)	(22,096)
	Remeasurement on obligation	3,709	1,699	(1,370)	(5,140)	(24,375)	(20,649)
	Balance at end of the year	46,826	438,832	65,663	49,080	378,512	73,952
26.1.5	**Movement in fair value of plan assets**						
	Balance at beginning of the year	45,563	-	-	98,991	-	-
	Expected return on plan assets	4,436	-	-	6,236	-	-
	Benefits paid	(11,996)	-	-	(57,999)	-	-
	Remeasurement on plan assets	(2,069)	-	-	(1,665)	-	-
	Balance at end of the year	35,934	-	-	45,563	-	-
26.1.6	Movement in net liability in the statement of financial position						
	Balance at beginning of the year	3,517	378,512	73,952	4,496	340,547	168,015
	Expense recognised for the year	1,597	82,468	7,866	2,496	73,199	(51,318)
	Contributions made by the Corporation / benefits paid	-	(23,847)	(14,785)	-	(10,859)	(22,096)
	Remeasurements recognised in other comprehensive income	5,778	1,699	(1,370)	(3,475)	(24,375)	(20,649)
		10,892	438,832	65,663	3,517	378,512	73,952
26.1.7	The amounts recognised in profit or loss						
	Current service cost	1,228	42,514	946	2,095	42,758	(65,041)
	Net interest amount	369	39,954	6,920	401	30,441	13,723
		1,597	82,468	7,866	2,496	73,199	(51,318)
	Less: charged to subsidiaries	-	537	-	-	991	-
	Expense / (Income)	1,597	81,931	7,866	2,496	72,208	(51,318)
26.1.8	Remeasurements recognised in other comprehensive income						
	Gain / (loss) arising from Financial assumptions	313	2,936	311	(5,960)	1,511	(3,023)
	Experience adjustment	3,396	(1,237)	(1,681)	820	(25,886)	(17,626)
	Remeasurement of fair value of plan assets	2,069	-	-	1,665	-	-
		5,778	1,699	(1,370)	(3,475)	(24,375)	(20,649)

		June 30, 2022		June 30, 2021	
		(Rupees in '000)	%	(Rupees in '000)	%
26.1.9	Categories / composition of plan assets				
	Cash and cash equivalents	35,934	100%	45,563	100%

26.1.10 The expenses in respect of employees' gratuity and post-retirement medical benefits have been charged on the basis of actuarial recommendations and are in accordance with the Administrative and Financial Services Agreement of the Corporation with the subsidiary companies.

26.1.11 Actual gain on plan assets during the year ended June 30, 2022 was Rs. 2.153 million (2021: Rs. 4.366 million).

26.1.12 Assumed future salary increase rate and discount rate have a significant effect on the employees' gratuity. A one percentage point change in assumed future salary increase rate and discount rate would have the following effects:

		Increase / (decrease) in defined benefit obligation of`			
		Funded Gratuity Scheme		Unfunded Gratuity Scheme	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees in '000)			
Discount rate	1%	(10,066)	11,744	(44,794)	52,550
Salary increase rate	1%	11,841	(9,957)	53,132	(46,034)

26.1.13 The weighted average duration of the defined benefit obligations for funded and unfunded gratuity scheme is 1.76 years (2021: 2.44 years) and 10.21 years (2021: 13.65 years) respectively.

26.1.14 Assumed medical cost escalation rate and discount rate have a significant effect on the post-retirement medical benefit. A one percentage point change in assumed medical cost escalation rate and discount rate would have the following effects:

		Increase / (decrease) in defined benefit obligation of`			
		Post Retirement Medical Benefits			
		Permanent Employees		Contractual Employees	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees in '000)			
Discount rate	1%	(1,087)	1,159	-	-
Medical cost escalation rate	1%	1,255	(1,195)	-	-

26.1.15 The weighted average duration of the defined benefit obligations post retirement medical benefit scheme for permanent employees is 3.43 years (2021: 2.88 years).

26.1.16 The employee's gratuity funded and unfunded scheme and post retirement medical benefit plans exposes the Corporation to the following risks:

Investment risk: The risk of the investment underperforming and not being sufficient to meet the liabilities.

Mortality risk: The risk that the actual mortality rate is different. The effect depends on the beneficiaries service / age distribution and the benefit.

Medical cost escalation risks: The risk that the hospitalisation cost could be higher than what we assumed.

Final salary risk: The risk that the final salary at the time of cessation of service is greater than what is assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risk: The risk of higher or lower withdrawal experienced than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

26.2 Employees' compensated absences

26.2.1 The disclosures made in notes 26.2.2 to 26.2.9 of these unconsolidated financial statements are based on the information included in the actuarial valuation report as of June 30, 2022.

26.2.2 As stated in note 5.19 to these unconsolidated financial statements the Corporation operates an employees' compensated absences scheme. Provision is maintained against this scheme based on the actuarial recommendations. The following significant assumptions were used for the actuarial valuation of the scheme:

	June 30, 2022	June 30, 2021
Discount rate	13.25%	10.25%
Future salary increases - for permanent employees for this year 2021-22 and onwards	13.25%	10.25%
Future salary increases - for contractual employees for this year 2021-22 and onwards	13.25%	10.25%

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
26.2.3 Reconciliation of statement of financial position			
Present value of employees compensated absences (recognised)		197,748	223,638
26.2.4 Movement in present value of employees compensated absences			
Balance at the beginning of the year		223,638	250,462
Current service cost		44,744	54,240
Interest cost		23,790	22,290
Remeasurements of obligation		(13,339)	(40,260)
Benefits paid		(81,085)	(63,094)
Balance at the end of the year		197,748	223,638
26.2.5 Expense			
Current service cost		44,744	54,240
Interest cost		23,790	22,290
	39	68,534	76,530
26.2.5.1 Other comprehensive income			
Remeasurements of obligation		(13,339)	(40,260)

26.2.6 Amounts for the current period and prior period of the present value of defined benefit obligation are as follows:

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Present value of defined benefit obligation	197,748	223,638
Experience gain on defined benefit obligation	(13,339)	(40,260)

26.2.7 Assumed future salary increase rate and discount rate have a significant effect on the employees' compensated absences. A one percentage point change in assumed future salary increase rate and discount rate would have the following effects:

	Change in assumption	Increase / (decrease) in defined benefit obligation of Employees Compensated Absences			
		Permanent Employees		Contractual Employees	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees in '000)			
Discount rate	1%	(1,018)	1,058	(15,541)	18,195
Salary growth rate	1%	1,150	(1,124)	18,399	(15,973)

26.2.8 The risks to which the scheme exposes the Corporation are disclosed in note 26.1.16 of these unconsolidated financial statements.

26.2.9 The expenses in respect of employees' compensated absences have been charged on the basis of actuarial recommendations and are in accordance with the Administrative and Financial Services Agreement of the Corporation with the subsidiary companies.

26.3 Expected retirement benefits costs for the year ending June 30, 2023 are as follows:

	(Rupees in '000)
Gratuity	
-funded	2,604
-unfunded	108,224
Post-retirement medical benefits	8,756
Compensated absences	76,291

26.4 Maturity Profile

	June 30, 2022			
	Employees' gratuity		Post retirement medical benefits	Employees Compensated Absences
	Funded	Unfunded		
Weighted average duration of the present value of defined benefit obligations (in years)	1.76	10.21	3.43	2.27
Distribution of timing of benefit payments (time in periods)				
	(Rupees in '000)			
1	7,203	23,514	13,473	-
2	26,032	36,193	7,718	-
3	10,352	52,133	12,565	-
4	20,511	42,463	10,654	-
5	-	28,586	6,648	-
6 - 10	-	244,910	5,927	-

26.5 During the year, the Corporation contributed Rs. 4.859 million (2021: Rs. 7.767 million) to the provident fund.

27. TRADE AND OTHER PAYABLES

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Creditors		116,362	73,061
Current account balances with subsidiary companies	27.1	39,576,712	34,833,703
Agents' and owners' balances		942,913	251,996
Accrued liabilities		1,917,806	658,988
Deposits	27.2	47,805	44,608
Withholding tax payable		25,718	53,551
Advance rent		81,733	53,010
Other liabilities		8,054	51,953
		42,717,103	36,020,870

27.1 The break-up of current account balances with subsidiary companies is as follows:

	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Bolan Shipping (Private) Limited	1,977,007	1,732,114
Chitral Shipping (Private) Limited	2,438,120	1,855,716
Hyderabad Shipping (Private) Limited	1,905,549	1,422,853
Pakistan Marine and Shipping Services Company (Private) Limited	646,428	647,234
National Ship Management and Crewing (Private) Limited	1,323,479	1,323,859
Khairpur Shipping (Private) Limited	2,219,414	1,274,093
Makran Shipping (Private) Limited	313,212	313,651
Malakand Shipping (Private) Limited	2,035,003	1,361,025
Multan Shipping (Private) Limited	1,524,948	832,918
Sargodha Shipping (Private) Limited	195,066	195,503
Sibi Shipping (Private) Limited	1,344,391	854,010
Shalamar Shipping (Private) Limited	4,515,609	4,490,860
Swat Shipping (Private) Limited	1,169,566	1,170,005
Lalazar Shipping (Private) Limited	742,581	743,390
Johar Shipping (Private) Limited	1,225,761	1,226,199
Lahore Shipping (Private) Limited	5,154,159	4,622,614
Karachi Shipping (Private) Limited	5,050,264	4,811,047
Quetta Shipping (Private) Limited	5,796,812	5,956,612
Pakistan Cooperative Ship Stores (Private) Limited	(657)	-
	39,576,712	34,833,703

27.2 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.

