

Pakistan National Shipping Corporation



Breaking Barriers - Achieving **Milestones**



**UNAUDITED REPORT
FOR THE QUARTER AND
NINE MONTHS PERIOD ENDED
MARCH 31, 2023**



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Corporate Information

Board of Directors

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

Audit & Finance Committee

1. Mr. Muhammad Ali	Chairman
2. Mr. Muhammad Anwer	Member
3. Mr. Hassan Mehmood Yousufzai	Member
4. Ms. Alia Shahid	Member
5. Mr. Ahsan Ali Malik	Member

HR, Nomination and CSR Committee

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

Strategy and Risk Management Committee

1. Capt. Sarfaraz Inayatullah Qureshi	Chairman
2. Mr. Muhammad Anwer	Member
3. Mr. Hassan Mehmood Yousufzai	Member
4. Mr. Muhammad Ali	Member
5. Mr. S. Jarar Haider Kazmi	Secretary

Vessels Procurement Committee

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

Chief Financial Officer

Mr. S. Jarar Haider Kazmi

Company Secretary

Mr. Muhammad Javid Ansari

Head Office

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

Auditors

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

Shares Registrar

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

Bankers

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

PAKISTAN NATIONAL SHIPPING CORPORATION

DIRECTORS' REPORT

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

The Board of Directors of Pakistan National Shipping Corporation (PNSC) are pleased to present the consolidated and unconsolidated condensed interim financial statements of Group and PNSC for the nine months period ended March 31, 2023.

PERFORMANCE OVERVIEW

Under the influence of global economic conditions, and impact of the Russia-Ukraine war, that earlier had created demand supply imbalance and resulted in increase in bunker prices and vessels' charter out rates, has now started to gradually settle down. As a result, bunker prices are now approaching to its previous levels. However, charter out freight rates are still on higher side as compared to corresponding period. In the current reported period, the national economic watch shows upward trend movement in key macro-economic factors like PKR v/s USD exchange rate parity, interest rate (KIBOR).

Despite the current adverse economic condition of the country, the PNSC (Group) has managed to achieve 879% increase in profit after tax to Rs.23,956 million as against Rs.2,446 million in the corresponding period last year. The Group earnings per share increased to Rs.181.40 as against Rs.18.52 in the corresponding period last year.

The factors leading to improved financial performance of the group is due to induction of two oil tanker vessels M.T. Mardan and M.T. Sargodha in its managed fleet which resulted in an increase in freight revenue amounting to Rs.5,778 million, liquid cargo carrying capacity (DWT) by 214,246 Metric Tons and average growth in AFRA from 103 to 222 and World scale from 5.29 to 6.57. Additionally, average exchange rate against USD during the period was Rs.241 as compared to Rs.174 in the corresponding period last year.

Cumulatively, the Group achieved a turnover of Rs.42,379 million (PNSC: Rs.10,368 million) as compared to Rs.16,223 million (PNSC: Rs.6,295 million) for the corresponding period last year.

The major increase was also seen in revenue from Liquid Cargo segment by Rs.23,876 million, this includes the increase of Rs.22,209 million from owned oil tankers.

The PNSC standalone results reflect a net profit after tax of Rs.3,968 million as compared to net profit after tax of Rs.84 million in the corresponding period of the last year, the major reason is increase of slot chartering and TCP business activities.

Due to exponential increase in revenue, the gross profit margin and net profit margin at group level is **48%** and **57%** as compared to **24%** and **15%** respectively in the corresponding period last year.

During the current period the finance cost increased by Rs.624 million (164%) compared to corresponding period last year, as a result of increase in long-term financing by Rs.3,201 million for the induction of two oil tanker vessels M.T. Mardan and M.T. Sargodha in August 2022 and increase in interest rate.

The PNSC (Group) profit after tax is Rs.23,956 million, which mainly relates to shipping operations. In current reported (Group) profit after tax, approximately Rs.6 billion is included which pertains to non-routine activity of sale of a tanker vessel "M.T. Karachi" of Rs.3.3 billion and profit earned due to upward movement in exchange rate fluctuation on revaluation of foreign assets and liabilities balances of Rs.2.4 billion.

FUTURE PROSPECTS

Dry Bulk Sector

Bulk carrier markets have had a weak start to the year, with average market earnings down by 57% Y-O-Y. Seasonal demand trends have amplified underlying pressures from weak global economic trends and reduced port congestion. This year is expected to see more moderate bulker markets overall due to macroeconomic headwinds, weak trends in China, impacts from Russia-Ukraine conflict, with port congestion easing. The outlook for the remainder of the year remains positive, as the market moves past the typically seasonally weak first quarter, whilst China's post-Covid 'reopening' has potential to support demand. Newly introduced emissions regulations (EEXI, CII) could also begin to impact supply. Bulker supply looks supportive with the orderbook at a near 30-year low. However, uncertainty remains over the scale and timing of potential market improvements.

Tanker Sector

The Tanker market conditions remain very strong and the outlook appears positive. Average market earnings have continued to rise in recent weeks support by strong Atlantic exports and rebounding Chinese demand as the impacts from sanctions on Russian oil trade have continued to disrupt tanker trading patterns adding to ton mile demand. Shifts in oil trade flows towards longer haul routes in both crude and products sectors, with a re-energizing Chinese manufacturing activity, both domestic and international travel are set to rise this year. Limited growth in tanker supply appears to be highly supportive. Furthermore, the new EEXI and CII regulations are likely to additionally reduce available tanker supply through slower speeds and retrofits. While there are some risks to the outlook, including economic headwinds and uncertainty over the outlook for Russian exports, firm tanker market conditions are expected to continue this year and across 2023-24.

ACKNOWLEDGMENT

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

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

Ahsan Ali Malik
Director

Karachi
April 27, 2023

پاکستان نیشنل شیپنگ کارپوریشن ڈائریکٹرز رپورٹ برائے نو ماہ، اختتام از 31 مارچ، 2023

پاکستان نیشنل شیپنگ کارپوریشن (پی این ایس سی) کے بورڈ آف ڈائریکٹرز گروپ اور PNSC کے منظم اور متفرق عبوری مالیاتی گوشوارے برائے نو ماہ، اختتام از 31 مارچ، 2023 بخوشی پیش کر رہے ہیں۔

کارکردگی کا جائزہ

عالمی اقتصادی حالات اور روس یوکرین جنگ کے اثرات، جو پہلے طلب کی رسد میں عدم توازن اور اس کے نتیجے میں بنکروں کی قیمتوں اور جہازوں کے چارٹر آؤٹ کے نرخوں میں اضافے کا باعث بنے تھے، اب رفتہ رفتہ ختم ہونا شروع چکے ہیں۔ اس کے نتیجے میں، بنکر کی قیمتیں اب اپنی گزشتہ سطحوں کے قریب پہنچ رہی ہیں۔ تاہم، اسی دورانیے کے مقابلے میں چارٹر آؤٹ فریٹ کے نرخ اب بھی زیادہ ہیں۔ موجودہ رپورٹ شدہ دورانیے میں، نیشنل اکنامک و اچ پاکستانی روپے کی امریکی ڈالر کے مقابلے میں شرح مبادلہ کی مساوی حیثیت اور شرح سود (KIBOR) میں اضافے جیسے کلیدی میکر و اکنامک عوامل رجحان کو ظاہر کرتی ہے۔

ملک کی موجودہ مشکل اقتصادی حالات کے باوجود، پی این ایس سی (گروپ) گزشتہ سال اسی دورانیے کے 2,446 ملین روپے کے مقابلے میں رواں سال بعد از ٹیکس منافع %879 اضافے کے ساتھ 23,956 ملین روپے تک بڑھانے میں کامیاب رہا ہے۔ گروپ کی فی شخص آمدن میں گزشتہ سال اسی دورانیے کے 18.52 روپے فی شخص کے مقابلے میں 181.40 روپے فی شخص تک اضافہ ہوا۔

گروپ کی مالی کارکردگی کو بہتر بنانے والے عوامل میں گروپ کا اپنے زیر انصرام فلیٹ میں دو آئل ٹینکر جہازوں ایم ٹی مردان اور ایم ٹی سرگودھا کی شمولیت ہے جس کے نتیجے میں فریٹ سے آمدن میں 5,778 ملین روپے، مائع کارگو لے جانے کی صلاحیت (DWT) میں 214,246 میٹرک ٹن، AFRA میں اوسطاً 103 سے 222 اور عالمی پیمانے پر 5.29 سے 6.57 تک کا اضافہ ہوا۔ مزید برآں، اس دورانیے میں امریکی ڈالر کے لحاظ سے اوسط شرح مبادلہ گزشتہ سال 174 روپے کے مقابلے میں 241 روپے رہی۔

