

Pakistan National Shipping Corporation



PATH TO SUSTAINABLE GROWTH

HALF YEARLY REPORT DECEMBER 31, 2021

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CORPORATE INFORMATION

Board of Directors 1. Mr. Rizwan Ahmed

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 Member The Director General (Ports & Shipping) Ministry of Maritime Affairs, Karachi.

5. Mr. Muhammad Ali Member Member 6. Mr. Khowaja Obaid Imran Ilyas 7. Capt. Anwar Shah Member

Audit & Finance Committee

Islamabad.

1. Mr. Khowaja Obaid Imran Ilyas	Chairman
Mr. Imdad Ullah Bosal Additional Finance Secretary (Expenditure), Finance Division	Member

3. Mr. Kamran Faroog Ansari Member Joint Secretary Ministry of Maritime Affairs, Islamabad.

4. Syed Syedain Raza Zaidi Member The Director General (Ports & Shipping) Ministry of Maritime Affairs. Karachi.

5. Capt. Anwar Shah Member

HB. Nomination and CSB Committee

Tiri, Hommation and Corr Commit	.00			
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				

Strategy and Risk Management C	ommittee
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

Head Office

Chairman

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

Auditors

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

Shares Registrar

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

Bankers

Bank Al Habib Limited, Bahrain Bank Alfalah Limited, Bahrain BankIslami Pakistan Limited Favsal Bank Limited Habib Bank Limited Habib Metropolitan Bank

Bank Al Habib Limited, Pakistan

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, London

PAKISTAN NATIONAL SHIPPING CORPORATION DIRECTORS' REPORT FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

The Board of Directors of Pakistan National Shipping Corporation (PNSC) is pleased to present the unconsolidated and consolidated condensed interim financial statements of PNSC and Group for the six months period ended December 31, 2021. These financial statements of Corporation have undergone a limited scope review by the external auditors pursuant to the statutory requirements of the Companies Act, 2017.

PERFORMANCE REVIEW

The spread of latest variant of coronavirus omicron has resulted in slow down recovery of world economy, and the Pakistan is also not in exception to this. The unfavorable key economic indicators resulting in poor economic recovery.

Despite the prevailing unfavorable macroeconomic environmental condition of the country, the PNSC Group has managed to achieve 18% increase in profit after tax of Rs.1,423 million as against Rs.1,204 million in the corresponding period last year. Group earnings per share increased to Rs.10.77 as against Rs.9.12 in the corresponding period last year. Cumulatively, the Group achieved a turnover of Rs.10,106 million (including Rs.3,926 million from PNSC) as compared to Rs.6,975 million (including Rs.1,362 million from PNSC) for the corresponding period last year.

Overall revenue from all segments have increased as compared to last years by Rs.3,130 million (45%). The major increase was seen in the Dry Cargo segment including slot charter, which was increased by Rs.1,570 million whereas the revenue from Liquid Cargo was increased by Rs.1,553 million considering the decline of Rs.616 million from owned oil tankers followed by significant increase of Rs.2,169 million from foreign flagged vessels.

Due to the controlled strategies implemented by management other expenses at the group level have been decreased by Rs.108 million (46%). The finance cost on long-term financing decreased by 18% to Rs. 243 million in the current period as against Rs.298 million in the same period last year. This is mainly due to repayment of long term loans and furthermore; there is no new loan has been obtained in the reporting period.

FUTURE PROSPECTS

Dry Bulk Sector

The Dry Bulk Market in general remains significantly elevated above average 2020 and 2019 levels. The Chinese economy has slowed down compared to its break neck pace in late 2020 and early 2021, with industrial production going back down to its average levels. Although, there was a dip in freight rates earlier in the year, they have once again started to rise, with the trend lines firmly pointing upwards. Despite this correction, overall the outlook for the dry bulk sector, as reflected by Baltic Dry Index (BDI), remains positive, due to strong fundamentals. Port congestion, particularly from the impacts of Covid -19 and the spillover from the containership sector have ensured high demand, with supply of vessels unable to keep pace due to a declining orderbook. However, it is difficult to forecast charter freight rates in longer run considering the volatile/cyclic nature of BDI.

Tanker Sector

The recent wave of new coronavirus variant "Omicron" has impacted on global oil demand appears to have been more limited than previous waves of Covid-19 and major forecasters expect oil demand to return to pre-Covid levels later this year. The tanker market is expected to gradually improve through 2022 with support from continued recovery in oil demand and supply, and further rebalancing is expected in next year as tanker demand rebounds above the pre-Covid level although upside may be limited by the extent of cumulative fleet growth since the start of the pandemic.

Overall, the tanker market is expected to continue to face challenges in the short-term with seaborne oil trade still remained way below pre-Covid levels. However, improvements are expected to gradually materialise over 2022-23 potentially with additional support from supply side may be benefited due to new environmental regulations.

ACKNOWLEDGMENT

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

Rizwan Ahmed

Chairman & Chief Executive Officer

Karachi

24th February, 2022

Khowaja Obaid Imran Ilyas

اس بہتری کے باوجود،مضبوط بنیادوں کے باعث خشک بلک شعبے کا مجموعی تناظر مثبت ہے حبیبا کہ بالٹک ڈرائی انڈیکس (BDI)سے ظاہر ہو تا ہے،۔خاص طور پر Covid-19 کے اثرات اور کنٹیز ہر دار جہازوں کے شعبے کی اضافی نقل وحمل نے بندر گاہ پر بھیڑ اور زیادہ طلب کویقینی بنایا ہے، جبکہ بحری جہازوں کی رسد آرڈر بک میں تنزلی کے باعث اس کے ہم آہنگ ہونے میں ناکام ہے۔ تاہم، بی ڈی آئی کی غیر مستخکم / بدلتی ہوی نوعیت کو مد نظر رکھتے ہوئے طویل مدت میں چارٹر فریٹ ریٹ کی پیش گوئی کرنامشکل ہے۔

کوروناوائرس کی نئی قشم''اومی کرون''نے تیل کی عالمی طلب پر اثر ڈالاہے جس سے Covid-19 کی گزشتہ لہروں کی نسبت بیرزیادہ محدود نظر آتی ہے اور اہم پیشین گوئیوں کے مطابق تیل کی طلب اس سال کے آخر تک Covid سے پہلے والی سطح پر آنے کی تو قع ہے۔ تیل کی طلب اور رسد کی مسلسل بحالی کے باعث 2022 میں ٹینکر مار کیٹ کے مرحلہ وار بہتر ہونے کی توقع ہے، اور ٹینکر کی طلب کے Covid کے پہلے والی سطح پر آنے سے آئندہ سال اس کے مزید متوازن ہونے کاامکان ہے ،اگر چہ اضافہ وباء کی شروعات سے فلیٹ کی مجموعی ترقی تک محدود ہو سکتاہے۔

مجموعی طور پر ، تیل کی بحر می تجارت کے Covid سے پہلے والی سطح سے کم تر رہنے کے باعث عار ضی طور پر ٹینکر مار کیٹ کو مشکلات کاسامنا رہنے کی تو قع ہے۔ تاہم، مکنہ طور پر ماحولیاتی ضوابط کے باعث رسد کے شعبے سے ملنے والی اضافی مدد سے 2022-23 میں مرحلہ وار بہتری کی توقع ہے۔

اظهار تشكر

. تمام اسٹیک ہولڈرز کے مسلسل تعاون اور اعتاد کے لیے بورڈ ان کامشکور ہے۔

Ba-Of خواجه عبيدعمران الياس

Rizwan Almed چيئز مين اور چيف انگيزيکڻو آفيسر

24 فروري 2022ء

پاکستان میشل شپنگ کار بوریش دائر میشرزر بورث برائے ششاہی اختام از 31دسمبر، 2021

پاکستان نیشنل شپنگ کارپوریشن (پی این ایس سی) کے بورڈ آف ڈائر یکٹرز پی این ایس سی اور گروپ کے متفرق اور منظم عبوری مالیاتی گوشوارے برائے ششماہی اختیام از 31 دسمبر ، 2021 بخوشی پیش کررہے ہیں۔ کارپوریشن کے ان مالیاتی گوشواروں کا کمپنیز ایکٹ 2017 کے قانونی تقاضوں کے مطابق بیرونی آڈیٹرزنے محدود جائزہ لیا ہے۔

كاركرد كى كاجائزه

کوروناوائرس کی حالیہ فتیم اومی کرون کے عالمی معیشت کی بحالی ست روی کا شکارہے اور پاکستان کو بھی اسی صور تحال کاسامناہے۔ ناخوشگوار اہم اقتصادی اشاریے محد ود معاثی بحالی کا باعث ہیں۔