28. PROVISION AGAINST DAMAGE CLAIMS

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Balance at beginning of the year		19,012	24,261
Reversal during the year	40	(1,154)	(5,249)
Balance at end of the year		17,858	19,012

29. CONTINGENCIES AND COMMITMENTS

Contingencies

29.1 The contingent liability in respect of claims not acknowledged by the Corporation aggregated to Rs. 543.192 million as of the period end (2021: Rs. 727.966 millions). These claims mainly relate to deficiencies in shipping documentation, delay in delivery of cargo and damages to cargo. A sum of Rs. 500.885 million (2021: Rs. 708.953 millions) would be recoverable from P&I Club, Steamship Mutual Underwriting Association (Bermuda) Limited in the event that these claims are accepted by the Corporation. As a matter of prudence, the management has made a total provision of Rs. 17.858 million (2021: Rs.19.013 million) against the aforementioned claims in these unconsolidated condensed interim financial statements.

29.2 Chittagong Steamship Corporation Limited and Trans Oceanic Steamship Company Limited had initiated litigation that involved the Government of Pakistan and the Corporation. The litigation relates to the compensation to the former owners. The legal suits are pending in the Honourable High Court of Sindh. The amounts claimed are approximately Rs. 1.300 million (2021: Rs. 1.300 million) and Rs. 66.800 million (2021: Rs. 66.800 million) respectively. The Corporation disclaims any liability in respect of the above mentioned amounts and any accretions to it upto final determination and settlement of the matters.

29.3 Certain other claims have been filed against the Corporation in respect of employees' matters for an aggregate amount of approximately Rs. 82.597 million (2021: Rs. 92.957 million). These cases are pending and the management is confident that the outcome of these cases will be in the Corporation's favour and accordingly no provision for these claims has been made in these unconsolidated financial statements.

29.4 While framing the tax assessment for the income year ended June 30, 1990, the assessing officer had made an addition to income of Rs. 3,974.455 million, being the remission of liabilities due to the Federal Government under the scheme of financial restructuring of the Corporation. The resultant tax liability including additional taxes for late payment of tax amounted to Rs. 1,293.694 million, part of which was paid by the Corporation and the remaining amount of Rs. 1,233.694 million was directly discharged at source by the Federal Government. The assessing officer while framing the order of income year ended June 30, 1996 had treated the aforementioned payment of tax liability by the Government as the income of the Corporation. Appellate Tribunal Inland Revenue (ATIR) has given the decision in favour of the Corporation on the appeals filed against the above orders. However, the department has filed an appeal with the Honourable High Court of Sindh against the aforementioned orders of ATIR. The Honourable High Court of Sindh has decided the appeal against the Corporation. The leave to appeal filed by the Corporation has been accepted by the Honourable Supreme Court of Pakistan and the decision of the Honourable High Court of Sindh has been suspended. Hearing of the appeal was pending in the Honourable Supreme Court of Pakistan. During the year ended June 30, 2018, this hearing was remanded to the Honourable High Court of Sindh. The management, in consultation with its legal advisor is confident that the matter will eventually be decided in favour of the Corporation.

29.5 During the year ended June 30, 2012, the Officer Inland Revenue (OIR) issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2011. According to the orders, the OIR has made certain additions and determined additional tax demand of Rs. 251.092 million. OIR has disallowed a portion of administrative expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Corporation on the contention that the same is equity specific and hence being capital in nature. The Corporation had paid Rs. 160.513 million under protest. During the year ended June 30, 2015, the Commissioner of Inland Revenue (Appeals) in his order has upheld certain additions and has given decisions in favour of the Corporation on certain matters, and has worked out refund of Rs 15.068 million. The Corporation and the department have filed appeals with the ATIR in respect of aforementioned disallowances, which have been decided by the ATIR. The ATIR, in its order has interalia deleted certain additions made by the OIR which were upheld by the Commissioner (Appeals). However, while giving effect to the order of the ATIR, the taxation officer has disallowed the expenses allocated to dividend income. Accordingly, the Corporation has filed an appeal before the Commissioner (Appeals) on July 20, 2018. Further, being aggrieved by the decision of the appellate tribunal, the department has filed a reference application which is pending before the Honourable High Court of Sindh. The management, in consultation with its legal advisor, is confident that the matter will eventually be decided in favour of the Corporation.

29.6 During the year ended June 30, 2013, the OIR issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2012. According to the orders, the OIR has made certain additions and determined additional tax demand of Rs. 107.499 million. OIR has disallowed a portion of administrative expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Corporation on the contention that the same is equity specific and hence being capital in nature. The Corporation has paid Rs 65 million under protest and filed an appeal with the Commissioner of Inland Revenue (Appeals). During the year ended June 30, 2015, Commissioner of Inland Revenue (Appeals) in his order has upheld certain additions and has given decisions in favour of the Corporation on certain matters, and has worked out refund of Rs. 24.022 million. The Corporation and the department have filed appeals with the ATIR in respect of aforementioned disallowances. The ATIR vide appellate order dated August 7, 2018 has interalia deleted certain additions made by the taxation officer. Appeal effect proceeding in respect of appellate order was initiated through notice dated October 4, 2019. However, while giving effect to the order of the ATIR, the taxation officer has disallowed the expenses allocated to dividend income and setting off of business loss against property income. Accordingly, the Corporation has filed an appeal before the Commissioner (Appeals) against the appeal effect order. The management, in consultation with its tax advisor, is confident that the matter will eventually be decided in favour of the Corporation.

29.7 During the year ended June 30, 2014, the OIR has issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2013. According to the orders, the OIR has made certain additions and determined additional tax demand of Rs. 303.333 million. OIR has disallowed a portion of retirement benefit expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Corporation on the contention that the same is equity specific and hence being capital in nature. Moreover, OIR also disallowed the basis of apportionment of expenses. The Corporation has paid Rs. 288.265 million under protest and adjusted refund of Rs. 3.581 million . Further, the management has filed an appeal with the Commissioner of Inland Revenue (Appeals) who in his order has upheld certain additions and has given decisions in favour of the Corporation on certain matters, and worked out a Nil demand. The Corporation and the department have filed appeals with the ATIR in respect of aforementioned disallowances. Appeal effect proceedings in respect of appellate order was initiated through notice dated October 4, 2019 and same has been responded by Tax Advisor. ATIR in his order maintained certain additions and directed to allocate expenses against service fee.

Further, being aggrieved by the decision of the appellate tribunal, the Corporation has filed a reference application which is pending before the Honourable High Court of Sindh. The management, in consultation with its legal advisor, is confident that the matter will eventually be decided in favour of the Corporation.

29.8 During the year ended June 30, 2015, ACIR issued assessment order under section 122 (5A) of the ITO, 2001 in respect of tax year 2014. According to the order the ACIR made certain additions and determined additional tax demand of Rs 184.059 million in respect of certain disallowances regarding financial expenses, administrative costs and post-retirement benefits. The Corporation paid Rs 83.438 million under protest and adjusted Rs 86.998 million against refunds available for tax year 2008, 2009 and 2010. The Corporation had filed an appeal before the Commissioner of Inland Revenue (Appeals) who passed his order and maintained the decision of the ACIR. The Corporation had filed an appeal with the ATIR in respect of aforementioned order of the Commissioner Inland Revenue (Appeals) in respect of aforementioned disallowances. The management is confident that the matter will eventually be decided in favour of the Corporation.