مجموعی طور پر، گروپ نے گزشتہ سال اسی دورانیے میں 16,223 ملین روپے (پی این ایس سی: 6,295 ملین روپے) کے مقابلے میں 42,379 ملین روپے (پی این ایس سی: 10,368 ملین روپے) کا کاروبار حاصل کیا۔

مائع کارگو کے شعبے کی آمدن میں 23,876 ملین روپے کا نمایاں اضافہ بھی دیکھا گیا جس میں زیر ملکیت آئل ٹینکرز سے 22,209 ملین روپے کا اضافہ شامل ہے۔

صرف پی این ایس سی کے نتائج گزشتہ سال اسی دورانیے میں 84 ملین روپے بعد از ٹیکس منافع کے مقابلے میں 3,968 ملین روپے بعد از ٹیکس منافع ظاہر کرتے ہیں، جس کی بڑی وجہ سلاٹ چارٹرنگ اور ٹریڈنگ کارپوریشن آف پاکستان کی کاروباری سرگرمیوں میں اضافہ ہے۔

آمدن میں غیر معمولی اضافے کے باعث، گروپ کی سطح پر مجموعی اور خالص منافع کے مارجن بالترتیب %48 اور %57 رہے جو گزشتہ سال اسی دورانیے میں بالترتیب %24 اور %15 تھے۔

گزشتہ سال اسی دورانیے کے مقابلے میں مالیاتی لاگت میں 624 ملین روپے (164%) کا اضافہ ہوا، جس کی وجہ اگست 2022 میں دو آئل ٹینکر جہازوں ایم ٹی مردان اور ایم ٹی سرگودھا کی شمولیت کے لیے طویل مدتی فنڈنگ میں 3,201 ملین روپے اور شرح سود میں اضافہ ہے۔

پی این ایس سی (گروپ) کا بعد از ٹیکس منافع 23,956 ملین روپے ہے، جو بنیادی طور پر شیپنگ کے انفعال سے متعلقہ ہے۔ موجودہ رپورٹ کردہ (گروپ) بعد از ٹیکس منافع میں، تقریباً 6 ملین روپے شامل ہیں جو ٹینکر جہاز "ایم ٹی کراچی" کی 3.3 بلین روپے میں فروخت کی خلاف معمول سرگرمی اور غیر ملکی اثاثوں اور ذمہ داریوں کے 2.4 بلین روپے کے بیلنس کے از سر نو تعین پر زرمبادلہ کے نرخ میں اتار چڑھاؤ کے بڑھنے کی وجہ سے حاصل ہونے والے منافع کی وجہ سے ہے۔

مستقبل کے امکانات

خشک بلک شعبہ

بلک کیئر مارکیٹ کا سال کا آغاز کمزور رہا ہے، جس میں مارکیٹ کی اوسط آمدن میں سالہا سال 57% کی کمی واقع ہوئی ہے۔ سیزن کے لحاظ سے طلب کے رجحانات میں اضافہ ہوا ہے جس کی وجہ کمزور عالمی اقتصادی رجحانات اور بندرگاہوں پر آمد و رفت کی کمی ہیں۔ مجموعی میکرو اکنامک صورت حال، چین میں کمزور رجحانات، روس یوکرین تنازعہ کے اثرات، بندرگاہوں پر بیڑ بھڑ میں نرمی کی وجہ سے رواں سال مجموعی طور پر زیادہ معتدل بلک مارکیٹ دیکھے جانے کی توقع ہے۔ سال کے بقیہ حصے کا تناظر مثبت ہے، جیسا کہ مارکیٹ سال کی عمومی کمزور پہلی سہ ماہی سے گزر رہی ہے اور چینی مارکیٹوں کا Covid کے بعد دوبارہ کھلنا طلب میں مدد دینے کا امکان رکھتا ہے۔ اخراج کے نئے متعارف کردہ ضوابط (EEXI اور CH) بھی رسد کو متاثر کرنا شروع کر سکتے ہیں۔ تقریباً 30 سال کی سب سے کم آرڈر بک کے ساتھ بلک سپلائی معاون دکھائی دیتی ہے تاہم، مارکیٹ میں ممکنہ بہتری کے پیمانے اور وقت کے لحاظ سے غیر یقینی صورت حال برقرار ہے۔

ٹینکر کا شعبہ

ٹینکر مارکیٹ کی صورت حال کافی مستحکم ہے اور تناظر مثبت دکھائی دیتا ہے۔ بحر اوقیانوس کی مضبوط برآمدات اور چینی طلب میں اضافے میں مدد ملنے سے حالیہ ہفتوں میں مارکیٹ کی اوسط آمدن میں مسلسل اضافہ ہو رہا ہے، کیونکہ روسی تیل کی تجارت پر پابندیوں کے اثرات نے ٹینکر میں تجارت کے رجحان کو متاثر کرتے ہوئے فی ٹن میل سفر کی طلب میں اضافہ کیا ہے۔ خام اور مصنوعہ جاتی شعبوں دونوں میں ہی تیل کی تجارت میں تبدیلی طویل فاصلے کے راستوں پر منتقل ہوئی ہے، جبکہ چینی مینوفیکچرنگ کی سرگرمیوں کے دوبارہ متحرک ہونے سے رواں سال مقامی اور بین الاقوامی سفر میں اضافہ ہو گا۔ ٹینکر کی رسد میں محدود ترقی کافی معاون دکھائی دیتی ہے۔ مزید برآں، نئے EEXI اور CH ضوابط سست رفتار اور ریٹروفٹس کے ذریعے دستیاب ٹینکر کی سپلائی کو اضافی طور پر کم کر سکتے ہیں۔ اگرچہ تناظر کے لحاظ سے کچھ خطرات موجود ہیں، جن میں اقتصادی مشکلات اور روسی برآمدات کے حوالے سے تناظر کی غیر یقینی صورت حال شامل ہیں، تاہم رواں سال اور 2023-24 کے دوران ٹینکر مارکیٹ کی مستحکم صورت حال جاری رہنے کی توقع ہے۔