موجودہ ناخوشگوار میکرواکنامک ماحولیاتی صور تحال کے باوجود، پی این ایس سی گروپ گزشتہ سال کے اسی دورانے میں 1.204 ملین روپ کر شتہ سال کے اسی دورانے میں کامیاب رہا روپ کے مقابلے میں رواں سال بعد از نمیس منافع میں 18 فیصد اضافے کے ساتھ 1,423 ملین روپ حاصل کرنے میں کامیاب رہا ہے۔ گروپ کی فی حصص آمدن میں گزشتہ سال کے اسی دورانے کے 1.9 روپ فی حصص کے مقابلے میں 10.77 روپ فی حصص تک اضافہ ہوا۔ مجموعی طور پر، گروپ نے گزشتہ سال کے اسی دورانے میں 6,975 ملین روپ (بشمول پی این ایس سی کے 1,362 ملین روپ (بشمول پی این ایس سی کے 3,926 ملین روپ) کاکاروبارحاصل کیا۔

تمام شعبوں کی مجموعی آمدن گزشتہ سال کے مقابلے میں 3,130 ملین روپے (45 فیصد) بڑھی۔ اہم اضافہ سلاٹ چارٹر سمیت خشک کار گو کے شعبے میں دیکھا گیا، جس میں 1,570 ملین روپے اضافہ ہوا جبکہ زیر ملکیت آئل ٹیئکرز کی آمدن میں 616 ملین روپے کی اور غیر ملکی پرچم بردار بحری جہازوں میں 1,553 ملین روپے کے نمایاں اضافے کو مد نظر رکھتے ہوئے مائع کار گوسے حاصل ہونے والی آمدن 2,169 ملین روپے بڑھی۔

سینجمینٹ کی کنٹر ول شدہ حکمت عملیوں کے نفاذ کے باعث، گروپ کی سطح کے دیگر اخراجات میں 108 ملین روپے (46 فیصد) کمی ہوئی۔ طویل مدتی سرمایہ کاری کی مالی لاگت گزشتہ سال اسی دورانیے کے 298 ملین روپے کے مقابلے میں روال دورانیے میں 18 فیصد کمی کے ساتھ 243 ملین روپے رہی۔اس کی اہم وجہ طویل مدتی قرضوں کی ادائیگی، نیزر پورٹ کر دہ دورانیے میں کسی نئے قرض کانہ لیاجانا ہے۔

مستقبل کے امکانات

خشك بلك شعبه

عمومی طور پر، خشک بلک مار کیٹ 2019 اور 2020 کی اوسط سے نمایاں طور پر بہتر ہے۔ صنعتی پید اوار کے اپنی اوسط سطح پر واپسی کی وجہ سے چینی معیشت اواخر 2020 اور اوائل 2021 کی شاند ارر فتار کے مقابلے میں سست روی کا شکار ہو چکی ہے۔اگر چہ، اس سال کے اوائل میں فریٹ کے نرخ جزوی کمی کا شکار رہے، تاہم ان میں دوبارہ اضافہ ہوناشر وع ہو گیاہے، جبکہ رجحان مستخلم اضافے کاعند یہ دے رہاہے۔ Grant Thornton Anjum Rahman Chartered Accountants 1st & 3rd Floor, Modern Motors House, Beaumont Road, Karachi - 75530, Pakistan Yousuf Adil Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi - 75350, Pakistan

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Pakistan National Shipping Corporation

Report on review of unconsolidated condensed interim financial statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Pakistan National Shipping Corporation** (the Corporation) as at December 31, 2021, and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the 'unconsolidated condensed interim financial statements'). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matters

The figures for the quarter ended December 31, 2021 and December 31, 2020 in the unconsolidated condensed interim financial statements have not been reviewed and we do not express a conclusion on them.

The unconsolidated condensed interim financial statements of the Corporation for the half year ended December 31, 2020 and unconsolidated and consolidated financial statements for the year ended June 30, 2021 were reviewed and audited respectively by KPMG Taseer Hadi & Co., Chartered Accountants and Grant Thornton Anjum Rahman, Chartered Accountants who had expressed an unqualified conclusion and unqualified opinion thereon dated February 26, 2021 and October 06, 2021, respectively.

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

Grant Thornton Anjum Rahman Chartered Accountants

Place: Karachi Date: February 25, 2022 UDIN: RR202110093H3IaPgKvR Place: Karachi

Date: February 25, 2022

Chartered Accountants

UDIN: RR202110091YAwq5VOol

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
ASSETS		(Rupees	s in '000)
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,270,257	2,294,029
Right-of-use assets	5	99,482	105.653
Intangible assets		39,436	39,436
Investment properties		3,704,889	3,687,374
Long-term investments in: - Subsidiaries and associate - Related parties		37,140,378	37,140,378
- Listed companies and an other entity		40,949	49,359
		37,181,327	37,189,737
Long-term loans and advances		11,803	8,144
Deferred taxation - net		57,852	98,145
		43,365,046	43,422,518
CURRENT ASSETS			
Stores and spares		10,380	10,380
Trade debts - unsecured Agents' and owners' balances - unsecured	6	1,926,111 11,356	1,536,615 7.617
Loans and advances		117,962	98,535
Trade deposits and short-term prepayments		34,257	17,079
Interest accrued on bank deposits and short-term investments		216,692	102,117
Other receivables	7	318,737	297,183
Incomplete voyages Taxation - net		53,507 1,660,180	11,861 1,594,402
Short-term investments	8	5,997,772	6,606,184
Cash and bank balances		1,265,291	1,027,181
TOTAL ASSETS		11,612,245 54,977,291	11,309,154 54,731,672
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital Authorised capital		2,000,000	2,000,000
Issued, subscribed and paid-up share capital		1,320,634	1,320,634
Reserves			
Capital reserve		126,843	126,843
Revenue reserve		8,437,060	8,840,694
Remeasurement of post retirement benefits obligation - net of tax Surplus on revaluation of property, plant and equipment - net of tax		(228,096) 1,612,547	(228,096) 1,624,111
outplace of the variation of property, plant and equipment. Here's tax		11,268,988	11,684,186
NON CURRENT LARRY TIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	9	4,020,474	4,684,138
Lease liabilities Employee benefits		113,200 676,247	114,805 679,619
Employee benefits		4,809,921	5,478,562
CURRENT LIABILITIES			
Trade and other payables	10	37,700,762	36,020,870
Contract liabilities Provision against damage claims		101,554 38,331	98,660 19,012
Current portion of long-term financing- secured	9	949,793	1,334,965
Current portion of lease liabilities		5,392	1,803
Unclaimed dividend		89,272	77,496
Accrued mark-up on long-term financing		13,278 38,898,382	16,118 37,568,924
TOTAL LIABILITIES		43,708,303	43,047,486
TOTAL EQUITY AND LIABILITES		54,977,291	54,731,672
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 Rizwan Ahmed
Chairman & Chief Executive

PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

	Note	Quarter ended December 31, 2021	Quarter ended December 31, 2020	Half year ended December 31, 2021	Half year ended December 31, 2020
			(Rupees	s in '000)	
REVENUE Freight income - foreign flag vessels		1,407,192	310.803	2,949,976	1,020,186
Service fees - net		120,519	102,070	227,175	219,446
Rental income		64,272	54,922	117,691	111,476
Other operating activities		512,132	9,157	630,869	10,705
		2,104,115	476,952	3,925,711	1,361,813
EXPENDITURE					
Fleet expenses - direct		(1,561,823)	(152,714)	(2,999,483)	(590,714)
Fleet expenses - indirect		(3,674)	(2,599)	(5,090)	(4,239)
Vessel management expenses		(186,744)	(180,093)	(328,511)	(374,505)
Real estate expenses		(27,005)	(27,349)	(54,373)	(58,956)
GROSS PROFIT		(1,779,246)	(362,755) 114,197	(3,387,457)	(1,028,414)
GROSS FROM		324,009	114,137	330,234	333,333
Administrative expenses		(105,366)	(31,289)	(210,192)	(90,350)
Impairment loss on financial assets	6.3	(206,727)	(17,210)	(206,727)	(20,289)
Other expenses		(77,894)	(137,766)	(125,483)	(222,392)
Other income		107,981	263,677	347,724	373,906
OPERATING PROFIT		(282,006) 42.863	77,412 191.609	(194,678) 343,576	40,875 374.274
OI ERATINO I ROLLI		42,000	131,003	343,370	517,217
Finance costs	12	(122,005)	(142,389)	(240,743)	(293,695)
(LOSS) / PROFIT BEFORE TAXATION		(79,142)	49,220	102,833	80,579
Taxation	13	(20,044)	10.926	(113,583)	(44,332)
TUALIOT	10	(20,044)	10,020	(110,000)	(44,002)
(LOSS) / PROFIT AFTER TAXATION		(99,186)	60,146	(10,750)	36,247
OTHER COMPREHENSIVE INCOME					
Items that will not be transferred subsequently to profit of	or loss				
Deferred tax related to change of rate on surplus of reva	luation	-	961	(8,258)	961
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR TH	4E				
PERIOD		(99,186)	61,107	(19,088)	37,208
			<u> </u>		
			(Rup	oees)	
(LOSS) / EARNINGS PER SHARE - basic and diluted		(0.75)	0.46	(0.08)	0.27
(2000), EARTHINGS I ER OFFAIL - Dasic and unuted	•	(0.10)	0.40	(0.00)	0.21