29.9 During the year ended June 30, 2014, the Corporation received assessment orders from the taxation authorities in respect of tax years 2008-2013. The taxation officer has held that the Corporation is liable to deduct withholding tax under section 152(2) of the ITO, 2001, while making payments to the non-resident shipping companies and in the event of default to do so, the Corporation becomes personally liable to pay tax under section 161 along with default surcharge under section 205 of the Ordinance. By virtue of above orders, a cumulative tax demand was raised by the taxation authorities amounting to Rs 2,695.496 million. The Corporation filed an appeal with the Commissioner of Inland Revenue (Appeals) who maintained the orders passed by the Deputy Commissioner Inland Revenue (DCIR) and consequently an appeal was filed before the ATIR. The ATIR, in the appellate order, has held that the payments made by the Corporation to the non-resident shipping companies are in the nature of "Royalty" and the rate of tax withholding applicable on such payments would be 15 percent. Accordingly, the tax demand originally raised was reduced to Rs 1,659.485 million. The Corporation lodged rectification applications in respect of the orders passed by ATIR. However, during the year ended June 30, 2016, the said rectification applications have been rejected. Without prejudice to the rectification applications, the Corporation has also filed a petition before the Honourable Sindh High Court in respect of the aforesaid orders passed by ATIR seeking protection from any adverse action. The Honourable Sindh High Court has granted an interim order restraining FBR from taking any coercive action, the said interim order is still operative. Further, the aforementioned cases are still pending with the Honourable Sindh High Court.

29.10 During the year ended June 30, 2019, the DCIR vide order dated June 29, 2020 has treated the Corporation assessee in default for tax year 2014 for not withholding tax on: Payments to Non-Resident shipping companies, Payment of Dividend, Interest free advance to Employees & Closing balance of advances to employees and others and on salaries. Consequent to above order, a cumulative tax demand of Rs. 899.5 million was raised by tax authorities. Being aggrieved with the order, the Corporation filed an appeal before the Commissioner Inland Revenue (Appeal). The CIR(A) had fixed the hearing for July 20, 2020 and had granted the Corporation a stay from recovery of tax demand till August 10, 2020. On August 7, 2020, written arguments were submitted on behalf of Corporation and the hearing was re-fixed for August 21, 2020. However, due to transfers and postings, the stay granted by the CIR(A) could not be extended and the Corporation had to approach Honorable Sindh High Court for grant of stay. The Honorable Sindh High Court has granted the Corporation a stay from recovery of tax demand vide order dated August 11, 2020. The order was passed by CIR(A) on December 9, 2021. No appeal effect proceedings have yet been initiated by the DCIR subsequent to the passing of the above order. Being aggrieved with the above appellate order in respect of the remaining issues relating to withholding of tax on payment of dividends, the Corporation filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). The appeal filed before the ATIR is pending for hearing. The management, in consultation with its legal advisor, is confident that the subject matter will eventually be decided in favour of the Corporation.

29.11 During the year ended June 30, 2018, the DCIR vide order dated June 29, 2018 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2016. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits. Brought forward business losses and unabsorbed depreciation for tax year 2016 have also been adjusted in the computation of taxable income. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 91.592 million was raised, which is amply covered by the refunds available for prior tax years. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals) on July 23, 2018, which was decided vide order dated July 11, 2019. The CIR(A) in its order has decided all the matters in favour of the Corporation by deleting all the additions made by the ACIR. However, the appeal effect order is still pending. The management is confident that the subject matters in respect of tax year 2016 will eventually be decided in favour of the Corporation.

29.12 During the year ended June 30, 2018, the ACIR vide order dated June 29, 2018 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2017. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs. 318.212 million was raised, out of which the Corporation has made a payment of Rs. 75 million under protest.

The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals) on July 23, 2018, which has been decided vide order dated July 11, 2019. The CIR(A) in its order has decided all the matters in favour of the Corporation by deleting all the additions made by the ACIR. However, the appeal effect order is still pending. The management is confident that the subject matters in respect of tax year 2017 will eventually be decided in favour of the Corporation.

29.13 During the year ended June 30, 2021, the Additional Commissioner-IR (ACIR) vide order dated May 24, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2015. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs. 1,279.035 million was raised. During the year ended June 30, 2022, the Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. The ACIR vide order dated June 25, 2022 issued appeal effect order under section 124 of the Ordinance to give effect to the appellate order of the Commissioner (Appeals). The Corporation has filed appeal on July 21, 2022 before the Commissioner (Appeals) on unfavrouable issues mentioned in appeal effect order. The Management has filed an appeal in ATIR on matters which are unfavorable to Corporation. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2015 will eventually be decided in favour of the Corporation.

29.14 During the year ended June 30, 2022, the ACIR vide order dated July 28, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2018. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 550.722 million was raised. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2018 will eventually be decided in favour of the Corporation.

29.15 During the year ended June 30, 2022, the ACIR vide order dated September 17, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2019. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs 477.364 million was raised. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated January 13, 2022. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2019 will eventually be decided in favour of the Corporation.

29.16 During the year ended June 30, 2022, the ACIR vide order dated September 30, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2020. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 271.121 million was raised. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated January 13, 2022. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2020 will eventually be decided in favour of the Corporation.

29.17 During the year ended June 30, 2022, the ACIR vide order dated March 4, 2022 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2021. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs 577.4 Million was raised. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated May 13, 2022. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2021 will eventually be decided in favour of the Corporation.

Commitments

29.18 Commitments in respect of capital expenditure amounted to Rs. 32.571 million (2021: Rs. 32.571 million).

29.19 Outstanding letters of guarantee amounted to Rs. 19.669 million (2021: Rs. 18.919 million).

29.20 The Corporation has provided an undertaking amounting to USD 11.6 million (Rs. 2,378 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.

29.21 Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounts to USD 0.417 million (Rs. 85.485 million) and USD 0.192 million (Rs 39.36 million) respectively.

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
30.	**FREIGHT INCOME - foreign flag vessels**			
	Voyage charter revenue		**5,270,351**	728,414
	Overage premium		**(9,481)**	(210)
	Ocean losses		**(14,311)**	(1,824)
			5,246,559	726,380
	Slot charter revenue	30.1	**2,520,268**	1,239,014
			7,766,827	1,965,394

30.1 Sindh sales tax charged amounting to Rs. 0.605 million (2021: Rs. 0.298 million).

		Note	June 30, 2022	June 30, 2021
31.	**SERVICE FEES - net**			
	Technical and commercial services fee		**478,394**	303,534
	Administrative and financial services fee		**159,465**	101,178
			637,859	404,712

31.1 Sindh sales tax charged amounting to Rs. 9.760 million (2021: Rs. 6.675 million).

		Note	June 30, 2022	June 30, 2021
32.	**OTHER OPERATING ACTIVITIES**			
	Demurrage income		**1,689,114**	568
	Income from miscellaneous claims		**83,437**	9,257
			1,772,551	9,825
33.	**FLEET EXPENSES - direct**			
	Charter, hire and related expenses	33.1	**6,273,305**	1,170,863
	Demurrage expense		**1,198,402**	2,765
	Agency commission and brokerage		**62,913**	18,465
	Insurance		**46,392**	14,784
	Exchange loss		**215,301**	265
	Sundries		**12,089**	-
			7,808,402	1,207,142
33.1	Charter, hire and related expenses - foreign flag vessels			
	- voyage charter expenses		**4,479,488**	507,894
	- slot charter expenses		**1,793,817**	662,969
			6,273,305	1,170,863

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2022

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
34.	**FLEET EXPENSES - indirect**			
	Agents' and other general expenses		6,995	7,062
	Depreciation	7.7	1,089	1,214
			8,084	8,276
35.	**VESSEL MANAGEMENT EXPENSES**			
	Workshop management		90,194	68,255
	Salaries, benefits and allowances	35.1	456,037	586,820
	General establishment expenses	35.2	105,668	108,425
	Rent, rates and taxes		20,157	15,616
	Insurance		3,717	3,436
	Depreciation	7.7	26,024	28,683
	Depreciation on right-of-use assets	8.2	11,313	11,451
			713,110	822,686

35.1 This includes Rs. 2.842 million (2021: Rs. 6.387 million) in respect of provident fund contribution. The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Act and conditions specified thereunder.