تسلیات

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



احسن علی ملک
ڈائریکٹر



ریٹزیڈمرل جواد احمد (M) HI
چیرمین اور چیف ایگزیکٹو آفیسر
کراچی

27 اپریل، 2023

PNSC Managed Fleet

TANKERS

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



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

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



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

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



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

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



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

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



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

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



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

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



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

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



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

BULK CARRIERS

Vessel: **M.V SIBI**

Built: Japan 2009



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

Length Overall (M): 169.37

Vessel: **M.V MALAKAND**

Built: Japan 2004



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

Length Overall (M): 225.00

Vessel: **M.V HYDERABAD**

Built: Japan 2004



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

Length Overall (M): 188.50

Vessel: **M.V CHITRAL**

Built: Japan 2003



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

Length Overall (M): 185.73

Vessel: **M.V MULTAN**

Built: Japan 2002



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

Length Overall (M): 189.80

TANKERS & BULK CARRIERS

SEGMENT	DEADWEIGHT (MT)	GROSS TONNAGE (MT)
TANKERS	790,780	431,454
BULK CARRIERS	255,177	140,804
TOTAL	1,045,957	572,258

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



for the quarter and
nine months period ended
March 31, 2023

**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023**

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	34,113,868	26,708,229
Right-of-use assets		87,173	93,312
Intangible assets		60,755	51,806
Investment properties		3,951,663	3,949,584
Long-term investments in:			
- Related party (associate)		-	-
- Listed companies and other entity		27,758	38,858
Long-term loans		39,400	20,374
Deferred taxation - net		81,357	47,246
		38,361,974	30,909,409
Current assets			
Stores and spares		3,059,626	1,767,463
Trade debts - unsecured	6	5,615,887	5,311,573
Agents' and owners' balances - unsecured		5,508	15,707
Loans and advances		451,534	365,002
Trade deposits and short-term prepayments		44,295	39,338
Interest accrued on bank deposits and short-term investments		92,307	114,970
Other receivables	7	805,287	360,085
Incomplete voyages		434,539	100,784
Insurance claims		68,036	81,495
Taxation - net		1,720,720	1,488,254
Short-term investments	8	21,140,886	7,427,491
Cash and bank balances		8,486,099	5,414,650
		41,924,724	22,486,812
		80,286,698	53,396,221
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY			
Authorised share capital		2,000,000	2,000,000
Issued, subscribed and paid-up share capital		1,320,634	1,320,634
Reserves			
Capital reserves		131,344	131,344
Revenue reserves		62,148,039	39,518,993
Remeasurement of post-retirement benefits obligation - net of tax		(221,783)	(221,783)
Surplus on revaluation of property, plant and equipment - net of tax		1,632,430	1,623,362
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY		63,690,030	41,051,916
NON-CONTROLLING INTEREST		11,886	10,783
TOTAL EQUITY		65,022,550	42,383,333
Non-current liabilities			
Long-term financing - secured	9	5,879,360	3,547,219
Lease liability		81,999	104,746
Employee benefits		760,424	713,135
		6,721,783	4,365,100
Current liabilities			
Trade and other payables	10	5,744,881	5,306,228
Contract liabilities		651,386	240,253
Provision against damage claims		32,906	42,307
Current portion of long-term financing - secured	9	1,818,593	949,793
Current portion lease liabilities		32,119	6,804
Unclaimed dividend		120,681	87,245
Accrued mark-up on long-term financing		141,799	15,158
		8,542,365	6,647,788
		15,264,148	11,012,888
		80,286,698	53,396,221
CONTINGENCIES AND COMMITMENTS			
11			

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Syed Jara Haider Kazmi
Chief Financial Officer



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



Ahsan Ali Malik
Director

**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2023 (UNAUDITED)**

	Quarter ended March 31, 2023	Quarter ended March 31, 2022	Nine Months period ended March 31, 2023	Nine Months period ended March 31, 2022
Note -----(Rupees in '000)-----				
REVENUE FROM CONTRACTS WITH CUSTOMERS				
Income from shipping business	13,272,633	6,058,228	42,183,815	16,044,482
Rental income	68,437	58,746	194,875	178,206
	13,341,070	6,116,974	42,378,690	16,222,688
EXPENDITURE				
Fleet expenses - direct	(6,059,170)	(4,572,238)	(21,821,855)	(12,227,180)
Fleet expenses - indirect	(6,608)	(475)	(12,357)	(13,496)
Real estate expenses	(27,544)	(30,122)	(82,839)	(84,495)
	(6,093,322)	(4,602,835)	(21,917,051)	(12,325,171)
	7,247,748	1,514,139	20,461,639	3,897,517
GROSS PROFIT				
Administrative expenses	(390,898)	(261,413)	(1,134,395)	(809,966)
Impairment loss on financial assets	(164,564)	(103,741)	(893,485)	(370,897)
Other expenses	(262,471)	(46,895)	(285,759)	(175,087)
Other income	6,207,640	254,332	7,454,361	634,262
	5,389,707	(157,717)	5,140,722	(721,688)
	12,637,455	1,356,422	25,602,361	3,175,829
OPERATING PROFIT				
Finance costs	(354,923)	(137,613)	(1,005,429)	(380,760)
	12,282,532	1,218,809	24,596,932	2,795,069
PROFIT BEFORE TAXATION				
Taxation	(309,315)	(195,461)	(640,837)	(349,069)
	11,973,217	1,023,348	23,956,095	2,446,000
PROFIT AFTER TAXATION				
Other comprehensive income / (loss)	1,035	-	3,756	(8,258)
	11,974,252	1,023,348	23,959,851	2,437,742
TOTAL COMPREHENSIVE INCOME				
Attributable to:				
Equity holders of the Holding Company	11,973,720	1,022,722	23,958,748	2,436,696
Non-controlling interest	532	626	1,103	1,046
	11,974,252	1,023,348	23,959,851	2,437,742
----- (Rupees) -----				
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY - basic and diluted				
	90.66	7.75	181.40	18.52

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Syed Jarar Haider Kazmi
Chief Financial Officer



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



Ahsan Ali Malik
Director

**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023 (UNAUDITED)**

Atributable to the shareholders of the Holding Company										
Issued, subscribed and paid-up share capital	Capital reserves*	Revenue reserves			Remeasurement of post-retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total reserves	Non-controlling interest	Total	
		General reserves	Unappropriated profit	Sub-total revenue reserves						
(Rupees in '000)										
Balance as at July 01, 2021	1,320,634	131,344	129,307	34,133,646	34,262,953	(228,098)	1,626,936	35,793,135	6,468	37,120,237
Transaction with owners										
Final cash dividend for the year ended June 30, 2021 paid to shareholders of the Holding Company @ Rs. 3 per ordinary share of Rs.10 each	-	-	-	(396,190)	(396,190)	-	-	(396,190)	-	(396,190)
Profit after tax	-	-	-	2,444,954	2,444,954	-	-	2,444,954	1,046	2,446,000
Other comprehensive loss	-	-	-	-	-	-	(8,258)	(8,258)	-	(8,258)
Total comprehensive income for the nine months period March 31, 2022	-	-	-	2,444,954	2,444,954	-	(8,258)	2,436,696	1,046	2,437,742
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	3,306	3,306	-	(3,306)	-	-	-
Balance as at March 31, 2022	1,320,634	131,344	129,307	36,185,716	36,315,023	(228,098)	1,615,372	37,833,641	7,514	39,161,789
Balance as at July 01, 2022	1,320,634	131,344	129,307	39,389,686	39,518,993	(221,783)	1,623,362	41,051,916	10,783	42,383,333
Transaction with owners										
Final cash dividend for the year ended June 30, 2022 paid to shareholders of the Holding Company @ Rs. 5 per ordinary share of Rs.10 each	-	-	-	(660,317)	(660,317)	-	-	(660,317)	-	(660,317)
Interim cash dividend for the half year ended December 31, 2022 paid to shareholders of the Holding Company @ Rs. 5 per ordinary share of Rs.10 each	-	-	-	(660,317)	(660,317)	-	-	(660,317)	-	(660,317)
Profit after tax	-	-	-	23,954,992	23,954,992	-	-	23,954,992	1,103	23,956,095
Other comprehensive income	-	-	-	-	-	-	3,756	3,756	-	3,756
Total comprehensive income for the nine months period March 31, 2023	-	-	-	23,954,992	23,954,992	-	3,756	23,958,748	1,103	23,959,851
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	(5,312)	(5,312)	-	5,312	-	-	-
Balance as at March 31, 2023	1,320,634	131,344	129,307	62,018,732	62,148,039	(221,783)	1,632,430	63,690,030	11,886	65,022,550

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



Syed Jara Haider Kazmi
Chief Financial Officer



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



Ahsan Ali Malik
Director

**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023 (UNAUDITED)**

	Nine Months period ended March 31, 2023	Nine Months period ended March 31, 2022
Note -----(Rupees in '000)-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	14 21,476,969	3,801,799
Employees' gratuity paid	(30,680)	(25,267)
Employees' compensated absences paid	(52,661)	(70,838)
Post-retirement medical benefits paid	(16,275)	(16,836)
Long-term loans	(19,026)	(96,775)
Finance costs paid	(866,047)	(374,834)
Taxes paid	(903,661)	(298,374)
Net cash generated from operating activities	19,588,619	2,918,875
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,370,137)	(744,627)
Initial deposit for the acquisition of intangible asset	(8,949)	-
Additions to investment properties	(2,079)	(19,549)
Proceeds from disposal of property, plant and equipment	3,338,184	-
Short-term investments redeemed	24,493	5,248,130
Interest received on short-term investments	1,275,463	357,379
Dividend received	51,796	7,540
Net cash (used in) / generated from investing activities	(4,691,229)	4,848,873
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	4,344,000	-
Long-term financing repaid	(1,143,059)	(1,284,925)
Lease rentals paid	(1,796)	(2,177)
Dividend paid	(1,287,198)	(386,446)
Net cash generated from / (used in) financing activities	1,911,947	(1,673,548)
Net increase in cash and cash equivalents	16,809,337	6,094,200
Cash and cash equivalents at the beginning of the period	11,587,351	1,750,945
Cash and cash equivalents at the end of the period	15 28,396,688	7,845,145

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Syed Jamar Haider Kazmi
Chief Financial Officer



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



Ahsan Ali Malik
Director

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023 (UNAUDITED)

1. THE GROUP AND ITS OPERATIONS

The Group consist of Pakistan National Shipping Corporation (the Holding Company), its subsidiary companies and an associate (together 'the Group'). The Holding Company was formed under the provisions of the Pakistan National Shipping Corporation Ordinance, 1979 while the subsidiaries were formed and registered under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), respectively. The Group is principally engaged in the business of shipping, including charter of vessels, transportation of cargo and other related services. The Group is also engaged in renting out its properties to tenants under lease agreements. The Group's registered office is situated at PNSC Building, Moulvi Tamizuddin Khan Road, Karachi except for Pakistan Co-operative Ship Stores (Private) Limited which is situated at 70/4, Timber Pond, N.M Reclamation Kemari, Karachi.