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

Syed Jarar Haider Kazmi Chief Financial Officer Rizwan Ahmed
Chairman & Chief Executive

PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

Rupees in '000		Issued, subscribed and paid-up share capital	Capital reserve*	Revenue reserve	Remeasurem ent of post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total equity
Transaction with owners Final cash dividend for the year ended June 30, 2020 (Rs. 2.25 per ordinary share of Rs.10 each) - (297,143) - - (297,143) Profit after taxation - - 36,247 - - 36,247 Other comprehensive income - - - - 961 961 Total comprehensive income for the half year ended December 31, 2020 - - 36,247 - 961 37,208 Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax - - 1,060 - (1,060) - Balance as at December 31, 2020 1,320,634 126,843 8,180,733 (291,117) 1,231,094 10,568,187 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) Loss after taxation - - (10,750) - - (8,258) (8,258) Total comprehens				(Rupees	in '000)		
Final cash dividend for the year ended June 30, 2020 (Rs. 2.25 per ordinary share of Rs.10 each) Profit after taxation Other comprehensive income Total comprehensive income for the half year ended December 31, 2020 Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax Transaction with owners Final cash dividend for the year ended June 30, 2021 (Rs. 3 per ordinary share of Rs. 10 each) 36,247 - 961 37,208 Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax 1,060 - (1,060) - (1,060)		1,320,634	126,843	8,440,569	(291,117)	1,231,193	10,828,122
Total comprehensive income	Final cash dividend for the year ended June 30, 2020	-	-	(297,143)	-	-	(297,143)
Total comprehensive income for the half year ended December 31, 2020 36,247 - 961 37,208 Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax 1,060 - (1,060) - Balance as at December 31, 2020 1,320,634 126,843 8,180,733 (291,117) 1,231,094 10,568,187 Balance as at July 01, 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) Loss after taxation Other comprehensive loss Total comprehensive loss for the half year ended December 31, 2021 (10,750) - (8,258) (8,258) Total comprehensive loss for the half year ended December 31, 2021 (10,750) - (8,258) (19,008) Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax 3,306 - (3,306) -	Profit after taxation	-	-	36,247	-	-	36,247
ended December 31, 2020 36,247 - 961 37,208 Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax - 1,060 - (1,060) - Balance as at December 31, 2020 1,320,634 126,843 8,180,733 (291,117) 1,231,094 10,568,187 Balance as at July 01, 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) Loss after taxation Other comprehensive loss Total comprehensive loss for the half year ended December 31, 2021 - (10,750) - (8,258) (8,258) Total comprehensive loss for the half year ended December 31, 2021 (10,750) - (8,258) (19,008) Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax 3,306 - (3,306) -	Other comprehensive income	-	-	-	-	961	961
realised during the period on account of incremental depreciation charged thereon- net of tax 1,060 - (1,060) - Balance as at December 31, 2020 1,320,634 126,843 8,180,733 (291,117) 1,231,094 10,568,187 Balance as at July 01, 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) Loss after taxation Other comprehensive loss Total comprehensive loss for the half year ended December 31, 2021 (10,750) - (8,258) (8,258) 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) -		-	-	36,247	-	961	37,208
Balance as at July 01, 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) Loss after taxation (10,750) (8,258) Total comprehensive loss for the half year ended December 31, 2021 (10,750) (10,750) (8,258) 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)	realised during the period on account of incremental	-	-	1,060	-	(1,060)	-
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) Loss after taxation (10,750) (8,258) (8,258) Other comprehensive loss (10,750) (8,258) (8,258) Total comprehensive loss for the half year ended December 31, 2021 (10,750) - (8,258) (19,008) Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax 3,306 - (3,306)	Balance as at December 31, 2020	1,320,634	126,843	8,180,733	(291,117)	1,231,094	10,568,187
Final cash dividend for the year ended June 30, 2021 (Rs. 3 per ordinary share of Rs. 10 each) Loss after taxation Other comprehensive loss Total comprehensive loss for the half year ended December 31, 2021 Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax - (396,190) - (10,750) - (8,258) (19,008) - (10,750) - (8,258) - (3,306) - (3,306) - (3,306)	Balance as at July 01, 2021	1,320,634	126,843	8,840,694	(228,096)	1,624,111	11,684,186
Other comprehensive loss (8,258) (8,258) Total comprehensive loss for the half year ended December 31, 2021 (10,750) - (8,258) (19,008) Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax (3,258) (19,008)	Final cash dividend for the year ended June 30, 2021	-	-	(396,190)	-	-	(396,190)
Total comprehensive loss for the half year ended December 31, 2021 (10,750) - (8,258) (19,008) Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax 3,306 - (3,306) -	Loss after taxation	-	-	(10,750)	-	-	(10,750)
ended December 31, 2021 (10,750) - (8,258) (19,008) 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) -	Other comprehensive loss	-	-	-	-	(8,258)	(8,258)
realised during the period on account of incremental depreciation charged thereon- net of tax 3,306 - (3,306) -			-	(10,750)	-	(8,258)	(19,008)
Balance as at December 31, 2021 1,320,634 126,843 8,437,060 (228,096) 1,612,547 11,268,988	realised during the period on account of incremental	-	-	3,306	-	(3,306)	
	Balance as at December 31, 2021	1,320,634	126,843	8,437,060	(228,096)	1,612,547	11,268,988

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

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

Syed Jarar Haider Kazmi Chief Financial Officer Rizwan Ahmed
Chairman & Chief Executive

PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

Note	December 31, 2021	December 31, 2020
	(Rupees	in '000)
Cash flows from operating activities		
Cash generated from operations 14	1,454,605	1,847,067
Employees' gratuity paid	(22,213)	(8,179)
Employees' compensated absences paid	(55,479)	(36,187)
Post-retirement medical benefits paid	(10,115)	(7,277)
Long term loans and advances Finance costs paid	(23,086) (239,421)	21,631 (290,021)
Taxes paid	(147,326)	(99,256)
Net cash generated from operating activities	956,965	1,427,778
Not cash generated from operating activities	300,300	1,721,110
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,795)	(697)
Additions to investment properties	(17,515)	(1,000)
Proceeds from disposal of property, plant and equipment	-	27,815
Short-term investments redeemed / (made)	4,084,412	(2,171,285)
Dividend received on long-term investments in listed companies	3,101	-
Interest received on short term investments	129,369	172,363
Net cash generated from / (used in) investing activities	4,192,572	(1,972,804)
Cash flows from financing activities		
Long-term financing repaid	(1,048,836)	(662,773)
Lease rentals paid	(2,177)	(504)
Dividend paid	(384,414)	(287,985)
Net cash used in financing activities	(1,435,427)	(951,262)
Net increase / (decrease) in cash and cash equivalents	3,714,110	(1,496,288)
Cash and cash equivalents at the beginning of the period	1,727,181	4,508,380
Cash and cash equivalents at the end of the period 15	5,441,291	3,012,092
		. ,

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

Syed Jarar Haider Kazmi Chief Financial Officer Rizwan Ahmed
Chairman & Chief Executive

Khowaja Obaid Imran Ilyas Director

Half year ended Half year ended

PAKISTAN NATIONAL SHIPPING CORPORATION NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

1. THE CORPORATION AND ITS OPERATIONS

- 1.1 Pakistan National Shipping Corporation (the Corporation) was established under the provisions of the Pakistan National Shipping Corporation Ordinance, 1979 and is principally engaged in the business of shipping, including charter of vessels, transportation of cargo and other related services and providing commercial, technical, administrative, financial and other services to its subsidiaries and third parties in relation to the business of shipping. The Corporation is also engaged in renting out its properties to tenants under lease arrangements. The Corporation is listed on the Pakistan Stock Exchange. The Corporation's registered office is situated at PNSC Building, Moulvi Tamizuddin Khan Road, Karachi.
- 1.2 These unconsolidated condensed interim financial statements are separate financial statements of the Corporation in which investments in subsidiaries and associate are accounted for at cost less accumulated impairment losses, if any.
- 1.3 During the financial year 2020, the World Health Organization declared COVID-19 a pandemic. To reduce the impact on businesses and economies in general, regulators / governments across the globe introduced a host of measures on both the fiscal and economic fronts.