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
35.2	**General establishment expenses**			
	Repairs and maintenance		18,245	16,281
	Medical		28,292	39,951
	Security		4,389	2,663
	Travelling and conveyance		2,584	4,110
	Entertainment and canteen subsidy		2,658	3,181
	Uniform and liveries		1,501	1,447
	Printing and stationery		3,707	3,932
	Telephone, telex and postage		6,869	8,743
	Light, power and water		24,076	12,046
	Computer expenses		7,931	8,485
	Vehicle running, repairs and maintenance		5,417	7,586
			105,668	108,425
36.	**REAL ESTATE EXPENSES**			
	Salaries, benefits and allowances	36.1	44,925	47,670
	General establishment expenses	36.2	29,236	26,186
	Rent, rates and taxes		10,742	10,591
	Insurance		2,145	4,019
	Depreciation	7.7	29,903	24,112
	Legal and professional charges		463	760
			117,414	113,338

36.1 This includes Rs 0.278 million (2021: Rs. 0.519 million) in respect of provident fund contribution.

		June 30, 2022	June 30, 2021
		(Rupees in '000)	
36.2	**General establishment expenses**		
	Repairs and maintenance	12,531	7,059
	Security charges	7,151	10,328
	Light, power and water	9,554	8,777
	Vehicle running, repairs and maintenance	-	22
		29,236	26,186

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
37.	**ADMINISTRATIVE EXPENSES**			
	Salaries, benefits and allowances	37.1	282,800	79,106
	General establishment expenses	37.2	132,517	48,754
	Rent, rates and taxes		1,832	1,420
	Scholarship and training expenses		3,468	917
	Insurance		338	312
	Depreciation	7.7	2,366	2,606
	Depreciation on right-of-use-assets	8.2	1,028	1,041
	Directors' fee		5,853	5,310
	Legal and professional charges		24,031	20,365
	Sales tax expenses		25,888	26,079
			480,121	185,910

37.1 This includes Rs 1.730 million (2021: Rs. 0.861 million) in respect of provident fund contribution.

		Note	June 30, 2022	June 30, 2021
			(Rupees in '000)	
37.2	**General establishment expenses**			
	Repairs and maintenance		11,314	2,195
	Medical expenses		17,544	5,385
	Contribution to group term insurance		1,576	607
	Hajj expenses		4,215	-
	Security charges		399	359
	Travelling and conveyance		1,602	554
	Entertainment and canteen subsidy		1,649	429
	Books, periodicals and subscription		13,292	11,451
	Uniform and liveries		136	132
	Printing and stationery		2,298	530
	Telephone, telex and postage		4,259	1,179
	Light, power and water		14,930	1,625
	Computer expenses		4,919	1,144
	Advertisement and publicity		17,104	12,216
	Vehicle running, repairs and maintenance		3,360	1,023
	Ship inspection charges		26,386	-
	Sundry expenses		7,533	9,925
			132,517	48,754
38.	**IMPAIRMENT LOSS / (REVERSAL) ON FINANCIAL ASSETS**			
	Allowance / (reversal) for ECL on:			
	Trade debts	16.5	570,586	(279,780)
	Other receivables	20.3	12,427	-
	Agents' and owners' balances	17.2	2,485	(568)
			585,498	(280,348)

		Note	June 30, 2022	June 30, 2021
			--------------(Rupees in '000)--------------	
39.	**OTHER EXPENSES**			
	Donations	39.1	15,963	3,111
	Auditors' remuneration	39.2	5,901	5,552
	Employees' gratuity			
	- funded	26.1.7	1,597	2,496
	- unfunded	26.1.7	81,930	72,208
			83,527	74,704
	Post-retirement medical benefits	26.1.7	7,866	-
	Employees' compensated absences	26.2.5	68,534	76,530
	Loss on revaluation of long-term investments in listed companies	12.1 & 12.2	10,501	-
	Impairment on capital work in progress	7.10	-	2,811
	Provision on slow moving stores and spares		10,380	-
	Impairment loss on property, plant and equipment		-	5,366
	Exchange loss		-	64,729
	Others		1,015	-
			203,687	232,803

39.1 This includes donation made to Pakistan Marine Academy as a scholarship for students amounting to Rs. 2.541 million (2021: Rs. 3.04 million). No director or his spouse had any interest in the donee. Further, the Corporation has arranged COVID-19 vaccination drive in various areas of Karachi amounting to Rs. 13.369 million.

39.2 Auditors' remuneration

	June 30, 2022			June 30, 2021		
	Grant Thornton Anjum Rahman	Yousuf Adil Chartered Accountants	Total	KPMG Taseer Hadi & Co.	Grant Thornton Anjum Rahman	Total
	----------(Rupees in '000)----------					
Statutory audit fee	1,514	1,514	3,028	1,376	1,376	2,752
Fee for review of half yearly financial statements	530	530	1,060	482	482	964
Fee for review report on CCG	163	163	326	148	148	296
Fee for audit of consolidated financial statements	191	191	382	174	174	348
Statutory certifications	-	66	66	-	120	120
Out of pocket expenses	301	301	602	301	301	602
Sales tax services	216	221	437	-	470	470
	2,915	2,986	5,901	2,481	3,071	5,552

		Note	June 30, 2022	June 30, 2021
			--------------(Rupees in '000)--------------	
40.	**OTHER INCOME**			
	Income from financial assets			
	Income from saving accounts and term deposits		576,990	413,252
	Dividend income		10,808	710
	Exchange gain		494,087	-
	Reversal on allowance for ECL			
	Income from loans to employees		2,503	1,873
			1,084,388	415,835
	Income from non - financial assets			
	Reversal of provision against damage claims	28	1,154	5,249
	Gain on revaluation of investment properties	10	242,031	260,183
	Gain on revaluation of long-term investments in listed companies		-	13,838
	Post-retirement medical benefits	26.1.7	-	51,318
	Liabilities no longer to pay or has been written back		4,388	74,803
	Agency fee		34,662	9,320
	Gain on disposal of fixed assets		1,762	42,840
	Reversal of impairment in subsidiary company		-	128,953
	Workshop income		60,259	11,582
	Income from manning service		21,762	21,710
	Others		14,959	6,745
			380,977	626,541
			1,465,365	1,042,376

		Note	June 30, 2022	June 30, 2021
			--------------(Rupees in '000)--------------	
41.	**FINANCE COSTS**			
	Mark-up on long-term financing		508,423	532,256
	Amortization of arrangement fees		5,459	8,951
	Mark-up on lease liability	25	8,208	8,410
	Bank charges		3,483	1,800
			525,573	551,417
42.	**TAXATION**			
	Tax charge for:			
	- current year		534,255	126,278
	- prior year		(24,221)	-
			510,034	126,278
	- Deferred tax expense / (income)	14.1	55,888	(21,933)
			565,922	104,345
42.1	**Relationship between tax expense and accounting profit**			
	Accounting profit before tax		1,435,924	799,163
	Tax rate		29%	29%
	Tax on accounting profit		416,418	231,757
	Tax saving due to lower tax rates			
	- Income under Section 7A		64,247	(25,267)
	- Dividend income		1,513	(99)
	Effect of prior year		(24,221)	-
	Effect of super tax		58,733	-
	Effect of tax rate change		24,604	(80,073)
	Effect on tax from income from property		16,703	-
	Effect of minimum tax on services		51,029	-
	Effect of inadmissible expenses		(57,968)	-
	Others (including the impact arising as a consequence of change in allocation ratio of revenue chargeable under FTR and NTR tax regime)		14,864	(21,973)
			149,504	(127,412)
			565,922	104,345
	Effective tax rate		39%	13%

43. EARNINGS PER SHARE - basic and diluted

	June 30, 2022	June 30, 2021
	--------------(Rupees in '000)--------------	
Profit after taxation	870,002	694,818
	---------------(No. of shares)---------------	
Weighted average ordinary shares in issue during the year	132,063,380	132,063,380
	-------------------(Rupees)-------------------	
Earnings per share - basic and diluted	6.59	5.26