The Group consists of:

Holding company

Pakistan National Shipping Corporation

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 Marine and Shipping Services Company (Private) Limited**	100
- Quetta Shipping (Private) Limited*	100
- Sargodha Shipping (Private) Limited*	100
- Shalamar Shipping (Private) Limited*	100
- Sibi Shipping (Private) Limited*	100
- Swat Shipping (Private) Limited**	100
- Pakistan Co-operative Ship Stores (Private) Limited	73

Associate

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

* These wholly owned subsidiaries operate one vessel / tanker.

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

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These consolidated condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the financial statements for the year ended June 30, 2022 as these provide an update of previously reported information.

- 2.2** These consolidated condensed interim financial statements comprise of the consolidated condensed interim statement of financial position as at March 31, 2023 and the consolidated condensed interim statement of profit or loss and other comprehensive income, the consolidated condensed interim statement of changes in equity, the consolidated condensed interim statement of cash flows and notes thereto for the nine period ended March 31, 2023.
- 2.3** The comparative statement of financial position presented in these consolidated condensed interim financial statements as at June 30, 2022 has been extracted from the annual audited financial statements of the Group for the year ended June 30, 2022 whereas the comparative consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows for the nine months period ended March 31, 2022 have been extracted from the consolidated condensed interim financial statements of the Group for the nine months period ended.
- 2.4** These consolidated condensed interim financial statements are separate financial statements of the Group in which investments in subsidiaries and associate are accounted for at cost less accumulated impairment losses, if any.
- 2.5** These consolidated condensed interim financial statements are unaudited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.6 Basis of measurement

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

2.7 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Amendments to published approved accounting standards which are effective

There are certain amendments to approved accounting standards which are mandatory for the Group's annual accounting period which began on July 01, 2023. However, these do not have any significant impact on the Group's financial reporting and, therefore, have not been detailed in these consolidated condensed interim financial statements.

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

Certain amendments to the approved accounting standards which are mandatory for the Group's annual accounting periods beginning after July 01, 2023, however, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

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

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the Group's consolidated annual financial statements for the year ended June 30, 2022.

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
------(Rupees in '000)-----			
5. PROPERTY, PLANT AND EQUIPMENT			
- Operating fixed assets	5.1 & 5.2	32,978,827	25,799,614
- Major spare parts and stand-by equipments	5.1	1,050,600	781,917
- Capital work-in-progress (CWIP)		84,441	126,698
		34,113,868	26,708,229
		(Unaudited) Nine Months period ended March 31, 2023	Nine Months period ended March 31, 2022
------(Rupees in '000)-----			
5.1 Additions (including transfers from CWIP) during the period:			
Vessels		9,913,268	-
Spares capitalised		459,463	113,400
Computer equipments		28,852	5,225
Class renewal and dry docking		649,968	571,427
Equipment on board		3,003	39,353
Furniture and fittings		1,516	870
Buildings on leasehold land		-	17,673
Office equipments		2,593	609
Vehicle		9,852	-
		11,068,505	748,557
5.2 Depreciation charge for the period		1,964,498	1,224,885

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
(Rupees in '000)			
6. TRADE DEBTS - unsecured			
- Due from related parties	6.1	5,561,284	4,559,312
- Due from others		3,197,519	2,996,324
		8,758,803	7,555,636
Allowance for expected credit loss (ECL)	6.2	(3,142,916)	(2,244,063)
		5,615,887	5,311,573

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

	Upto 1 month	1 to 6 months	More than 6 months	(Unaudited) As at March 31, 2023	(Audited) As at June 30, 2022
(Rupees in '000)					
Pakistan State Oil Company Limited	-	-	2,436,165	2,436,165	2,436,165
Pak Arab Refinery Limited	963,379	362,310	304,501	1,630,190	1,571,374
Pakistan Refinery Limited	375,120	18,778	165,283	559,181	236,457
Sui Northern Gas Pipelines Limited	3,061	-	-	3,061	950
District Controller of Stores	4,085	-	2,737	6,822	4,921
Embarkation Commandant	1,670	44,291	414,323	460,284	156,134
Naval Stores	8,062	37,099	37,328	82,489	78,065
Officer Commanding (PAF)	1,636	211,476	24,081	237,193	56,690
Others	31,836	103,197	10,866	145,899	18,556
	1,388,849	777,151	3,395,284	5,561,284	4,559,312

6.2 Allowance for ECL on trade debts

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
(Rupees in '000)			
Opening balance		2,244,063	1,338,813
Charged during the period / year		898,853	905,250
Closing balance		3,142,916	2,244,063

7. OTHER RECEIVABLES

- Due from related parties	7.1	323,023	197,133
- Due from others		586,786	272,842
		909,809	469,975
Allowance for ECL	7.2	(104,522)	(109,890)
		805,287	360,085

7.1 Related parties:

- Government of Pakistan		152,183	83,858
- Port Qasim Authority		114,303	95,073
- Karachi Port Trust		2,979	4,535
- Sindh Revenue Board		-	13,667
		269,465	197,133

7.2 Allowance for ECL on other receivables

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

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
		------(Rupees in '000)-----	
8. SHORT-TERM INVESTMENTS	Note		
Amortized Cost			
Term-deposits with banks having maturity of:			
- more than three but upto six months		23,000	1,149,900
- three months or less		7,803,125	6,172,701
	8.1	7,826,125	7,322,601
Treasury-bills having maturity of:			
- more than three but upto six months		-	-
- three months or less		12,107,464	-
	8.2	12,107,464	-
Fair value through profit or loss			
- Mutual funds		1,207,297	104,890
		21,140,886	7,427,491

8.1 Mark-up on these term-deposits denominated in local currency is 15.30% (June 30, 2022: 7.45% to 15.50%) per annum, whereas mark-up on term deposits denominated in foreign currency is ranging from 6% to 6.25% (June 30, 2022: 3%) per annum.

8.2 These treasury-bills have effective interest rates ranging from 16.80% to 20.97% per annum and maturing at various dates up to April 06, 2023.

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
		------(Rupees in '000)-----	
9. LONG TERM FINANCING - secured	Note		
Faysal Bank Limited			
- Financing under syndicate term-finance agreement	9.1	2,347,047	2,783,865
- Financing under musharika agreement	9.2	5,350,906	1,713,147
		7,697,953	4,497,012
Current portion of long-term financing		(1,818,593)	(949,793)
		5,879,360	3,547,219

9.1 Financing under syndicate term-finance agreement includes:

Represents financing facility obtained during the year ended June 30, 2019, amounting to Rs 6,500 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 month KIBOR + 0.35% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on March 22, 2027. As of the reporting date, the Holding Company has drawn Rs 2,340 million and Rs 2,364 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.

9.2 Financing under musharika agreement includes:

9.2.1 Represents financing facility obtained during the year ended June 30, 2019, amounting to Rs 4,000 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 month KIBOR + 0.35% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on March 22, 2027. As of the reporting date, the Holding Company has drawn Rs 1,440 million and Rs 1,445 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.