Shipping operations, which is the basic business of the Corporation were permitted by the Government to operate with strict compliance of SOPs issued. Consequently, the Corporation's offices and vessels have continued to operate. During the financial year 2021, the Government provided relaxations in SOPs and restrictions in the other countries were also lifted due to decline in the pandemic threat, which contributed favourably to the Corporation and the Corporation earned reasonable profits. During the current period, due to increase in economic activity, the Corporation's revenue has significantly increased as compared to prior period, however, the direct costs also increased significantly due to supply chain issues faced across the world.

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, 2021 as these provide an update of previously reported information.

- 2.2 These unconsolidated condensed interim financial statements comprise of the unconsolidated condensed interim statement of financial position as at December 31, 2021 and the unconsolidated condensed interim statement of profit or loss and other comprehensive income, the unconsolidated condensed interim statement of changes in equity, the unconsolidated condensed interim statement of cash flows and notes thereto for the half year ended December 31, 2021.
- 2.3 The comparative statement of financial position as at June 30, 2021 presented in these unconsolidated condensed interim financial statements has been extracted from the annual audited unconsolidated financial statements of the Corporation for the year ended June 30, 2021 whereas the comparative unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows for the half year ended December 31, 2020 have been extracted from the unconsolidated condensed interim financial statements of the Corporation for the half year then ended.
- 2.4 These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.5 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for land, buildings, workshop machinery and beach huts which are stated at revalued amounts less accumulated depreciation and impairment, staff retirement benefits, lease liabilities and compensated absences which are carried at present value and investment property and certain financial instruments which are carried at fair value.

2.6 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

5.

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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 audited unconsolidated financial statements for the year ended June 30, 2021.

3.2 Amendments to published approved accounting standards which are effective during the half year ended December 31, 2021

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

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

Certain new amendments to the approved accounting standards will be mandatory for the Corporation's annual accounting periods beginning on or after July 01, 2021. However, these amendments will not have any significant impact on the financial reporting of the Corporation and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS, ASSUMPTIONS AND FINANCIAL RISK MANAGEMENT

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

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the Corporation's unconsolidated annual financial statements for the year ended June 30, 2021.

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

			(Unaudited)	(Audited)
		Note	December 31,	June 30,
			2021	2021
			(Rupees	in '000)
	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	5.1 & 5.2	2,216,187	2,228,082
	Capital work-in-progress - Buildings on leasehold land		54,070	65,947
			2,270,257	2,294,029
1	Additions to operating fixed assets (including transfers from CWIP)		
	during the period:	,		
	Buildings on leasehold land		16,044	468
	Office equipment		511	229
	Furniture and fixtures		31	-
	Computer equipment		3,942	-
			20,528	697
2	Depreciation charge for the period		30,567	28,091

(Unavelified)

(Audited)

	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
TRADE DEBTS - unsecured		(Rupees	in '000)
Considered good			
Due from related parties Due from others	6.1 6.2	1,549,076 377,035	1,515,061 21,554
Considered doubtful	0.2	1,926,111	1,536,615
- Due from related parties	6.1	801,812	674,907
- Due from others	6.2	130,904	51,082
		932,716 2,858,827	725,989 2,262,604
		2,000,021	
Less: Allowance for expected credit loss (ECL)	6.3	932,716 1,926,111	725,989 1,536,615

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

	Upto 1 month	1 to 6 months	More than 6 months	(Unaudited) As at December 31, 2021	(Audited) As at June 30, 2021
			(Rupees in '0	00)	
Pakistan State Oil Company Limited		_	1,849,834	1,849,834	1,849,833
Pak Arab Refinery Limited	_	26,399	58,539	84,938	58.539
Pakistan Refinery Limited	6,494		795	7.289	795
Sui Northern Gas Pipelines Limited	26,179	_	-	26,179	1,812
Sui Southern Gas Company Limited	1,148	_		1,148	-
District Controller of Stores	1,069	-	2,749	3,818	2,749
Embarkation Commandant	41,718	40,876	8,334	90,928	-
Officer Commanding (PAF)	13,622	43,318	35,439	92,379	-
Others	40,043	100,283	54,049	194,375	276,240
	130,273	210,876	2,009,739	2,350,888	2,189,968

(Unaudited)

(Audited)

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

		December 31,	June 30,
		2021	2021
		(Rupees	in '000)
	Upto 1 month	160,131	15,627
	1 to 6 months	147,976	5,927
	More than 6 months	68,928	-
		377,035	21,554
6.3	Allowance for ECL on trade debts		
	Opening balance	725,989	1,005,769
	Increase during the period / year	206,727	11,269
	Reversed during the period / year	-	(291,049)
	Closing balance	932,716	725,989

6.

	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
		(Rupees	in '000)
OTHER RECEIVABLES			
Considered good			
- Due from related parties	7.1	165,109	118,279
- Due from others		153,628	178,904
		318,737	297,183
Considered doubtful			
- Due from related parties		-	-
- Due from others		34,145	34,145
		34,145	34,145
		352,882	331,328
Less: Allowance for ECL on other receivables		34,145	34,145
		318,737	297,183

7.

7.1 These include amounts of Rs. 83.461 million (June 2021: Rs. 33.765 million) due from the Government of Pakistan, Rs. 76.473 million (June 2021: Rs. 77.417 million) from Port Qasim Authority and Rs. 5.174 million (June 2021: 7.096 million) from Karachi Port Trust.

SHORT-TERM INVESTMENTS	Note	(Unaudited) December 31, 2021(Rupees	(Audited) June 30, 2021 in '000)
Amortised cost			
Term deposits with banks having maturity of:			
- more than three but upto six months		1,743,875	5,855,640
- three months or less		4,176,000	700,000
	8.1	5,919,875	6,555,640
Fair value through profit or loss			
Mutual funds		77,897	50,544
		5,997,772	6,606,184

8.1 Mark-up on these term deposits denominated in local currency ranges from 7.65% to 10.90% (2021: 7.45% to 7.95%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 1.60% to 1.65% (2021: 1.60%) per annum.

	Note	December 31,	June 30,
		2021	2021
		(Rupees	in '000)
LONG-TERM FINANCING - secured			
From banking companies			
Financing under syndicated term finance agreement			
- MCB Bank Limited	9.1	-	1,412,297
- Faysal Bank Limited	9.2	3,076,833	2,341,252
		3,076,833	3,753,549
Financing under musharika agreement			
- MCB Bank Limited	9.3	-	706,148
- Faysal Bank Limited	9.4	1,893,434	1,559,406
		1,893,434	2,265,554
		4,970,267	6,019,103
Less: Current portion of long-term financing		949,793	1,334,965
		4,020,474	4,684,138

(Unaudited)

(Audited)

- 9.1 During the current period, the loan has been repaid before maturity in November 2021 without any penalty.
- 9.2 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%. 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.
- 9.3 During the current period, the loan has been repaid before maturity in November 2021 without any penalty.
- 9.4 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%. 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.

December 31,	June 30,
2021	2021
(Rupees	in '000)
134 846	73 061

(Audited)

(Unaudited)

10. TRADE AND OTHER PAYABLES

Creditors
Current account balances with subsidiary companies
Agents' and owners' balances
Accrued liabilities
Deposits
Advance rent
Other liabilities:
- amounts retained from contractors

- others

Creditore

8,054 9,241 28,816 96,263
36,870 105,504 37,700,762 36,020,870

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, 2021, except for the following:
- 11.1.1 The contingent liability in respect of claims not acknowledged by the Corporation aggregated to Rs. 556.245 million as of the period end (June 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. 517.914 million (June 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.38.331 million (June 2021: Rs.19.013 million) against the aforementioned claims in these unconsolidated condensed interim financial statements.
- 11.1.2 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 half year ended December 31, 2021, the Corporation has filed an appeal with the Commissioner Inland Revenue (Appeals). Commissioner Inland Revenue (Appeals) has decided the appeal vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain points and also certain points in favour of the Corporation by deleting all the additions made by the ACIR, further certain points which are unfavourable to Corporation. The management has filed an appeal in ATIR on point 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.