43.1 There are no dilutive potential ordinary shares outstanding as at June 30, 2022 and 2021.

		Note	June 30, 2022	June 30, 2021
			------------(Rupees in '000)------------	
44.	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		1,435,924	799,163
	Adjustments for non-cash charges and other items:			
	Depreciation on:			
	Property, plant and equipment	7.7	59,382	56,615
	Right-of-use assets	8	12,341	12,492
	Gain on disposal of fixed assets	40	(1,762)	(42,840)
	Provision for employees' gratuity	26.1.7	83,527	74,704
	Provision for slow moving stores and spares	15	10,380	-
	Provision for post-retirement medical benefits	26.1.7	7,866	(51,318)
	Provision for employees' compensated absences	26.2.5	68,534	76,530
	Dividend income	40	(10,808)	(710)
	Reversal of impairment in subsidiary company	40	-	(128,953)
	Impairment loss on property, plant and equipment	39	-	8,177
	Impairment loss on :			
	Trade debts	38	570,586	(279,780)
	Other receivables	38	12,427	-
	Agents' and owners' balances	38	2,485	-
			585,498	(279,780)
	Liabilities no longer required to pay	40	(4,388)	(74,803)
	Income from saving accounts and term deposits	40	(576,990)	(413,252)
	Finance cost:			
	Long-term liability	41	513,882	541,207
	Lease liability	41	8,208	8,410
			522,090	549,617
	Gain on revaluation of investment properties	40	(242,031)	(260,183)
	Loss / (gain) on revaluation of long-term investments in listed companies	39 & 40	10,501	(13,838)
	Working capital changes	44.1	5,663,508	3,017,239
			7,623,573	3,328,860
44.1	**Working capital changes**			
	(Increase) / decrease in current assets			
	Stores and spares		-	67
	Trade debts		(1,020,241)	102,920
	Agents' and owners' balances		(10,575)	2,011
	Loans and advances		(15,215)	(23,702)
	Trade deposits and short-term prepayments		(18,564)	8,716
	Other receivables		62,606	(77,964)
	Incomplete voyages		(34,663)	(5,210)
			(1,036,652)	6,838
	Increase / (decrease) in current liabilities			
	Trade and other payables		6,700,621	3,063,122
	Contract liabilities		693	(47,472)
	Reversal of provision against damage claims	28	(1,154)	(5,249)
			6,700,160	3,010,401
			5,663,508	3,017,239

45. CASH AND CASH EQUIVALENTS

	Note	June 30, 2022	June 30, 2021
		---------(Rupees in '000)---------	
Short-term investments having maturity of three months or less	21	6,172,701	700,000
Cash and bank balances	22	5,410,043	1,027,181
		11,582,744	1,727,181

46. REMUNERATION OF CHAIRMAN & CHIEF EXECUTIVE, EXECUTIVE DIRECTORS AND OTHER EXECUTIVES

The aggregate amount of remuneration including all benefits payable to the Chairman & Chief Executive, Executive Directors and other Executives of the Corporation were as follows:

	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	Chairman & Chief Executive		Executive Directors*		Other Executives	
	---------- (Rupees in '000) ----------					
Managerial remuneration and allowances	3,159	1,461	30,785	24,562	326,313	324,550
Retirement benefits - note 46.2	-	-	-	-	4,223	5,027
House rent	838	-	11,242	10,168	106,335	115,378
Conveyance	362	44	-	742	4,525	5,287
Medical	156	560	2,032	2,099	12,696	11,124
Utilities	443	990	2,055	1,829	37,422	36,974
Personal staff subsidy	-	-	-	-	387	383
Club membership fee and expenses	45	23	664	682	-	-
Bonus	1,552	-	3,807	3,961	33,486	39,031
Other allowances	6,749	9,460	118	330	296,901	300,362
	13,304	12,538	50,703	44,373	822,288	838,116
	1	1	5	5	142	145

*Executive Directors represent the designation of the personnel and are not the members of Board of Directors of the Corporation.

46.1 The aggregate amount charged in the unconsolidated financial statements for fee to 7 (2021: 8) non-executive directors was Rs. 5.853 million (2021: Rs. 5.250 million).

46.2 Retirement benefits represent amount contributed towards various retirement benefit plans. The Executives of the Corporation are entitled to retirement benefits as outlined in note 5.18 to these unconsolidated financial statements. The Chairman & Chief Executive, Executive Directors and other Executives are provided with the car allowance in lieu of Corporation owned cars.

47. FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2022	June 30, 2021
	---------(Rupees in '000)---------	
FINANCIAL ASSETS		
Fair value through profit or loss		
Long term investments	38,758	49,359
Short term investment - mututal funds	104,890	50,544
	143,648	99,903

	June 30, 2022	June 30, 2021
	-----------(Rupees in '000)-----------	
Amortised Cost		
Trade debts - unsecured	1,986,270	1,536,615
Agents' and owners' balances - unsecured	15,707	7,617
Loans - employees	10,720	8,147
Trade deposits	33,236	13,001
Interest accrued on bank deposits and short-term investments	114,970	102,117
Other receivables	195,743	271,319
Short-term investments	7,299,601	6,555,640
Cash and bank balances	5,410,043	1,027,181
Long-term loans	20,374	8,144
	15,086,664	9,529,780
	15,230,312	9,629,683
FINANCIAL LIABILITIES		
Amortised cost		
Trade and other payables	42,609,652	35,914,309
Unclaimed dividend	87,245	77,496
Long-term financing	4,497,012	6,019,103
Lease liabilities	111,550	116,608
Accrued mark-up on long-term financing	15,158	16,118
	47,320,617	42,143,634

48. FINANCIAL RISK MANAGEMENT

48.1 Financial risk factors

The Corporation finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk. Taken as a whole, the Corporation is exposed to credit risk, market risk (including interest rate risk, currency risk and other price risk) and liquidity risk. The Corporation's principle financial liabilities comprise trade and other payables and long term financing. The Corporation also has various financial assets such as trade debts, other receivables, bank balances and short-term investments which are directly related to its operations. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2022. The policies for managing each of these risks are summarised below:

48.1.1 Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including trade receivables and committed transactions. Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted.

As at June 30, 2022, out of the total financial assets of Rs. 15,230.312 million (2021: Rs. 9,629.683 million) the financial assets which are subject to credit risk amounted to Rs. 15,227.916 million (2021: Rs. 9,625.934 million). The management continuously monitors the credit exposure towards the customers and recognize an allowance for ECL on balances considered doubtful of recovery.

Moreover, a significant component of the receivable balances of the Corporation relates to amounts due from the Public Sector organisations. Due to the Corporation's long standing business relationships with these counterparties and after giving due consideration to their related credit standing, management does not expect non–performance by those counter parties on their obligations to the Corporation.

The sector wise analysis of gross amounts of receivables, comprising trade debts, other receivables, agents' and owners' balances and deposits is given below:

	June 30, 2022	June 30, 2021
	-----------(Rupees in '000)-----------	
Public Sector	7,239,211	2,219,607
Private Sector	1,075,634	72,141
	8,314,845	2,291,748

Out of Rs. 8,314.845 million (2021: Rs. 2,291.748 million), the Corporation has recognized an allowance of ECL amounting to Rs. 1,354.158 million (2021: Rs. 768.660 million).

48.1.2 Market risk

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Corporation faces foreign currency risk on receivable and payable transactions at foreign ports.

As at June 30, 2022, if the currency had weakened / strengthened by 5% against the US dollar with all other variables held constant, profit before taxation for the year would have been higher / lower by Rs. 148.687 million (2021: Rs. 394.970 million), mainly as a result of foreign exchange gains / losses on translation of US dollar denominated assets and liabilities.

Cash flow and fair value interest rate risk

The Corporation has interest bearing liabilities that have floating interest rates. At June 30, 2022, if interest rates on borrowings had been 100 basis points higher / lower with all other variables held constant, profit after taxation for the year would have been lower / higher by Rs. 28.557 million (2021: Rs. 37.997 million).

Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The effects of changes in fair value of investments made by the Corporation, on the future profits are not considered to be material in the overall context of these unconsolidated financial statements.

48.1.3 Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulties in raising funds to meet commitments associated with financial instruments. The Corporation believes that it is not exposed to any significant level of liquidity risk.

The management forecasts the liquidity of the Corporation on basis of expected cash flow considering the level of liquid assets necessary to meet such risk. This involves monitoring statement of financial position, liquidity ratios and maintaining debt financing plans.