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

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
		------(Rupees in '000)-----	
10. TRADE AND OTHER PAYABLES			
Creditors		317,014	458,569
Advance from charterers		100,670	-
Accrued liabilities		4,772,437	3,741,164
Agents' and owners' balances		356,799	942,913
Deposits		46,639	47,805
Withholding tax payable		46,718	25,990
Advance rent		96,550	81,733
Other liabilities		8,054	8,054
		5,744,881	5,306,228

11. CONTINGENCIES AND COMMITMENTS

Contingencies

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

During the year ended June 30, 2015, the Sindh Revenue Board (SRB) issued show cause notice dated April 17, 2015 under the provisions of section 23 and 47 of the Sindh Sales Tax on Services Act, 2011. The SRB officer had selected the revenue from the consolidated financial statements and allegedly raised sales tax demand in respect of the revenue appearing in the audited consolidated financial statements for the years 2012-2014. The Holding Company had filed a suit before the Honourable Sindh High Court in respect of the aforesaid show cause notice and the Honourable Sindh High Court had granted an interim stay order restraining SRB from taking any coercive action. However, in light of the Supreme Court order dated June 27, 2018 the Holding Company had to withdraw from the suit and continued the proceedings of show cause notice. After, considering the submissions of the Holding Company the SRB had passed an assessment order dated March 13, 2019 and raised Sales Tax demand of Rs. 2,935.797 million on the revenue of freight income and services fee for the financial years 2012-2014. The Holding Company had filed an appeal before the Commissioner (Appeals) SRB dated March 11, 2019 and obtained stay from Honourable Sindh High Court against the sales tax demand. High Court made decision in favour of Holding Company on December 14, 2020. However, during the period, Sindh Revenue Board filed a petition on October 21, 2022 in Supreme court against the judgement of High court and same is still pending at Supreme Court of Pakistan. The management, in consultation with its tax advisor, is confident that the subject matters will eventually be decided in favour of the Holding Company.

Commitments

- | | (Unaudited)
March 31,
2023 | (Audited)
June 30,
2022 |
|---|----------------------------------|-------------------------------|
| | ----- (Rupees in '000) ----- | |
| 11.2 Commitments for capital expenditure | 32,571 | 32,571 |
| 11.3 Outstanding letters of guarantee | 19,669 | 19,669 |
| 11.4 The Group has provided an undertaking amounting to Rs 3,303 million (USD 11.6 million) to one of the vendor / supplier of another state owned entity. This undertaking has been provided due to arrest of two of its managed vessels operated by its subsidiaries which have been released subsequently. However, the Government of Pakistan has provided a counter guarantee to the Holding Company in relation to the aforesaid undertaking. | | |
| 11.5 Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounting to Rs 118.740 million (USD 0.417 million) and Rs 54.672 million (USD 0.192 million) respectively. | | |

12. FINANCE COST

	(Unaudited) Nine Months period ended March 31, 2023	Nine Months period ended March 31, 2022
	----- (Rupees in '000) -----	
Mark-up on long-term financing	992,688	370,365
Mark-up on lease liability	4,364	4,162
Bank charges	8,377	6,233
	<u>1,005,429</u>	<u>380,760</u>

13. TAXATION

Tax charge for:		
- current year	831,503	341,255
- prior year	(160,311)	(24,221)
	<u>671,192</u>	<u>317,034</u>
- Deferred tax (income) / expense	(30,355)	32,035
Taxation	<u>640,837</u>	<u>349,069</u>

	Note	(Unaudited)	
		Nine Months period ended March 31, 2023	Nine Months period ended March 31, 2022
----- (Rupees in '000) -----			
14. CASH GENERATED FROM OPERATIONS			
Profit before taxation		24,596,932	2,795,069
Adjustments for non-cash charges and other items:			
Depreciation on:			
- Property, plant and equipments		1,964,498	1,224,885
- Right-of-use assets		6,140	6,171
Finance cost:			
- Long-term financing		992,688	372,602
- Lease Liabilities		4,364	4,162
Provision for employees' gratuity		83,121	65,799
Provision for employees' compensated absences		57,218	51,524
Provision for post-retirement medical benefits		6,567	12,055
Provision no longer required written back		(24,889)	(8,426)
Income from saving accounts and term deposits		(1,252,800)	(377,950)
Gain on sale of property, plant and equipment		(3,338,184)	-
Trade debts and other receivables written-off		34,872	-
Provision for slow moving stores and spares		61,736	-
Impairment loss on financial assets	6.2 & 7.2	893,485	370,897
Loss on revaluation of long-term investments in listed securities		11,101	11,898
Dividend income		(51,796)	(7,540)
Working capital changes	14.1	(2,568,084)	(719,347)
		21,476,969	3,801,799

14.1 Working capital changes

(Increase) / decrease in current assets:

Stores and spares	(1,353,899)	102,651
Trade debts - unsecured	(1,203,167)	(1,598,977)
Agents' and owners' balances - unsecured	10,199	2,509
Loans and advances	(86,532)	-
Trade deposits and short-term prepayments	(4,957)	(14,837)
Other receivables	(474,706)	(356,166)
Incomplete voyages	(333,755)	(61,758)
Insurance claims	13,459	(5,149)
	(3,433,358)	(1,931,727)

Increase / (decrease) in current liabilities:

Trade and other payables	463,542	1,130,961
Net increase in provision for damage claims	(9,401)	19,106
Contract liabilities	411,133	62,313
	865,274	1,212,380
	(2,568,084)	(719,347)

15. CASH AND CASH EQUIVALENTS

Short-term investments having maturity of three months or less		19,910,589	5,951,903
Cash and bank balances	15.1	8,486,099	1,893,242
		28,396,688	7,845,145

15.1 Mark-up on local saving accounts ranges from 16.51% to 20% (June 30, 2022: 6.14% to 14%) and foreign saving accounts ranges from 0.15% to 0.5% (June 30, 2022: 0.15% to 0.5%)

16. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

16.1 Financial risk factors

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

These consolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended June 30, 2022. There have been no changes in risk management policies since the year end.

16.2 Fair value estimation

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

Fair value hierarchy

As at March 31, 2023, the Group's all assets and liabilities are carried at cost / revalued less accumulated depreciation / impairment, if any, or at amortised cost except for those mentioned below:

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

The Holding Company classifies investment properties and long-term investments in listed companies measured at fair value in the statement of financial position. The latest fair valuation of the Holding Company's investment properties was performed by an independent valuer as at June 30, 2022.

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

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

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

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

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

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

	(Unaudited) March 31, 2023			Total
	Level 1	Level 2	Level 3	
(Rupees in '000)				
Assets carried at fair value				
Long-term investments in listed companies and other entity	27,758	-	-	27,758
Short-term investments - mutual funds	1,207,297	-	-	1,207,297
	1,235,055	-	-	1,235,055
Leasehold land	-	1,399,780	-	1,399,780
Buildings on leasehold land	-	706,265	-	706,265
Beach huts	-	15,063	-	15,063
Workshop machinery and equipments	-	6,378	-	6,378
Investment properties	-	3,951,663	-	3,951,663
	-	6,079,149	-	6,079,149

	(Audited) June 30, 2022			Total
	Level 1	Level 2	Level 3	
(Rupees in '000)				
Assets carried at fair value				
Long-term investments in listed companies and other entity	38,858	-	-	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 equipments	-	7,040	-	7,040
Investment properties	-	3,949,584	-	3,949,584
	-	6,120,901	-	6,120,901

17. TRANSACTIONS WITH RELATED PARTIES

The Group has related party relationships with its associate, Government of Pakistan and its related entities, employee benefit plans and its directors and executive officers (including their associates). Transactions with related parties essentially entail freight income, chartering revenue recovered, recovery of demurrage, rental income and employee funds maintained by the Holding Company. Balances with related parties have been disclosed in the relevant notes to these consolidated condensed interim financial statements. Further, transactions entered into with the key management personnel as per their terms of employment are also included in related party transactions.

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

Name and particulars	Relationship with the Group	(Unaudited)	
		Nine Months period ended March 31, 2023	Nine Months period ended March 31, 2022
------(Rupees in '000)-----			
Transactions with State owned / controlled entities			
Freight income		20,283,173	7,444,161
Income from other operating activities		917,588	170,565
Rental income		19,428	10,643
Rental and other expenses		22,534	2,475
Transactions with other related parties			
Employees' retirement benefit funds	Employees benefit plan	587	-
Directors' fee and traveling allowances	Key management personnel	7,733	2,688
Remuneration and other benefits	Key management personnel	72,162	51,530
Dividend paid to Government of Pakistan	Government holding	1,156,337	349,556

18. GENERAL

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

19. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 27, 2023 by the Board of Directors of the Holding Company.