- 11.1.3 The 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 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. During the half year ended December 31, 2021, the Corporation has filed an appeal with the Commissioner Inland Revenue (Appeals). Commissioner Inland Revenue (Appeals) has decided the appeal vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain points and also certain points in favour of the Corporation by deleting all the additions made by the ACIR. Further, certain points are unfavourable to Corporation. The management has filed an appeal in ATIR on points which are unfavorable to Corporation. 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.
- 11.1.4 During the half year ended December 31, 2021, 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 has filed an appeal with the Commissioner Inland Revenue (Appeals). Commissioner Inland Revenue (Appeals) has decided the appeal vide order dated January 13, 2022. The CIR(A) in its order has remanded back certain points and also certain points in favour of the Corporation by deleting all the additions made by the ACIR. Further, certain points are unfavourable to the Corporation and the Management will file an appeal in ATIR on point which are unfavorable to the Corporation. 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.
- 11.1.5 During the half year ended December 31, 2021, 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 has filed an appeal with the Commissioner Inland Revenue (Appeals). Commissioner Inland Revenue (Appeals) has decided the appeal vide order dated January 13, 2022. The CIR(A) in its order has remanded back certain points and also certain points in favour of the Corporation by deleting all the additions made by the ACIR. Further, certain points which are unfavourable to the Corporation and the Management will file an appeal in ATIR on point which are unfavorable to the Corporation. 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.

		(Unaudited)	(Auditea)
		December 31,	June 30,
		2021	2021
		(Rupees	in '000)
	Commitments		
11.2	Commitments for capital expenditure	32,571	32,571
11.3	Outstanding letters of guarantee	19,669	18,919

- 11.4 The Corporation has provided an undertaking amounting to Rs. 2,067.70 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 amounts to Rs. 74.330 million (USD 0.417 million) and Rs 34.224 million (USD 0.192 million) respectively.

12.	FINΔN	ICE	COSTS	

Mark-up on long term financing Mark up on lease liability Bank charges

(Unaudited)
Half year ended Half year ended

December 31,

2020

December 31,

2021

	(Unaudited)			
		Half year ended	Half year ended	
	Note	December 31,	December 31,	
		2021	2020	
		(Rupees	in '000)	
13.	TAXATION			
	Current	105,769	57,629	
	Prior	(24,221)	-	
	Deferred	32,035	(13,297)	
		113,583	44,332	
14.	CASH GENERATED FROM OPERATIONS			
	Profit before taxation	102,833	80,579	
	Adjustments for non-cash charges and other items:			
	Depreciation on:	20 507	20.004	
	Property, plant and equipment Right-of-use assets	30,567 6,171	28,091 6,187	
	Finance cost:	0,171	0,107	
	Long term financing	236,581	286,272	
	Lease liabilities	4,162	4,235	
	Gain on disposal of fixed assets	-	(27,815)	
	Provision for employees' gratuity	44,783	37,352	
	Provision for employees' compensated absences	34,390	38,265	
	Provision for post-retirement medical benefits	5,262	11,668	
	Income from saving accounts and term deposits	(243,944)	(182,427)	
	Impairment loss on financial assets	206,727	20,289	
	Provision no longer required written back	(4,290)	(73,204)	
	Provision against damage claims Loss / (gain) on revaluation of long-term investments in listed securities	19,319 8,410	44,358 (11,274)	
	Dividend Income	(3,101)	(11,214)	
	Working capital changes 14.1	1,006,735	1,584,491	
	To thing depter of an age	1,454,605	1,847,067	
14.1	Working capital changes			
	(Increase) / decrease in current assets:			
	Trade debts - unsecured	(596,223)	(70,401)	
	Agents' and owners' balances - unsecured	(3,739)	(4,345)	
	Trade deposits and short-term prepayments	(17,178)	(27,906)	
	Other receivables	(21,554)	(105,758)	
	Incomplete voyages	(41,646)	(17,453)	
		(680,340)	(225,863)	
	Increase / (decrease) in current liabilities:	4.004.404	1 000 075	
	Trade and other payables Contract liabilities	1,684,181 2,894	1,836,875 (26,521)	
	Contract liabilities	1,687,075	1,810,354	
		1,006,735	1,584,491	
15.	CASH AND CASH EQUIVALENTS	.,,	.,00.,101	
-				

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

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.

4,176,000

1,265,291

5,441,291

1,815,000

1,197,092

3,012,092

These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Corporation's annual unconsolidated financial statements as at June 30, 2021. There have been no changes in risk management policies since the year end.

16.

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 December 31, 2021, the Corporation's all assets and liabilities are carried at cost less accumulated depreciation / impairment, if any, or at amortised cost except for those mentioned below:

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

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

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

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

	(Unaudited)				
Assets carried at fair value		(Rupe	cs III 000)		
Investments - Fair value through profit or loss	118,746	-	-	118,746	
Leasehold land	-	1,399,780	-	1,399,780	
Buildings on leasehold land	-	748,916	-	748,916	
Beach huts	-	17,685		17,685	
Workshop machinery and equipment	-	7,886	-	7,886	
Investment properties	-	3,704,889	-	3,704,889	
	-	5,879,156	-	5,879,156	
		,	udited) 30, 2021		
	Level 1	Level 2	Level 3	Total	
Assets carried at fair value		(Rupe	es in '000)		
Investments - Fair value through profit or loss	99,803			99,803	
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	

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.

Relationship with the

Corporation

Key management personnel

Kev management personnel

Government holding

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

		2021	2020
		(Rupees	in '000)
Name and particulars			
Transactions with State owned / controlled entities			
Freight income - foreign flag vessels		1,944,628	944,045
Income from operating activities		52,274	10,705
Rental income		6,503	6,275
Rental expense		1,650	6,825
Transactions with subsidiary companies			
Service fee charged to subsidiary companies		227,175	219,446
Rental expense of Pakistan Co-operative Ship Stores			
(Private) Limited		-	635
Retirement benefit costs charged to subsidiary compan	ies	269	496
Transactions with other related parties			
Contribution to provident fund	Employees benefit plan	2,493	3,324

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 Agreements 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

Directors' fee and traveling allowance

Dividend paid to Government of Pakistan

Remuneration and other benefits

These unconsolidated condensed interim financial statements were authorised for issue on February 24, 2022 by the Board of Directors of the Corporation.

Syed Jarar Haider Kazmi
Chief Financial Officer

Rizwan Ahmed
Chairman & Chief Executive

Khowaja Obaid Imran Ilyas Director

(Unaudited)

Half year ended Half year ended

1.750

37.405

349,556

December 31,

December 31.

2.365

34.221

261,095

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

AS AT DECEMBER 31, 2021			
		(Unaudited)	(Audited)
	Note	December 31,	June 30.
		2021	2021
		(Rupees	
ASSETS		(,
NON-CURRENT ASSETS			
Property, plant and equipment	5	27,456,987	27,772,552
Right-of-use asset		99,482	105,653
Intangible assets		39,436	39,436
Investment properties		3,704,889	3,687,374
Long-term investments in:			
- Related party (associate)		-	-
- Listed companies and an other entity		40,949	49,359
Long-term loans and advances		11,803	8,144
Deferred taxation - net		57,852	98,145
OURRENT AGGETG		31,411,398	31,760,663
CURRENT ASSETS			
Stores and spares	6	1,853,890	1,647,781
Trade debts - unsecured Agents' and owners' balances - unsecured	6	3,791,820 11,356	3,019,161 7.617
Loans and advances		117,962	94.537
Trade deposits and short-term prepayments		38,026	19,213
Interest accrued on bank deposits and short-term investments		217,664	102,298
Other receivables	7	632,508	414,388
Incomplete voyages		178,065	173,265
Insurance claims Taxation - net		108,019 1,682,136	91,049 1,603,883
Short-term investments	8	5,997,772	6,606,184
Cash and bank balances		1,288,926	1,050,945
		15,918,144	14,830,321
TOTAL ASSETS		47,329,542	46,590,984
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY			
Share capital			
Authorised capital		2,000,000	2,000,000
Issued, subscribed and paid-up share capital		1,320,634	1,320,634
		,, ,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Reserves Capital reserve		424.244	131.344
Revenue reserves		131,344 35,292,301	34,262,953
Remeasurement of post retirement benefits obligation - net of tax		(228,098)	(228,098)
Surplus on revaluation of property, plant and equipment - net of tax		1,615,372	1,626,936
		38,131,553	37,113,769
NON-CONTROLLING INTEREST		6,888	6,468
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP		38,138,441	37,120,237
NON-CURRENT LIABILITIES			
Long-term financing - secured	9	4,020,474	4,684,138
Employee benefits		676,247	679,619
Lease liability		113,200 4,809,921	114,805 5,478,562
CURRENT LIABILITIES		4,809,921	5,476,502
Trade and other payables	10	3,097,501	2,360,225
Contract liabilities		187,613	182,564
Provision against damage claims		38,331	19,012
Current portion of long-term financing - secured	9	949,793	1,334,965
Current portion lease liabilities Unclaimed dividend		5,392 89.272	1,803 77.498
Accrued mark-up on long-term financing		13,278	16,118
, coraca man ap on ong torin interioring		4,381,180	3,992,185
TOTAL LIABILITIES		9,191,101	9,470,747
TOTAL EQUITY AND LIABILITES		47,329,542	46,590,984
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-,