Financial liabilities in accordance with their contractual maturities are presented below:

	Total contractual cash flows	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
	(Rupees in '000)				
June 30, 2022					
Long-term financing	**6,225,045**	**1,569,803**	**1,442,550**	**3,212,692**	**-**
Unclaimed dividend	**87,245**	**87,245**	**-**	**-**	**-**
Trade and other payables	**42,609,652**	**42,609,652**	**-**	**-**	**-**
Accrued mark-up on long-term financing	**15,158**	**15,158**	**-**	**-**	**-**
Lease liabilities	**146,403**	**14,504**	**18,242**	**54,725**	**58,933**
	49,083,503	**44,296,362**	**1,460,792**	**3,267,417**	**58,933**
June 30, 2021					
Long-term financing	7,310,091	1,937,640	1,623,127	3,749,324	-
Unclaimed dividend	77,496	77,496	-	-	-
Trade and other payables	35,967,860	35,967,860	-	-	-
Accrued mark-up on long-term financing	16,118	16,118	-	-	-
Lease liabilities	164,949	13,266	15,869	47,606	88,208
	43,536,514	38,012,380	1,638,996	3,796,930	88,208

48.1.4 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 June 30, 2022, the Corporation's all assets and liabilities are carried 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 latest fair valuation 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 year.

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:

	Note	June 30, 2022			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Assets carried at fair value					
Long-term investments in listed companies and other entity	12	38,758	-	-	38,758
Short-term investments - mutual funds		104,890	-	-	104,890
		143,648	-	-	143,648
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

	Note	June 30, 2021			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Assets carried at fair value					
Long-term investments in listed companies	12	49,359	-	-	49,359
Short-term investments - mutual funds		50,544	-	-	50,544
		99,903	-	-	99,903
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
		-	5,864,059	-	5,864,059

49. Capital risk management

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Corporation manages its capital structure by monitoring return on net assets and makes adjustment to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Corporation may adjust the amount of dividends paid to shareholders or issue new shares.

The Corporation is in compliance with the externally imposed capital requirements, which are applicable at the consolidated financial statements level. The debt equity ratios as at June 30, 2022 and 2021 were as follows:

	Note	June 30, 2022	June 30, 2021
		-----------(Rupees in '000)-----------	
Long-term financing - secured	24	4,497,012	6,019,103
Total equity		12,170,219	11,684,186
Total		16,667,231	17,703,289
Debt-to-equity ratio		37:63	52:48

50. ENTITY WIDE INFORMATION

50.1 The Corporation constitutes as a single reportable segment, the principal classes of services provided are transportation of dry cargo, liquid cargo through chartered vessels, rental income and service fees.

50.2 Information about services

The Corporation's principal classes of services accounted for the following amount of revenue:

	June 30, 2022	June 30, 2021
	-----------(Rupees in '000)-----------	
Transportation of dry cargo	2,520,268	1,239,014
Transportation of liquid cargo	7,019,110	736,205
Rental income	235,211	218,080
Services fee - net	637,859	404,712
	10,412,448	2,598,011

50.3 Information about geographical areas

The Corporation does not hold non-current assets in any foreign country.

50.4 Information about major customers

The Corporation has the following exposure to concentration of credit risk with clients representing greater than 10 % of the total revenue balances:

	June 30, 2022 Revenue		June 30, 2021 Revenue	
	(Rupees in '000)	% of Total	(Rupees in '000)	% of Total
Client 1	2,252,551	21.63	345,582	3.32
Client 2	1,331,990	12.79	258,474	2.48
Client 3	1,118,013	10.74	134,184	1.29
	4,702,554	45.16	738,240	7.09

51. RELATED PARTY DISCLOSURES

The Corporation has related party relationships with its subsidiaries, associate, GoP and its related parties, associated companies, 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, service fees charged on account of rendering of technical, commercial, administrative and financial services, expenses charged to subsidiary companies on actual cost basis etc. Service fees 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. Investment in and balances with related parties have been disclosed in respective notes to these unconsolidated financial statements. Significant transactions with related parties during the year are as follows:

Nature of transactions	Relationship with the Corporation	June 30, 2022	June 30, 2021
		(Rupees in '000)	
Freight income - foreign flag vessels	State owned/controlled entities	4,771,502	1,965,346
Service fee - note 31	Subsidiaries	637,859	404,483
Rental income	State owned/controlled entities / Common director	14,426	4,492
Rental expense	Subsidiary	3,300	13,944
Income from other operating activities - note 32	State owned/controlled entities	93,812	9,825
Retirement benefit costs charged	Subsidiaries	537	991
Contribution to gratuity fund	Employees benefit plan	11,996	57,999
Contribution to provident fund	Employees benefit plan	4,859	6,150
Dividend to Government of Pakistan	Government holding	349,556	261,095
Sale of vehicles to directors	Key management personnel	-	9,212
Remuneration and Other Benefits	Key management personnel	65,034	57,622
Directors' fee and traveling allowance	Key management personnel	5,853	5,310

51.1 In addition, the Corporation is substantially engaged in making 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 a current account of the subsidiary companies.

51.2 Following are the details of related parties with whom the Corporation had entered into transactions or have arrangements / agreements in place, except subsidiaries, which have been disclosed in note 27.1 to these unconsolidated financial statements:

S.No.	Name	Basis of relationship	Aggregate % of shareholding in the Company
1	Muhammadi Engineering Works (Private) Limited	Associate	N/A
2	Employees' Gratuity Fund	Staff retirement benefits	N/A
3	Employees' Contributory Provident Fund	Staff retirement benefits	N/A
4	Civil Aviation Authority	State owned/controlled entity/Common director	N/A
5	Central Power Generation Company Limited	State owned/controlled entity	N/A
6	Heavy Industries Taxila	State owned/controlled entity	N/A
7	Karachi Port Trust	State owned/controlled entity	N/A
8	National Bank of Pakistan	State owned/controlled entity	N/A
9	National Diaster Risk Management Fund	State owned/controlled entity/Common director	N/A
10	Naval Stores	State owned/controlled entity	
11	National Telecommunication Corporation	State owned/controlled entity	N/A
12	Embarkation Commandant	State owned/controlled entity	N/A
13	National Security Printing Company Private Limited	State owned/controlled entity/Common director	N/A
14	National Insurance Company Limited	State owned/controlled entity	N/A
15	Pakistan Ordinance Factory	State owned/controlled entity	N/A
16	Pak Arab Refinery Limited	State owned/controlled entity	N/A
17	Pakistan International Airlines	State owned/controlled entity	N/A
18	Pakistan Machine Tool Factory	State owned/controlled entity	N/A
19	Pakistan Refinery Limited	State owned/controlled entity	N/A
20	Pakistan Security Printing Corporation	State owned/controlled entity	N/A
21	Pakistan State Oil Company Limited	State owned/controlled entity	N/A
22	Pakistan Telecommunication Company Limited	State owned/controlled entity	N/A

S.No.	Name	Basis of relationship	Aggregate % of shareholding in the Company
23	Pakistan Petroleum Limited	State owned/controlled entity	N/A
24	Trading Corporation of Pakistan	State owned/controlled entity	N/A
25	District Controller of Stores	State owned/controlled entity	N/A
26	Port Qasim Authority	State owned/controlled entity	N/A
27	Stores Liasion Officers (PAF)	State owned/controlled entity	N/A
28	Sui Northern Gas Pipelines Limited	State owned/controlled entity	N/A
29	Sui Southern Gas Company Limited	State owned/controlled entity	N/A
30	Wah Brass Mills (Private) Limited	State owned/controlled entity	N/A

52. NUMBER OF EMPLOYEES

The average and total number of employees during the year and as at June 30, 2022 and 2021 respectively are as follows:

	June 30, 2022	June 30, 2021
Average number of employees during the year	635	641
Number of employees as at the end of the year	642	627

53. RECONCILIATION OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	June 30, 2022			June 30, 2021		
	Long-term financing	Unclaimed dividend	Lease Liabilities	Long-term financing	Unclaimed dividend	Lease Liabilities
	(Rupees in '000)					
Balance at beginning of the year	6,019,103	77,496	116,608	7,345,117	68,987	115,527
Changes from financing cash						
Repayment	(1,527,550)	-	(13,266)	(1,334,965)	-	(7,329)
Dividend paid	-	(386,441)	-	-	(288,634)	-
Total changes from financing activities	(1,527,550)	(386,441)	(13,266)	(1,334,965)	(288,634)	(7,329)
Other changes						
Amortisation of arrangement fee	5,459	-	-	8,951	-	-
Accretion of interest	-	-	8,208	-	-	8,410
Final dividend	-	396,190	-	-	-	-
Total other changes	5,459	396,190	8,208	8,951	297,143	8,410
Balance at end of the year	4,497,012	87,245	111,550	6,019,103	77,496	116,608

54. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on September 13, 2022 have proposed for the year ended June 30, 2022 cash dividend of Rs. 5.00 per share amounting to Rs. 660.317 million subject to the approval of the members at the annual general meeting to be held on October 28, 2022. These unconsolidated financial statements for the year ended June 30, 2022 do not include the effect of this appropriation which will be accounted for subsequent to the year end.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2022

55. GENERAL

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

56. DATE OF AUTHORISATION

These unconsolidated financial statements were authorised for issue on September 13, 2022 by the Board of Directors of the Corporation.