Syed Jarar Haider Kazmi
Chief Financial Officer



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



Ahsan Ali Malik
Director

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



for the quarter and
nine months period ended
March 31, 2023

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,252,003	2,271,281
Right-of-use assets		87,173	93,312
Intangible assets		60,755	51,806
Investment properties		3,951,663	3,949,584
Long-term investments in:			
- Related parties (subsidiaries and an associate)		37,140,378	37,140,378
- Listed companies and other entity		27,758	38,858
		37,168,136	37,179,236
Long-term loans		39,400	20,374
Deferred taxation - net		81,357	47,246
		43,640,487	43,612,839
Current assets			
Stores and spares		9,286	-
Trade debts - unsecured	6	1,386,795	1,986,270
Agents' and owners' balances - unsecured		5,508	15,707
Loans and advances		158,465	113,750
Trade deposits and short-term prepayments		38,888	35,643
Interest accrued on bank deposits and short-term investments		89,656	114,970
Other receivables	7	312,097	222,150
Incomplete voyages		21,935	46,524
Insurance claims		1,777	-
Taxation - net		1,691,513	1,466,246
Short-term investments	8	20,869,516	7,404,491
Cash and bank balances		8,729,503	5,410,043
		33,314,939	16,815,794
		76,955,426	60,428,633
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		2,000,000	2,000,000
Issued, subscribed and paid-up share capital		1,320,634	1,320,634
Reserves			
Capital reserves		126,843	126,843
Revenue reserves - unappropriated profit		11,974,368	9,321,161
Remeasurement of post retirement benefits obligation - net of tax		(221,781)	(221,781)
Surplus on revaluation of property, plant and equipment - net of tax		1,621,806	1,623,362
		13,501,236	10,849,585
		14,821,870	12,170,219
Non-current liabilities			
Long-term financing - secured	9	5,879,360	3,547,219
Lease liabilities		81,999	104,746
Employee benefits		760,424	713,135
		6,721,783	4,365,100
Current liabilities			
Trade and other payables	10	53,148,374	42,717,103
Contract liabilities		127,340	99,353
Provision against damage claims		22,867	17,858
Current portion of long-term financing - secured	9	1,818,593	949,793
Current portion of lease liabilities		32,119	6,804
Unclaimed dividend		120,681	87,245
Accrued mark-up on long-term financing		141,799	15,158
		55,411,773	43,893,314
		62,133,556	48,258,414
TOTAL LIABILITIES			
TOTAL EQUITY AND LIABILITIES			
		76,955,426	60,428,633
CONTINGENCIES AND COMMITMENTS			
	11		

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Syed Jarar Haider Kazmi
Chief Financial Officer



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



Ahsan Ali Malik
Director

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2023 (UNAUDITED)

Note	Quarter ended March 31, 2023	Quarter ended March 31, 2022	Nine Months period ended March 31, 2023	Nine Months period ended March 31, 2022
(Rupees in '000)				
REVENUE FROM CONTRACTS WITH CUSTOMERS				
Freight income - foreign flag vessels	1,879,535	2,157,120	7,907,044	5,107,096
Service fees - net	399,124	144,245	1,160,148	371,420
Rental income	67,270	57,685	191,762	175,376
Other operating activities	-	10,328	1,108,940	641,197
	2,345,929	2,369,378	10,367,894	6,295,089
EXPENDITURE				
Fleet expenses - direct	(1,332,308)	(1,811,391)	(6,767,394)	(4,810,874)
Fleet expenses - indirect	(3,503)	(207)	(6,518)	(5,297)
Vessel management expenses	(271,038)	(138,910)	(746,770)	(467,421)
Real estate expenses	(27,544)	(30,122)	(82,839)	(84,495)
	(1,634,393)	(1,980,630)	(7,603,521)	(5,368,087)
	711,536	388,748	2,764,373	927,002
GROSS PROFIT				
Administrative expenses	(103,467)	(116,345)	(356,272)	(326,537)
Impairment loss on financial assets	(11,673)	(84,126)	(609,870)	(290,853)
Other expenses	(69,977)	(45,612)	(224,600)	(171,095)
Other income	2,587,659	263,410	3,944,977	611,134
	2,402,542	17,327	2,754,235	(177,351)
	3,114,078	406,075	5,518,608	749,651
OPERATING PROFIT				
Finance costs	(352,522)	(136,021)	(998,508)	(376,764)
	2,761,556	270,054	4,520,100	372,887
PROFIT BEFORE TAXATION				
Taxation	(281,183)	(175,448)	(551,571)	(289,031)
	2,480,373	94,606	3,968,529	83,856
PROFIT AFTER TAXATION				
<i>Items that will not be transferred subsequently to profit or loss</i>				
Deferred tax related to change of rate on surplus of revaluation	1,035	-	3,756	(8,258)
	2,481,408	94,606	3,972,285	75,598
(Rupees)				
EARNINGS PER SHARE - basic and diluted	18.78	0.72	30.05	0.63

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Syed Jamar Haider Kazmi
Chief Financial Officer



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



Ahsan Ali Malik
Director

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023 (UNAUDITED)

	Issued, subscribed and paid-up share capital	Capital reserves*	Revenue reserves - unappropriated profit	Remeasurement of post-retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total equity
----- (Rupees in '000) -----						
Balance as at July 01, 2021	1,320,634	126,843	8,840,694	(228,096)	1,624,111	11,684,186
Transactions 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 after taxation	-	-	83,856	-	-	83,856
Other comprehensive loss	-	-	-	-	(8,258)	(8,258)
Total comprehensive income for the nine months period March 31, 2022	-	-	83,856	-	(8,258)	75,598
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	3,306	-	(3,306)	-
Balance as at March 31, 2022	<u>1,320,634</u>	<u>126,843</u>	<u>8,531,666</u>	<u>(228,096)</u>	<u>1,612,547</u>	<u>11,363,594</u>
Balance as at July 01, 2022	1,320,634	126,843	9,321,161	(221,781)	1,623,362	12,170,219
Transactions with owners						
Final cash dividend for the year ended June 30, 2022 (Rs. 5 per ordinary share of Rs.10 each)	-	-	(660,317)	-	-	(660,317)
Interim dividend for the half year ended December 31, 2022 (Rs. 5 per ordinary share of Rs.10 each)	-	-	(660,317)	-	-	(660,317)
Profit after taxation	-	-	3,968,529	-	-	3,968,529
Other comprehensive income	-	-	-	-	3,756	3,756
Total comprehensive income for the nine months period March 31, 2023	-	-	3,968,529	-	3,756	3,972,285
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	5,312	-	(5,312)	-
Balance as at March 31, 2023	<u>1,320,634</u>	<u>126,843</u>	<u>11,974,368</u>	<u>(221,781)</u>	<u>1,621,806</u>	<u>14,821,870</u>

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

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Syed Jara Haider Kazmi
Chief Financial Officer



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



Ahsan Ali Malik
Director

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023 (UNAUDITED)

	Nine Months period ended March 31, 2023	Nine Months period ended March 31, 2022
Note ----- (Rupees in '000) -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	14 15,379,473	2,995,175
Employees' gratuity paid	(30,680)	(25,267)
Employees' compensated absences paid	(52,661)	(70,838)
Post-retirement medical benefits paid	(16,275)	(16,836)
Long-term loans	(19,026)	(92,777)
Finance costs paid	(866,047)	(374,833)
Taxes paid	(807,196)	(231,760)
Net cash generated from operating activities	13,587,588	2,182,864
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(31,281)	(9,629)
Initial deposit for the acquisition of intangible asset	(8,949)	-
Additions to investment properties	(2,079)	(19,549)
Short-term investments redeemed	24,493	5,248,130
Interest received on short-term investments	1,275,463	357,378
Dividend received	51,796	7,540
Net cash generated from investing activities	1,309,443	5,583,870
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	4,344,000	-
Long-term financing repaid	(1,143,059)	(1,284,925)
Lease rentals paid	(1,796)	(2,177)
Dividend paid	(1,287,198)	(386,444)
Net cash generated from / (used in) financing activities	1,911,947	(1,673,546)
Net increase in cash and cash equivalents	16,808,978	6,093,188
Cash and cash equivalents at the beginning of the period	11,582,744	1,727,181
Cash and cash equivalents at the end of the period	15 28,391,722	7,820,369

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Syed Jara Haider Kazmi
Chief Financial Officer



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



Ahsan Ali Malik
Director

PAKISTAN NATIONAL SHIPPING CORPORATION

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023 (UNAUDITED)

1. THE CORPORATION AND ITS OPERATIONS

Pakistan National Shipping Corporation (the Corporation) was established under the provisions of the Pakistan National Shipping Corporation Ordinance, 1979 and is principally engaged in the business of shipping, including charter of vessels, transportation of cargo and other related services and providing commercial, technical, administrative, financial and other services to its subsidiaries and third parties in relation to the business of shipping. The Corporation is also engaged in renting out its properties to tenants under lease arrangements. The Corporation is listed on the Pakistan Stock Exchange. The Corporation's registered office is situated at PNSC Building, Moulvi Tamizuddin Khan Road, Karachi.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the financial statements for the year ended June 30, 2022 as these provide an update of previously reported information.