CONTINGENCIES AND COMMITMENTS

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

Syed Jarar Haider Kazmi Chief Financial Officer Rizwan Ahmed
Chairman & Chief Executive

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

	Note	Quarter ended December 31, 2021		Half year ended December 31, 2021	Half year ended December 31, 2020
REVENUE			(Rupe	es in '000)	
Income from shipping business		5,340,332	2,948,981	9.986.254	6.863.296
Rental income		65,157	55,333	119,460	112,066
		5,405,489	3,004,314	10,105,714	6,975,362
EXPENDITURE					
Fleet expenses - direct		(3,940,039)	(2,443,042)	(7,654,942)	(5,072,868)
Fleet expenses - indirect		(6,769)	(4,296)		(6,259)
Real estate expenses		(27,005)	(27,349)	(54,373)	(58,956)
GROSS PROFIT		(3,973,813) 1,431,676	(2,474,687) 529,627	(7,722,336) 2,383,378	(5,138,083)
GROSS PROFII		1,431,676	529,627	2,303,370	1,037,279
Administrative expenses		(296,349)	(216,536)	(548,553)	(478,684)
Impairment loss	6.3	(267,156)	(17,210)		(20,289)
Other expenses		(79,416)	(149,115)	(128,192)	(236,192)
Other income		162,138	349,928	379,930	480,939
		(480,783)	(32,933)	(563,971)	(254,226)
OPERATING PROFIT		950,893	496,694	1,819,407	1,583,053
Finance costs	12	(123,131)	(144,158)	(243,147)	(297,772)
PROFIT BEFORE TAXATION		827,762	352,536	1,576,260	1,285,281
Taxation	13	(40,501)	(6,550)	(153,608)	(80,742)
PROFIT AFTER TAXATION		787,261	345,986	1,422,652	1,204,539
OTHER COMPREHENSIVE INCOME					
Items that will not be transferred subsequently to profit or loss					
Deferred tax related to change of rate on surplus of revaluation		-	961	(8,258)	961
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		787,261	346,947	1,414,394	1,205,500
Attributable to:					
Equity holders of the Holding Company		786,841	346,597	1,413,974	1,204,921
Non-controlling interest		420	350	420	579
		787,261	346,947	1,414,394	1,205,500
			(Ru	pees)	
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE			•	•	
TO EQUITY HOLDERS OF THE HOLDING COMPANY -					
basic and diluted		5.96	2.62	10.77	9.12

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

Syed Jarar Haider Kazmi Chief Financial Officer Rizwan Ahmed
Chairman & Chief Executive

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

	Attributable to the shareholders of the Holding Company									
			Re	evenue reserv	es	Remeas-	0			
	Issued, subscribed and paid-up share capital	Capital reserve*	General reserve	Unap- propriated profit	Sub-total revenue reserves	urement of post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total reserves	Non- controlling interest	Total
					(Rupees	in '000)				
Balance as at July 01, 2020	1,320,634	131,344	129,307	32,164,560	32,293,867	(291,117)	1,234,018	33,368,112	5,221	34,693,967
Transaction with owners										
Final cash dividend for the year ended June 30, 2020 (Rs. 2.25 per ordinary share of Rs.10 each)	-	-		(297,143)	(297,143)			(297,143)		(297,143)
Profit after taxation	-	-	-	1,204,921	1,204,921	-	-	1,204,921	579	1,205,500
Other comprehensive income		-	_	_	_	-	-	_		
Total comprehensive income for the half year ended December 31, 2020	-	-	-	1,204,921	1,204,921	-	-	1,204,921	579	1,205,500
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax	-	-	-	1,060	1,060	-	(1,060)	-	-	-
Balance as at December 31, 2020	1,320,634	131,344	129,307	33,073,398	33,202,705	(291,117)	1,232,958	34,275,890	5,800	35,602,324
Balance as at July 01, 2021	1,320,634	131,344	129,307	34,133,646	34,262,953	(228,098)	1,626,936	37,113,769	6,468	37,120,237
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)		-	(396,190)	-	(396,190)
Profit after taxation	-	-	-	1,422,232	1,422,232	-	-	1,422,232	-	1,422,232
Other comprehensive loss	_	-	-	-	-	-	(8,258)	(8,258)	_	(8,258)
Total comprehensive income for the half year ended December 31, 2021	-	-	-	1,422,232	1,422,232	-	(8,258)	1,413,974	420	1,414,394
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon- net of tax	-			3,306	3,306		(3,306)			
Balance as at December 31, 2021	1,320,634	131,344	129,307	35,162,994	35,292,301	(228,098)	1,615,372	38,131,553	6,888	38,138,441

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

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

Syed Jarar Haider Kazmi Chief Financial Officer Rizwan Ahmed
Chairman & Chief Executive

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

Half year ended

Half vear ended

No	ote	December 31,	December 31,
		2021	2020
		(Rupees	in '000)
Cash flows from operating activities			
Cash generated from operations	4	2,008,540	2,281,347
Employees' gratuity paid		(22,213)	(8,179)
Employees' compensated absences paid		(55,479)	(36,187)
Post-retirement medical benefits paid		(10,115)	(7,277)
Long term loans Finance costs paid		(27,084)	21,631 (287,309)
Taxes paid		(239,421) (199,829)	(124,835)
Net cash generated from operating activities	-	1,454,399	1,839,191
The same general and the same operating a same same same same same same same sa		., ,	1,000,101
Cash flows from investing activities			
Purchase of property, plant and equipment	Г	(504,358)	(406,540)
Additions to investment properties		(17,515)	(1,000)
Proceeds from disposal of property, plant and equipment		` - '	27,815
Short-term investments redeemed / (made)		4,084,412	(2,171,285)
Dividend received on long-term investment in listed companies		3,101	-
Interest received on short-term investments	L	129,369	172,975
Net cash generated from / (used in) investing activities		3,695,009	(2,378,035)
Cash flows from financing activities			
l 4 6'ii-l	-	(4.040.020)	(007.400)
Long-term financing repaid Lease rentals paid		(1,048,836) (2,177)	(667,482) (504)
Dividends paid		(384,414)	(287,985)
Net cash used in financing activities		(1,435,427)	(955,971)
Net increase / (decrease) in cash and cash equivalents		3,713,981	(1,494,815)
Cash and cash equivalents at the beginning of the period		1,750,945	4,512,021
Cash and cash equivalents at the end of the period 1	5	5,464,926	3,017,206

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

Syed Jarar Haider Kazmi Chief Financial Officer Rizwan Ahmed
Chairman & Chief Executive

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

THE GROUP AND ITS OPERATIONS

1 1 Pakistan National Shipping Corporation (the Holding Company), its subsidiary companies and an associate (together 'the Group') were incorporated under the provisions of the Pakistan National Shipping Corporation Ordinance, 1979 and the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), respectively. The Group is principally engaged in the business of shipping, including charter of vessels, transportation of cargo and other related services. The Group is also engaged in renting out its properties to tenants under lease agreements. The Group's registered office is situated at PNSC Building, Moulvi Tamizuddin Khan Road, Karachi except for Pakistan Co-operative Ship Stores (Private) Limited which is situated at 70/4. Timber Pond. N.M Reclamation Kemari, Karachi.

The Group consists of:

Holding company

Pakistan National Shipping Corporation

Subsidiary companies

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

Associate

- Muhammadi Engineering Works (Private) Limited

The Holding Company owns 73% (2021: 73%) of the share capital of Pakistan Co-operative Ship Stores (Private) Limited and 100% (2021: 100%) of the share capital of the remaining eighteen subsidiary companies. Each of wholly owned subsidiaries operate one vessel / tanker with the exception of Swat Shipping (Private) Limited, Lalazar Shipping (Private) Limited, Johar Shipping (Private) Limited, National Ship Management and Crewing (Private) Limited, Pakistan Marine and Shipping Services Company (Private) Limited, Sargodha Shipping (Private) Limited and Makran Shipping (Private) Limited which currently do not own any vessel/tanker.