Syed Jarar Haider Kazmi	Rizwan Ahmed	Khowaja Obaid Imran Ilyas
Chief Financial Officer	Chairman & Chief Executive	Director

Pattern of Shareholding
as at June 30, 2022

# of Shareholders	Shareholdings' Slab			Total Shares Held
11087	1	To	100	364,333
3250	101	To	500	796,617
929	501	To	1000	712,204
853	1001	To	5000	1,939,725
131	5001	To	10000	972,488
35	10001	To	15000	447,037
22	15001	To	20000	392,342
14	20001	To	25000	322,903
9	25001	To	30000	251,810
6	30001	To	35000	202,500
5	35001	To	40000	194,575
1	40001	To	45000	43,000
3	45001	To	50000	146,500
1	50001	To	55000	53,000
3	55001	To	60000	176,365
1	65001	To	70000	70,000
3	70001	To	75000	218,000
1	75001	To	80000	80,000
1	80001	To	85000	80,500
2	95001	To	100000	200,000
1	100001	To	105000	102,000
1	110001	To	115000	113,500
1	145001	To	150000	150,000
3	155001	To	160000	475,312
1	165001	To	170000	168,000
2	195001	To	200000	396,000
1	230001	To	235000	230,500
1	295001	To	300000	300,000
1	430001	To	435000	432,564
1	590001	To	595000	594,707
1	1230001	To	1235000	1,230,173
1	2070001	To	2075000	2,073,014
1	2495001	To	2500000	2,500,000
1	115630001	To	115635000	115,633,710
16374				**132,063,379**

Categories of Shareholders

As at June 30, 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
Government Holding			
DIRECTOR GENERAL PORT & SHIPPING	1	115,633,710	87.56
Directors and their spouse(s) and minor children			
MR. ANWAR SHAH	1	100	0.00
MR. KHOWAJA OBAID IMRAN ILYAS	1	2,414	0.00
Associated Companies, undertakings and related parties			
MOHAMMADI ENGG. WORKS LTD	1	4,766	0.00
M/S PNSC EMPLOYEES EMPOWERMENT TRUST	1	2,073,014	1.57
KHOWAJA SHAMOUN AHMED ILYAS	1	126	0.00
NIT and ICP	13	511,343	0.39
Banks Development Financial Institutions, Non-Banking Financial Institutions	69	708,485	0.54
Insurance Companies	12	1,243,578	0.94
Modarabas and Mutual Funds			
FIRST EQUITY MODARABA	1	15	0.00
M/S. SECOND PRUDENTIAL MODARABA	1	77	0.00
THIRD PRUDENTIAL MODARABA	1	628	0.00
FIRST PRUDENTIAL MODARABA	1	16	0.00
B.R.R. GUARDIAN MODARABA	1	17,000	0.01
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	14,000	0.01
General Public			
a. Local	16,087	10,763,265	8.15
b. Foreign	64	134,830	0.10
Foreign Companies	-	-	-
Others	117	956,012	0.72
Totals	**16,374**	**132,063,379**	**100.00**

Shareholders holding 10% or more	Shares Held	Percentage
DIRECTOR GENERAL PORT & SHIPPING	115,633,710	87.56

**Including 3656 shareholders whose current domicile is not known

Notice of Annual General Meeting

Notice is hereby given that the 44th Annual General Meeting (AGM) of Pakistan National Shipping Corporation (Corporation) will be held at the Jasmine Hall, Beach Luxury Hotel Off: M.T. Khan Road, Karachi on Friday, the 28th October, 2022 at 1100 hours to transact the following business:

1. To confirm minutes of the 43rd Annual General Meeting of the Members of the Corporation held on 28th October, 2021.
2. To consider and adopt the audited financial statements of the Corporation and the consolidated financial statements of the PNSC Group together with the reports of Auditors and Directors for the year ended 30th June, 2022.
3. To consider and approve Board's recommendation to pay 50% Cash Dividend (i.e.) Rs. 05 per share to the members.
4. To elect two directors for a period of three years in accordance with the provisions of section 14(1)(b) of the Pakistan National Shipping Corporation Ordinance, 1979 (as amended) in place of the following retiring directors , who are eligible for re-election:
   (a) Capt. Anwar Shah
   (b) Mr. Khowaja Obaid Imran Ilyas
5. To consider appointment of joint auditors of the Corporation for the year ending 2022-23 and to fix their remuneration.
6. To transact any other business with the permission of the chair.

By order of the Board

Muhammad Javid Ansari
Company Secretary

Karachi
Dated: 6th October 2022

Notes:

i) The Share Transfer Books of the Corporation will remain closed from 22nd October, 2022 to 28th October, 2022 (both days inclusive).

ii) Transfer received in order by the Corporation's shares registrar M/S CDC Shares Registrar Services Limited by the close of business hours on October 21st, 2022 will be considered in time for registration in the name of transfers, and be eligible for the purpose of attending and vote at the AGM.

iii) A member entitled to attend and vote at the meeting is also entitled to appoint his/her proxy to attend the meeting. Proxies must be received at the Head Office of the Corporation not less than 48 hours before the time of holding the meeting. CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1, dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. The members are requested to promptly notify Share Registrars of the Corporation, M/s CDC Share Registrar Services limited of any change in their addresses.

A) For Attending Meeting:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail is uploaded as per the Regulation, shall authenticate their identity by showing his/her original Identify Card ("CNIC") / original passport at the time of attending the meeting.

ii) In case of corporate entity, Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.

iii) Members interested to participate in the meeting through video link are requested to get themselves registered with Corporate Affairs & Shares department by providing the following details at the earliest but not later than two working days before the AGM through following means:

Mobile/ WhatsApp: 0300 8272582
E-mail: kashif.fazlani@pnsc.com.pk

Name of Members	CNIC Number	CDC Account No./Folio No.	Mobile Number	Email Address

iv. Upon receipt of the above information from the interested members, the Corporation will send the login credentials at their e-mail address. On the date of AGM login facility will be opened at half hour before the meeting time, members will be able to login and join in the AGM proceedings through their smartphone / computer devices.

v. In view of the above the Members may also provide their comments/suggestions for the proposed agenda items of the AGM at least two working days before AGM by using the aforesaid means. Members are requested to mention their full name, CNIC and CDC/Folio no. for this purpose.

vi. In case of corporate entity, Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be provide to the Corporation in the manner described in para A(iii) above.

B) For Appointing Proxies:

i. In case of individuals, the account holder or sub-account holder is and / or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv. In case of corporate entities, board of directors' resolution / power of attorney with specimen signature of the nominee shall be submitted along with the proxy form to the Corporation.

C Requirement of Companies (Postal Ballot) Regulations 2018

Pursuant to Companies (Postal Ballot) Regulations, 2018 for the purpose of election of Directors, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode in accordance with requirements and procedure contained in the aforesaid regulations.

D. CNIC / NTN Number on Dividend Warrant (Mandatory)

As has already been notified from time to time, the Securities and Exchange Commission of Pakistan (SECP) vide Notification SRO 275(1)/2016 dated March 31, 2016 read with Notification SRO 19(1)/2014 dated January 10, 2014 and Notification SRO 831(1)/2012 dated July 5,2012 required that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered member or the authorized person, except in case of minor(s) and corporate member(s). Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) NTN (corporate entitles) by members.

E. Withholding Tax on Dividend (Mandatory)

i. Pursuant to the provision of the Finance Act 2022 the rates of deduction of Income tax from dividend payments under the Income Tax Ordinance, 2001 are as follows:

a)	For filers of income tax returns	15%
b)	For non-filers of income tax returns	30%

ii. Members who are filers, are advised to make sure that their names are entered into latest Active Tax Payers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as non-fliers and tax on their cash dividend will be deducted accordingly.