2.2 These unconsolidated condensed interim financial statements comprise of the unconsolidated condensed interim statement of financial position as at March 31, 2023 and the unconsolidated condensed interim statement of profit or loss and other comprehensive income, the unconsolidated condensed interim statement of changes in equity, the unconsolidated condensed interim statement of cash flows and notes thereto for the nine period ended March 31, 2023.

2.3 The comparative statement of financial position presented in these unconsolidated condensed interim financial statements as at June 30, 2022 has been extracted from the annual audited financial statements of the Corporation for the year ended June 30, 2022 whereas the comparative unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows for the nine months period ended March 31, 2022 have been extracted from the unconsolidated condensed interim financial statements of the Corporation for the nine months period ended.

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

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

2.6 Basis of measurement

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

2.7 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Amendments to published approved accounting standards that are effective

There are certain amendments to approved accounting standards which are mandatory for the Corporation's annual accounting period which began on July 1, 2022, however, these do not have any significant impact on the Corporation's financial reporting and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

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

Certain amendments to the approved accounting standards which are mandatory for the Corporation's annual accounting periods beginning after July 01, 2023, however, these amendments will not have any significant impact on the financial reporting of the Corporation and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

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

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the Corporation's unconsolidated annual financial statements for the year ended June 30, 2022.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
----- (Rupees in '000) -----			
Operating fixed assets	5.1 & 5.2	2,197,933	2,209,276
Capital work-in-progress (CWIP)		54,070	62,005
		<u>2,252,003</u>	<u>2,271,281</u>

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

		(Unaudited) Nine Months period ended March 31, 2023	Nine Months period ended March 31, 2022
----- (Rupees in '000) -----			
Buildings on leasehold land		-	17,673
Office equipments		2,593	609
Furniture and fittings		1,516	870
Computer equipments		25,594	4,210
Vehicles		9,852	-
		<u>39,555</u>	<u>23,362</u>

5.2 Depreciation charge for the period

	<u>50,559</u>	<u>43,340</u>
--	---------------	---------------

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
----- (Rupees in '000) -----			
6. TRADE DEBTS - unsecured			
- Due from related parties	6.1	2,861,061	2,267,165
- Due from others		437,547	1,015,680
		<u>3,298,608</u>	<u>3,282,845</u>
Allowance for expected credit loss (ECL)	6.2	(1,911,813)	(1,296,575)
		<u>1,386,795</u>	<u>1,986,270</u>

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

	Upto 1 month	1 to 6 months	More than 6 months	(Unaudited) As at March 31, 2023	(Audited) As at June 30, 2022
----- (Rupees in '000) -----					
Pakistan State Oil Company Limited	-	-	1,849,833	1,849,833	1,849,833
Pak Arab Refinery Limited	-	-	64,260	64,260	88,359
Pakistan Refinery Limited	-	-	11,219	11,219	13,657
Sui Northern Gas Pipelines Limited	3,061	-	-	3,061	950
District Controller of Stores	4,085	-	2,738	6,823	4,921
Embarkation Commandant	1,670	44,291	414,323	460,284	156,136
Naval Stores	8,062	37,099	37,328	82,489	78,065
Officer Commanding (PAF)	1,636	211,476	24,081	237,193	56,690
Others	31,836	103,197	10,866	145,899	18,554
	<u>50,350</u>	<u>396,063</u>	<u>2,414,648</u>	<u>2,861,061</u>	<u>2,267,165</u>

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
----- (Rupees in '000) -----			
6.2 Allowance for ECL on trade debts			
Opening balance		1,296,575	725,989
Charged during the period / year		615,238	570,586
Closing balance		<u>1,911,813</u>	<u>1,296,575</u>

7. OTHER RECEIVABLES

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
- Due from related parties	7.1	269,465	197,133
- Due from others		83,836	71,589
		<u>353,301</u>	<u>268,722</u>
Allowance for ECL	7.2	(41,204)	(46,572)
		<u>312,097</u>	<u>222,150</u>

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
7.1 Related parties:			
- Government of Pakistan		152,183	83,858
- Port Qasim Authority		114,303	95,073
- Karachi Port Trust		2,979	4,535
- Sindh Revenue Board		-	13,667
		<u>269,465</u>	<u>197,133</u>
7.2 Allowance for ECL on other receivables			
Opening balance		46,572	34,145
(Reversal) / charged during the period / year		(5,368)	12,427
Closing balance		<u>41,204</u>	<u>46,572</u>
8. SHORT-TERM INVESTMENTS			
Amortised cost			
Term-deposits with banks having maturity of:			
- more than three but upto six months		-	1,126,900
- three months or less		7,803,125	6,172,701
	8.1	<u>7,803,125</u>	<u>7,299,601</u>
Treasury-bills having maturity of:			
- more than three but upto six months		-	-
- three months or less		1,207,464	-
	8.2	<u>1,207,464</u>	<u>-</u>
Fair value through profit or loss			
- Mutual funds		1,207,297	104,890
		<u>21,117,886</u>	<u>7,404,491</u>
8.1	Mark-up rate on term-deposits denominated in local currency is nil (June 30, 2022: 7.45% to 15.50%) per annum, whereas mark-up rate on term deposits denominated in foreign currency ranges from 6% to 6.25% (June 30, 2022: 3%) per annum.		
8.2	These treasury bills have effective interest rates ranging from 16.80% to 20.97% per annum and maturing at various dates up to June 22, 2023.		
		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
9. LONG-TERM FINANCING - secured			
Faysal Bank Limited			
- Financing under syndicate term-finance agreement	9.1	2,347,047	2,783,865
- Financing under musharika agreement	9.2	5,350,906	1,713,147
		<u>7,697,953</u>	4,497,012
Current portion of long-term financing		<u>(1,818,593)</u>	<u>(949,793)</u>
		<u>5,879,360</u>	<u>3,547,219</u>

9.1 Financing under syndicate term-finance agreement:

Represents financing facility obtained during the year ended June 30, 2019, amounting to Rs 6,500 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 month KIBOR + 0.35% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on March 22, 2027. As of the reporting date, the Corporation has drawn Rs 2,340 million and Rs 2,364 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.

9.2 Financing under musharika agreement:

9.2.1 Represents financing facility obtained during the year ended June 30, 2019, amounting to Rs 4,000 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 month KIBOR + 0.35% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on March 22, 2027. As of the reporting date, the Corporation has drawn Rs 1,440 million and Rs 1,445 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.

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

(Unaudited) March 31, 2023	(Audited) June 30, 2022
----- (Rupees in '000) -----	

10. TRADE AND OTHER PAYABLES

Creditors	24,875	116,362
Current account balances with subsidiary companies	50,348,095	39,576,712
Agents' and owners' balances	355,379	942,913
Accrued liabilities	2,222,341	1,917,806
Deposits	46,639	47,805
Advance rent	96,550	81,733
Withholding tax payable	46,441	25,718
Other liabilities	8,054	8,054
	53,148,374	42,717,103

11. CONTINGENCIES AND COMMITMENTS

Contingencies

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

During the year ended June 30, 2015, the Sindh Revenue Board (SRB) issued show cause notice dated April 17, 2015 under the provisions of section 23 and 47 of the Sindh Sales Tax on Services Act, 2011. The SRB officer had selected the revenue from the unconsolidated financial statements and allegedly raised sales tax demand in respect of the revenue appearing in the audited unconsolidated financial statements for the years 2012-2014. The Corporation had filed a suit before the Honourable Sindh High Court in respect of the aforesaid show cause notice and the Honourable Sindh High Court had granted an interim stay order restraining SRB from taking any coercive action. However, in light of the Supreme Court order dated June 27, 2018 the Corporation had to withdraw from the suit and continued the proceedings of show cause notice. After, considering the submissions of the Corporation the SRB had passed an assessment order dated March 13, 2019 and raised Sales Tax demand of Rs. 2,935.797 million on the revenue of freight income and services fee for the financial years 2012-2014. The Corporation had filed an appeal before the Commissioner (Appeals) SRB dated March 11, 2019 and obtained stay from Honourable Sindh High Court against the sales tax demand, High Court made decision in favour of Corporation on December 14, 2020. However, during the period, Sindh Revenue Board filed a petition on October 21, 2022 in Supreme Court of Pakistan against the judgement of High Court and same is still pending at Supreme Court of Pakistan. The management, in consultation with its tax advisor, is confident that the subject matters will eventually be decided in favour of the Corporation.