- 12 These consolidated condensed interim financial statements are separate financial statements of the Holding Company in which investments in subsidiaries and associate are accounted for at cost less accumulated impairment losses, if any.
- 1.3 During the financial year 2020, the World Health Organization declared COVID-19 a pandemic. To reduce the impact on businesses and economies in general, regulators / governments across the globe introduced a host of measures on both the fiscal and economic fronts.

Shipping operations, which is the basic business of the Holding Company were permitted by the Government to operate with strict compliance of SOPs issued. Consequently, the Holding Company's offices and vessels have continued to operate. During the financial year 2021, the Government provided relaxations in SOPs and restrictions in the other countries were also lifted due to decline in the pandemic threat, which contributed favourably to the Holding Company and the Holding Company earned reasonable profits. During the current period, due to increase in economic activity, the Holding Company's revenue has significantly increased as compared to prior period, however, the direct costs also increased significantly due to supply chain issues faced across the world.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These consolidated condensed interim financial statements of the Group for the half year ended December 31, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These consolidated condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the financial statements for the year ended June 30, 2021 as these provide an update of previously reported information.

- 2.2 These consolidated condensed interim financial statements comprise of the consolidated condensed interim statement of financial position as at December 31, 2021 and the consolidated condensed interim statement of profit or loss and other comprehensive income, the consolidated condensed interim statement of changes in equity, the consolidated condensed interim statement of cash flows and notes thereto for the half year ended December 31, 2021.
- 2.3 The comparative statement of financial position as at June 30, 2021 presented in these consolidated condensed interim financial statements has been extracted from the annual audited consolidated financial statements of the Group for the year ended June 30, 2021 whereas the comparative consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows for the half year ended December 31, 2020 have been extracted from the consolidated condensed interim financial statements of the Group for the half year then ended.
- 2.4 These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended June 30, 2021.

3.2 Amendments to published approved accounting standards which are effective during the half year ended December 31, 2021

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

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

Certain other new standards and amendments to the approved accounting standards will be also mandatory for the Group's annual accounting periods beginning on or after July 01, 2021. However, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS, ASSUMPTIONS AND FINANCIAL RISK MANAGEMENT

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

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the Group's consolidated annual financial statements for the year ended June 30, 2021.

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

			(Unaudited)	(Audited)
		Note	December 31,	June 30,
			2021	2021
			(Rupees	in '000)
5.	PROPERTY, PLANT AND EQUIPMENT		(.tapooo	
٥.	THOI ENTI, I EART AND EQUI MENT			
	- Operating fixed assets	5.1 & 5.2	26,688,798	26,970,426
	- Major spare parts and stand-by equipment		669,182	736,178
	- Capital work-in-progress - buildings on leasehold land		99,007	65,948
	Capital Work in progressor ballange on loaderfold land		27,456,987	27,772,552
			21,400,001	21,112,002
5.1	A LUC C. C			
5.1	Additions to operating fixed assets (including transfers from CWIP)			
	during the period:			
	Buildings on lease hold land		16,044	468
	Office equipments		511	
				228
	Furniture and fixtures		31	-
	Computer equipment		3,942	204
	Spares capitalised		63,315	101,896
	Class renewal and dry docking		402,453	301,940
	Equipment on board		32,155	1,804
			518,451	406,540
5.2	Depreciation charge for the period		819,923	1,097,997

	(Unaudited)	(Audited)
Note	December 31,	June 30,
	2021	2021
	(Rupees	s in '000)

6. TRADE DEBTS - unsecured

Co			

- Due from related parties	6.1	2,375,282	2,648,006
- Due from others	6.2	1,416,538	371,155
		3,791,820	3,019,161
Considered doubtful			
- Due from related parties	6.1	1,401,925	1,119,930
- Due from others	6.2	204,044	218,883
		1,605,969	1,338,813
		5,397,789	4,357,974
Less: Allowance for expected credit loss (ECL)	6.3	1,605,969	1,338,813
		3.791.820	3.019.161

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

Upto 1 month	1 to 6 months	More than 6 months	(Unaudited) As at December 31, 2021	(Audited) As at June 30, 2021
		(Rupees in '00	0)	
-	-	2,436,165	2,436,165	2,436,165
393,017	107,525	368,129	868,671	816,095
6,494	739	56,312	63,545	122,403
26,179	-	-	26,179	1,812
1,148	-	-	1,148	-
1,069	-	2,749	3,818	2,748
577	2,247	15,087	17,911	-
41,718	40,876	8,334	90,928	-
13,622	43,318	35,439	92,379	-
39,466	98,036	38,961	176,463	276,239
523,290	292,741	2,961,176	3,777,207	3,655,462
	393,017 6,494 26,179 1,148 1,069 577 41,718 13,622 39,466	month months	month months than 6 months - - 2,436,165 393,017 107,525 368,129 6,494 739 56,312 26,179 - - 1,148 - - 1,069 - 2,749 577 2,247 15,087 41,718 40,876 8,334 13,622 43,318 35,439 39,466 98,036 38,961	Upto 1 month

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

December 31,			(Unaudited)	(Audited)
Upto 1 month 339,704 74,046 1 to 6 months 752,771 116,979 More than 6 months 324,063 180,130 1,416,538 371,155 6.3 Allowance for ECL on trade debts Opening balance Increase during the period / year 267,156 65,208 Reversed during the period / year - (349,906)			December 31,	June 30,
Upto 1 month			2021	2021
1 to 6 months 752,771 116,979 More than 6 months 324,063 180,130 1,416,538 371,155 6.3 Allowance for ECL on trade debts Opening balance Increase during the period / year 267,156 65,208 Reversed during the period / year - (349,906)			(Rupees	s in '000)
1 to 6 months 752,771 116,979 More than 6 months 324,063 180,130 1,416,538 371,155 6.3 Allowance for ECL on trade debts Opening balance Increase during the period / year 267,156 65,208 Reversed during the period / year - (349,906)				
More than 6 months 324,063 180,130 1,416,538 371,155 6.3 Allowance for ECL on trade debts Opening balance Increase during the period / year 267,156 65,208 Reversed during the period / year - (349,906)		Upto 1 month	339,704	74,046
6.3 Allowance for ECL on trade debts Opening balance Increase during the period / year Prevented during the year Prevented d		1 to 6 months	752,771	116,979
6.3 Allowance for ECL on trade debts Opening balance		More than 6 months	324,063	180,130
Opening balance 1,338,813 1,623,511 Increase during the period / year 267,156 65,208 Reversed during the period / year - (349,906)			1,416,538	371,155
Opening balance 1,338,813 1,623,511 Increase during the period / year 267,156 65,208 Reversed during the period / year - (349,906)				
Increase during the period / year 267,156 65,208 Reversed during the period / year (349,906)	6.3	Allowance for ECL on trade debts		
Increase during the period / year 267,156 65,208 Reversed during the period / year (349,906)				
Reversed during the period / year (349,906)		Opening balance	1,338,813	1,623,511
		Increase during the period / year	267,156	65,208
Closing balance 1,605,969 1,338,813		Reversed during the period / year	-	(349,906)
		Closing balance	1,605,969	1,338,813

	(Unaudited)
Note	December 31
	2021

7 1

8 1

Note

(Audited) June 30, 2021

---(Rupees in '000)----

7. OTHER RECEIVABLES

Considered good

- Due from related parties

- Due from others

Considered doubtful

- Due from related parties

- Due from others

Less: Allowance for ECL on other receivables

7.1 This represents balances that are past due but not impaired.

165,109	118,279
467,399	296,109
632,508	414,388
-	-
88,100	88,100
88,100	88,100
720,608	502,488
88,100	88,100
632,508	414.388

8. SHORT-TERM INVESTMENTS

Amortized Cost

Term deposits with banks having maturity of:

- more than three but upto six months

- three months or less

Fair value through profit or loss

Mutual funds

1,743,875 4,176,000	5,855,640 700.000
5,919,875	6,555,640
77,897	50,544
5,997,772	6,606,184

(Unaudited)

(Audited)

June 30

8.1 Mark-up on these term deposits denominated in local currency ranges from 7.65% to 10.90% (June 30, 2021: 7.45% to 7.95%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 1.60% to 1.65% (June 30, 2021: 1.60%) per annum.