F) Withholding Tax on Dividend In case of Joint Account Holders

i. According to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal member as well as joint-holder(s) based on their shareholding proportions in case of joint accounts.

ii. In this regard all members who hold shares jointly are requested to provide shareholding Proportions of Principal member and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Corporation Name	Folio/CDS Account No.	Total Status	Principal Member		Joint Member(s)	
			Name & CNIC No	Shareholding proportion (No. Shares)	Name & CNIC No	Shareholding Proportion. (No. of Shares)

iii. The required information must be provided to Corporation's Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal Member and Joint Holder(s).

iv. As per FBR Circulars C. No.1 (29) WHT/2006 dated 30 June 2010 and C. No.1 (43) DG (WHT) 2008- Vol. 11-664174-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available. The members who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to Corporation's Share Registrar, before book closure otherwise, tax will be deducted on dividend as per applicable rates.

v. The corporate members having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participant, whereas corporate physical members should send a copy of their NTN certificate to Corporation's Share Registrar. The members while sending NTN or NTN certificate, as the case may be, must quote Corporation name and their respective folio numbers.

G) Dividend Mandate

i. The provision of Section 242 of the Companies Act, 2017 (the "Act") provides that any dividend declared by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled members.

ii. Further SECP through Circular No.18/2017 dated 1st August, 2017 has required the listed companies to approach their members for obtaining electronic dividend mandate. In this connection please refer to the Corporation's announcement previously published in leading news papers .Therefore, all Members are hereby advised once again to provide, if not already provided, details of their bank mandates at their earliest in the format also available on PNSC website www.pnsc.com.pk

H) Distribution of Annual Report through CD/DVD/USB.

SECP through its SRO 470(1)/2016 dated May 31, 2016 has allowed companies to circulate their annual accounts to members through CD/DVD/USB at their registered email addresses instead of transmitting the hard copies; The Corporation has obtained members approval in its 38th AGM held on 28th October 2016. However any member may request the Company Secretary in writing to provide a printed copy of the annual report at their registered address, free of cost.

I) Distribution of Annual Report through emails

Further pursuant to S.R.O. 787(1)/2014 dated 8th September 2014 SECP has permitted companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. A Standard Consent Form is available at the Corporation's website: www.pnsc.com.pk Members, who wish to avail this facility, should send duly filled-in Consent Form along with a copy of CNIC or valid passport (in case of foreign member) to Corporation's Secretary at Registered Office of the Corporation. It will be the responsibility of members to intimate any change in their valid registered email address to the Corporation in timely manner.

J) Unclaimed Dividends & Bonus Shares

i. Members, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact Corporation's Share Registrar, to collect / enquire about their unclaimed dividend or pending shares, if any.

ii. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan.

iii. In this regard, a Notice dated July 12, 2021 was sent by TCS on the last known addresses of the members to submit their claims within 90 days to the Corporation. In compliance of Section 244(1)(b)of the Companies Act, 2017 a Notice had also been published on 02nd August 2021 in two daily newspapers i.e. (i)Daily Dawn and (ii) Daily Jang, in English language and Urdu language respectively. The same publication was also posted on PSX website for information of the members.

K) Conversion of Shares from Physical Form to Book-Entry-Form

i. The Securities and Exchange Commission of Pakistan (SECP) has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies referring their attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires to all the then existing companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-form within a period not exceeding four years from the date of the promulgation of the Act.

ii. In order to ensure full compliance with the provisions of the aforesaid Section 72 and to be benefitted of the facility of holding shares in the Book-Entry-Form, the members who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form. In compliance of Section 72 of the Companies Act, 2017 a Notice had also been published on 21st June 2021 in two daily newspapers i.e. (i)Business Recorder and (ii) Daily Khabrain, in English language and Urdu language respectively. The same publication was also posted on PSX website for information of the members.

L) Code of Conduct for Members in General Meeting

i. Pursuant to the provision of Section 215 of Companies Act, 2017(the "Act")

   a. A member of a company shall act in good faith while exercising its powers as a member at the general meetings and shall not conduct themselves in a manner that is considered disruptive to proceedings of the meeting.

   b. Without prejudice to his rights under this Act, a member of the company shall not exert influence or approach the management directly for decisions which may lead to create hurdle in the smooth functioning of management

   c. Any member who fails to conduct in the manner provided in this section and as specified by the Commission shall be guilty of an offence under this section and shall be liable to a penalty not exceeding of level 1 on the standard scale.

ii. In compliance with Section 185 of Companies Act, 2017 Corporation shall not distribute gifts in any form to its members in its meeting.

M) Availability of Audited Financial Statements on Corporation's website

The audited financial statements of the Corporation for the year ended 30th June, 2022 will be available in due course on the Corporation's website https://pnsc.com.pk/financial-statements.html

Pakistan National Shipping Corporation

44th Annual General Meeting – 2022

Form of Proxy

I/We ____

of____ (full address)

being a member of Pakistan National Shipping Corporation and holder of_______________________ordinary shares

as per Registered Folio No. _______________here by appoint______________________________________

of ____(full address)

or falling him ____

of ____ (full address)

as my/our proxy to vote for me/us and on my/our behalf at the 44th Annual General Meeting of the Corporation to be held on Friday, October 28th, 2022 at 11:00 am and at any adjournment thereof.

Signed by me/us this _____________day of ______________2022.

Please affix Revenue Stamp of Rs. 5

Witnesses:

1. Signature ____________________

   Name: ______________________

   CNIC No: ____________________

   Address: ____________________

   ____

2. Signature ____________________

   Name: ______________________

   CNIC No: ____________________

   Address: ____________________

   ____

____

Signature of Member
(Signature should agree with the specimen signature registered with the corporation)

Important:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her such proxy must be a member of the Corporation.
2. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of power of attorney must be deposited at the Registered Office of the Corporation situated at PNSC Building, Moulvi Tamizuddin Khan Road, P. O. Box No. 5350, Karachi-74000, Pakistan at least 48 hours before the time of the meeting.
3. CDC Shareholders or their Proxies are each requested to attach an attested photocopy of their National Identity Card or Passport with this Proxy Form before submission to the Corporation.

پاکستان نیشنل شپنگ کارپوریشن

چوالیسواں سالانہ اجلاسِ عام-2022

پراکسی فارم

44

بروز جمعہ 28 اکتوبر 2022 کو صبح 11:00 بجے

2022

5 روپے کا رسیدی
ٹکٹ چسپاں کریں

ممبر کا دستخط (یہ دستخط کمپنی کے پاس
رجسٹرڈ کردہ نمونہ دستخط کے مطابق ہو)

،ووٹ دینے کے لیے کسی دوسرے فرد کو اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی کا کمپنی کا ممبر ہونا لازمی ہے۔
، یا اس پاور آف اٹارنی کی نوٹری سے تصدیق شدہ نقل، اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل کمپنی
تمیز الدین خان روڈ، پی او بکس نمبر۔5350، کراچی 74000 میں جمع کروائی جائیں۔
، کی تصدیق شدہ نقل اس پراکسی فارم کو کمپنی میں جمع کروانے سے قبل ساتھ منسلک کریں۔

Electronic Payment of Cash Dividends

To

Date: ____________________

SUBJECT: Bank account details for payment of Dividend through electronic mode

Dear Sir / Madam,

I/We/Messers,____, being a / the shareholder(s) of **Pakistan National Shipping Corporation** (the "Corporation"), hereby, authorize the Corporation, to directly credit cash dividends declared by it, if any, in my/ our bank account as detailed below:

(i) Shareholder's details:	
Name of Shareholder	
CDC Participant ID & Sub-Account No./CDC IAS/Folio No.	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank Account details:	
Title of Bank Account	
IBAN (See Note 1 below)	
Bank's Name	
Branch Name & Code No.	
Branch Address	

It is stated that the above particulars given by me / us are correct and I/we shall keep the Corporation informed in case of any change(s) in the said particulars in future.

Yours truly,

____

Signature of Shareholder
(Please affix company stamp in case of a corporate entity)

Note:

1. Please provide complete IBAN, after checking with your concerned bank/branch to enable electronic credit directly into your bank account.
2. In case of shares held in electronic form, this letter must be sent to shareholder's participants/CDC Investor Account Services which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by PNSC from time to time.
3. In case of shares held in paper certificate form, this letter must be sent to the Corporation's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahra-e-Faisal, Karachi.

Pakistan National Shipping Corporation

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ANNUAL REPORT 2022

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