	(Unaudited) March 31, 2023	(Audited) June 30, 2022	
	----- (Rupees in '000) -----		
Commitments			
11.2	Commitments for capital expenditure	32,517	32,517
11.3	Outstanding letters of guarantee	19,669	19,669
11.4	The Corporation has provided an undertaking amounting to Rs 3,303 million (USD 11.6 million) to one of the vendor / supplier of another state owned entity. This undertaking has been provided due to arrest of two of its managed vessels operated by its subsidiaries which have been released subsequently. However, the Government of Pakistan has provided a counter guarantee to the Corporation in relation to the aforesaid undertaking.		
11.5	Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounting to Rs 118.740 million (USD 0.417 million) and Rs 54.672 million (USD 0.192 million) respectively.		
	Note	Nine Months period ended March 31, 2023	Nine Months period ended March 31, 2022
		----- (Rupees in '000) -----	
12. FINANCE COST			
	Mark-up on long-term financing	992,688	370,365
	Mark-up on lease liability	4,364	4,162
	Bank charges	1,456	2,237
		998,508	376,764
13. TAXATION			
	Tax charge for:		
	- current year	742,237	281,217
	- prior year	(160,311)	(24,221)
		581,926	256,996
	- Deferred tax (income) / expense	(30,355)	32,035
	Taxation (income) / expense	551,571	289,031
		----- (Rupees in '000) -----	
14. CASH GENERATED FROM OPERATIONS			
	Profit before taxation	4,520,100	372,887
	Adjustments for non-cash charges and other items:		
	Depreciation on:		
	- Property, plant and equipment	50,559	43,340
	- Right-of-use assets	6,140	6,171
	Provision for employees' gratuity	83,121	65,799
	Provision for employees' compensated absences	57,218	51,524
	Provision for post-retirement medical benefits	6,567	12,055
	Income from saving accounts and term deposits	(1,250,149)	(376,771)
	Finance cost:		
	- Long term financing	992,688	372,602
	- Lease liabilities	4,364	4,162
	Impairment loss on financial assets	609,870	290,853
	Provision no longer required written back	-	(4,388)
	Dividend income	(51,796)	(7,540)
	Loss on revaluation of long-term investments in listed securities	11,101	11,898
	Trade debts and other receivables written-off	34,872	-
	Working capital changes	10,304,818	2,152,584
		15,379,473	2,995,176

		(Unaudited)	
		March 31, 2023	March 31, 2022
Note		------(Rupees in '000)-----	
14.1	Working capital changes		
	(Increase) / decrease in current assets:		
	Stores and Spares	(9,286)	-
	Trade debts - unsecured	(15,763)	(1,141,229)
	Agents' and owners' balances - unsecured	10,199	2,509
	Loans and advances	(44,715)	-
	Trade deposits and short-term prepayments	(3,245)	(14,181)
	Other receivables	(119,451)	67,101
	Incomplete voyages	24,589	(84,165)
	Insurance claims	(1,777)	-
		(159,449)	(1,169,965)
	Increase / (decrease) in current liabilities:		
	Trade and other payables	10,431,271	3,306,903
	Net increase in provision for damage claims	5,009	19,106
	Contract liabilities	27,987	(3,460)
		10,464,267	3,322,549
		10,304,818	2,152,584
15.	CASH AND CASH EQUIVALENTS		
	Short-term investments having maturity of three months or less	19,910,589	5,951,903
	Cash and bank balances	8,481,133	1,868,464
		28,391,722	7,820,367
15.1	Mark-up on local saving accounts ranges from 16.51% to 20% (June 30, 2022: 6.14% to 14%) and foreign saving accounts ranges from 0.15% to 0.5% (June 30, 2022: 0.15% to 0.5%)	15.1	
16.	FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES		
16.1	Financial risk factors		
	The Corporation's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk.		
	These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Corporation's annual unconsolidated financial statements for the year ended June 30, 2022. There have been no changes in risk management policies since the year end.		
16.2	Fair value estimation		
	Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.		
	Fair value hierarchy		
	As at March 31, 2023, the Corporation's all assets and liabilities are carried at cost / revalued amount less accumulated depreciation / impairment, if any, or at amortised cost except for those mentioned below:		

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

The Corporation classifies investment properties and long-term investments in listed companies measured at fair value in the statement of financial position. The latest fair valuation of the Corporation's investment properties was performed by an independent valuer as at June 30, 2022.

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

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

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

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

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

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

	(Unaudited) March 31, 2023			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
Long-term investments in listed companies and other entity	27,758	-	-	27,758
Short-term investments - mutual funds	1,207,297	-	-	1,207,297
	<u>1,235,055</u>	<u>-</u>	<u>-</u>	<u>1,235,055</u>
Leasehold land	-	1,399,780	-	1,399,780
Buildings on leasehold land	-	706,265	-	706,265
Beach huts	-	15,063	-	15,063
Workshop machinery and equipments	-	6,378	-	6,378
Investment properties	-	3,951,663	-	3,951,663
	<u>-</u>	<u>6,079,149</u>	<u>-</u>	<u>6,079,149</u>

	(Audited) June 30, 2022			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
Long-term investments in listed companies and other entity	38,858	-	-	38,858
Short-term investments - mutual funds	104,890	-	-	104,890
	<u>143,748</u>	<u>-</u>	<u>-</u>	<u>143,748</u>
Leasehold land	-	1,399,780	-	1,399,780
Buildings on leasehold land	-	748,081	-	748,081
Beach huts	-	16,416	-	16,416
Workshop machinery and equipments	-	7,040	-	7,040
Investment properties	-	3,949,584	-	3,949,584
	<u>-</u>	<u>6,120,901</u>	<u>-</u>	<u>6,120,901</u>

17. TRANSACTIONS WITH RELATED PARTIES

The Corporation has related party relationships with its subsidiaries, associate, Government of Pakistan and its related entities, employee benefit plans and its directors and executive officers (including their associates). Transactions with related parties essentially entail investments made in subsidiary companies, dividend income received from related investee companies, freight income and chartering revenue recovered, recovery of demurrage, rental income, services fee charged on account of rendering of technical, commercial, administrative and financial services, expenses charged to subsidiary companies on actual cost basis etc. Service fee charges on account of rendering of technical, commercial, administrative and financial services is charged to subsidiary companies and related parties on the basis of mutually agreed terms. Balances with related parties have been disclosed in the relevant notes to these unconsolidated condensed interim financial statements. Further, transactions entered into with the key management personnel as per their terms of employment are also included in related party transactions.

The significant transactions carried out by the Corporation with related parties during the period are given below:

Name and particulars	Relationship with the Corporation	(Unaudited)	
		Nine Months period ended March 31, 2023	Nine Months period ended March 31, 2022
------(Rupees in '000)-----			
Transactions with State owned / controlled entities			
Freight income - foreign flag vessels		6,471,646	4,585,002
Income from operating activities		28,634	62,093
Rental income		19,428	10,643
Rental expenses		22,534	2,475
Transactions with subsidiary companies			
Service fee charged to subsidiary companies		1,160,148	371,420
Retirement benefit costs charged to subsidiary companies		587	404
Transactions with other related parties			
Employees' retirement benefit funds	Employees benefit plan	14,758	3,704
Directors' fee and traveling allowances	Key management personnel	7,733	2,688
Remuneration and other benefits	Key management personnel	72,162	51,530
Dividend paid to Government of Pakistan	Government holding	1,156,338	349,556

17.1 In addition, the Corporation is also engaged in making certain payments / collections on behalf of the subsidiary companies in accordance with the Technical and Commercial Services and Administrative and Financial Services Agreement which are settled through current accounts of the subsidiary companies.

18. GENERAL

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

19. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 27, 2023 by the Board of Directors of the Corporation.



Syed Jamar Haider Kazmi
Chief Financial Officer



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



Ahsan Ali Malik
Director



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