	Note	2021(Rupees	2021 s in '000)
LONG TERM FINANCING - secured			
From banking companies			
Financing under syndicate term finance agreement			
- MCB Bank Limited	9.1	-	1,412,297
- Faysal Bank Limited	9.2	3,076,833	2,341,252
		3,076,833	3,753,549
Financing under musharika agreement			
- MCB Bank Limited	9.3	-	706,148
- Faysal Bank Limited	9.4	1,893,434	1,559,406
		1,893,434	2,265,554
		4,970,267	6,019,103
Less: Current portion of long-term financing		949,793	1,334,965
		4,020,474	4,684,138

- 9.1 During the current period, the loan has been repaid before maturity in November 2021 without any penalty.
- 9.2 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%. 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.
- 9.3 During the current period, the loan has been repaid before maturity in November 2021 without any penalty.

9.

9.4 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%. 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.

(Unaudited)	(Audited)	
December 31,	June 30,	
2021	2021	
(Rupees in '000)		

10. TRADE AND OTHER PAYABLES

Creditors
Accrued liabilities
Agents' and owners' balances
Deposits
Withholding Tax Payable
Advance rent
Other liabilities:
- amounts retained from contractors
- others

304,509	262,520
2,290,610	1,588,764
342,135	251,998
55,533	44,608
29,089	53,823
63,958	53,008
8,054	9,241
3,613	96,263
11,667	105,504
3,097,501	2,360,225

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, 2021. except for the following:
- 11.1.1 The contingent liability in respect of claims not acknowledged by the Holding Company aggregated to Rs. 556.245 million as of the period end (June 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. 517.914 million (June 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.38.331 million (June 2021: Rs.19.013 million) against the aforementioned claims in these consolidated condensed interim financial statements.
- 11.1.2 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 half year ended December 31, 2021, the Holding Company has filed an appeal with the Commissioner Inland Revenue (Appeals). Commissioner Inland Revenue (Appeals) has decided the appeal vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain points and also certain points in favour of the Holding Company by deleting all the additions made by the ACIR, further certain points which are unfavourable to Holding Company. The Management has filed an appeal in ATIR on point 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.
- 11.1.3 The 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 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. During the half year ended December 31, 2021, the Holding Company has filed an appeal with the Commissioner Inland Revenue (Appeals). Commissioner Inland Revenue (Appeals) has decided the appeal vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain points and also certain points in favour of the Holding Company by deleting all the additions made by the ACIR. Further, certain points are unfavourable to Holding Company. The Management has filed an appeal in ATIR on points 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 2018 will eventually be decided in favour of the Holding Company.

- 11.1.4 During the half year ended December 31, 2021, 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 has filed an appeal with the Commissioner Inland Revenue (Appeals). Commissioner Inland Revenue (Appeals) has decided the appeal vide order dated January 13, 2022. The CIR(A) in its order has remanded back certain points and also certain points in favour of the Holding Company by deleting all the additions made by the ACIR, further certain points which are unfavourable to Holding Company. The Management will file an appeal in ATIR on point 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 2019 will eventually be decided in favour of the Holding Company.
- 11.1.5 During the half year ended December 31, 2021, 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 has filed an appeal with the Commissioner Inland Revenue (Appeals). Commissioner Inland Revenue (Appeals) has decided the appeal vide order dated January 13, 2022. The CIR(A) in its order has remanded back certain points and also certain points in favour of the Holding Company by deleting all the additions made by the ACIR, further certain points which are unfavourable to Holding Company. The Management will file an appeal in ATIR on point 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 2019 will eventually be decided in favour of the Holding Company.

		December 31,	June 30,
		2021	2021
		(Rupees	s in '000)
	Commitments		
11.2	Commitments for capital expenditure	32,571	32,571
11.3	Outstanding letters of guarantee	19,669	18,919

(Unaudited)

(Audited)

- 11.4 The Group has provided an undertaking amounting to Rs 2,067.70 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 it's managed vessels operated by its subsidiaries which have been released subsequently. However, the Government of Pakistan has provided a counter guarantee to the Holding Company in relation to the aforesaid undertaking.
- 11.5 Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounting to Rs 74.330 million (USD 0.417 million) and Rs 34.224 million (USD 0.192 million) respectively.

		(Unaudited)	
		Half year ended December 31,	Half year ended December 31,
		2021	2020
		(Rupees	in '000)
12.	FINANCE COSTS		
	Mark-up on long term financing	235,108	289,460
	Mark-up on lease liability	4,162	4,235
	Bank charges	3,877	4,077
		243,147	297,772
13.	TAXATION		
	Current tax	145,794	94,039
	Prior	(24,221)	-
	Deferred	32,035	(13,297)
		153,608	80,742

(Unaudited)

-(Rupees in '000)-

Note

Half year ended Half year ended December 31, 2021

December 31, 2020

14. **CASH GENERATED FROM OPERATIONS**

Profit before taxation	1,576,260	1,285,281
Adjustments for non-cash charges and other items:		
Depreciation on:		
Property, plant and equipments	819,923	1,097,997
Right-of-use assets	6,171	6,187
Finance cost on:		
Long term financing	236,581	288,268
Lease Liabilities	4,162	4,235
Gain on disposal of fixed assets	-	(27,815)
Provision for employees' gratuity	44,783	37,848
Provision for employees' compensated absences	34,390	38,265
Provision for post-retirement medical benefits	5,262	11,668
Income from saving accounts and term deposits	(244,735)	(183,440)
Loss on disposal of stores	-	11,197
Impairment loss	267,156	20,289
Provision no longer required written back	(4,341)	(109,907)
Provision against damage claims	19,319	44,358
Loss / (gain) on revaluation of long-term investments in listed securities	8,410	(11,273)
Dividend income	(3,101)	-
Working capital changes 14.1	(761,700)	(231,811)
	2,008,540	2,281,347

14.1 Working capital changes

(Increase) / decrease in current assets:

Stores and spares Trade debts - unsecured Agents' and owners' balances - unsecured Trade deposits and short-term prepayments Other receivables Incomplete voyages Insurance claims

Increase / (decrease) in current liabilities:

Trade and other payables Contract liabilities

(206,109)	193,268
(1,039,815)	237,846
(3,739)	(4,345)
(18,813)	(28,528)
(218,120)	(59,675)
(4,800)	29,582
(16,970)	60,395
(1,508,366)	428,543
741,617	(740,022)
5,049	79,668
(761,700)	(231,811)

(Unaudited)

December 31,	December 31,	
2021	2020	
(Rupees in '000)		

15. **CASH AND CASH EQUIVALENTS**

Short-term investments having maturity of three months or less 4,176,000 1,815,000 Cash and bank balances 1,288,926 1,202,206 3,017,206 5.464.926

FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES 16.

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 as at June 30, 2021. 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 December 31, 2021, the Group's all assets and liabilities are carried at cost less accumulated depreciation / impairment, if any, or at amortised cost except for those mentioned below:

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

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

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

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

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

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

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

	(Unaudited) December 31, 2021			
	Level 1		Level 3	Total
	(Rupees in '000)			
Assets carried at fair value				
Investments - Fair value through profit or loss	118,746	-	-	118,746
Leasehold land	-	1,399,780	-	1,399,780
Buildings on leasehold land	-	748,916	-	748,916
Beach huts	-	17,685	-	17,685
Workshop machinery and equipment	-	7,886	-	7,886
Investment properties	-	3,704,889	-	3,704,889
	-	5,879,156	-	5,879,156
	(Audited) June 30, 2021			
	Level 1	Level 2	Level 3 s in '000)	Total
Assets carried at fair value		(тарос	o III 000)	
Investments - Fair value through profit or loss	99,803			99,803
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

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:

		(Unaudited)		
	Deletion of the with	Half year ended	Half year ended	
	Relationship with	December 31,	December 31,	
Name and particulars	the Group	2021	2020	
		(Rupees in '000)		

Transactions with State owned / controlled en	titles	3,762,659		
Freight income			3,148,482	
Income from other operating activities		127,556	34,639	
Rental income		6,503	6,275	
Rental expense		1,650	6,825	
Transactions with other related parties				
Contribution to provident fund	Employees benefit plan	2,493	3,324	
Directors' fee	Key management personnel	1,750	2,365	
Key management personnel compensation	Key management personnel	37,405	34,221	
Dividend Paid to Government of Pakistan	Government holding	349,556	261,095	

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 February 24, 2022 by the Board of Directors of the Holding Company.

Syed Jarar Haider Kazmi Chief Financial Officer Rizwan Ahmed
Chairman & Chief Executive



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