

UN-AUDITED REPORT FOR THE QUARTER & NINE MONTHS PERIOD ENDED MARCH 31, 2019



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CORPORATE INFORMATION

В	oard of Directors
1.	Mr. Rizwan Ahmed

Additional Finance Secretary (Exp.) Member Finance Division Islamabad, (Ex-Officio Member).
 Sr. Joint Secretary /Joint Secretary Ministry of Maritime Affairs Islamabad, (Ex-Officio Member).

Ministry of Maritime Affairs Islamabad, (Ex-Officio Member).

4. Mr. Ali Sved

5. Mr. Muhammad Ali6. Mr. Khowaja Obaid Imran Ilyas

7. Capt. Anwar Shah

Audit & Finance Committee

Mr. Khowaja Obaid Imran Ilyas Chairman
 Additional Finance Secretary (Exp.) Member Finance Division Islamabad, (Ex-Officio Member).

3. Sr. Joint Secretary /Joint Secretary Member Ministry of Maritime Affairs Islamabad, (Ex-Officio Member).

Mr. Ali Syed Member
 Capt. Anwar Shah Member
 Mr. Baber Jamal Zuberi Secretary

HR and Remuneration Committee

Mr. Muhammad Ali
 Mr. Ali Syed
 Mr. Khowaja Obaid Imran Ilyas
 Brig. Rashid Siddiqi (R)

Chairman
Member
Secretary

Chief Financial Officer

Mr. S. Jarar Haider Kazmi

Corporation & Board Secretary

Mr. Muhammad Javid

Chief Internal Auditor

Mr. Babar Jamal Zubairi

Head Office

Chairman

Member

Member

Member

Member

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

EY Ford Rhodes, Chartered Accountants

KPMG Taseer Hadi & Co., Chartered Accountants

Shares Registrar

Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahra-e-Faisal, Karachi.

Bankers

Bank Alfalah Limited, Bahrain
Bank Al Habib Limited
Bank Al Habib Limited, Bahrain
Bank Islami Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

National Bank of Pakistan, Hong Kong National Bank of Pakistan, Tokyo

Silk Bank Limited Soneri Bank Limited

Standard Chartered Bank (Pakistan) Limited

UniCredit Bank, Italy United Bank Limited

United Bank Limited, London



PNSC Managed Fleet

BULK CARRIERS



TANKERS



M.V MALAKAND





M.V HYDERABAD









M.T KARACHI



M.V MULTAN



M.T SHALAMAR





PAKISTAN NATIONAL SHIPPING CORPORATION DIRECTORS' REPORT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

We, the Directors of Pakistan National Shipping Corporation (PNSC) are delighted to present the unconsolidated and consolidated condensed interim financial statements of PNSC and Group respectively for the nine months period ended March 31, 2019.

OVERVIEW

PNSC Group has achieved substantial growth in revenue of 35% (from Rs.1,272 million to Rs.1,717 million) in managed bulk carrier segment and growth of 28% (from Rs.3,001 million to Rs.3,833 million) in liquid cargo segment through its managed vessels.

Government of Pakistan encouraged the use of alternative energy which is cost effective and environment friendly as compared to furnace oil. Restrictions were imposed on import of furnace oil resulting in energy shift towards inexpensive Liquefied Natural Gas (LNG), which hampered the operational revenue of PNSC through Foreign Flag tankers chartering with a decline of 71% (from Rs.1,690 million to Rs.491 million).

Likewise, there is a decline of 7% (from Rs.1,410 million to Rs.1,317 million) in slot charter segment, which is also primarily due to the reduction in the import of public sector cargoes.

Cumulatively, Group achieved a turnover of Rs.7,478 million (including Rs.1,928 million from PNSC) as compared to Rs.7,522 million (including Rs. 3,249 million from PNSC) for the corresponding period last year.

Fleet Direct operating expenses decreased to Rs. 5,500 million (including Rs.1,104 million from PNSC) from Rs.5,747 million (including Rs.1,738 million from PNSC), thereby resulting in Gross Profit of Rs.1,852 million as against Rs.1,656 million for the same period last year.

Despite of some adverse factors, PNSC Group profitability has increased by 61% with Profit after Tax of Rs.1,402 million during this period against Rs.872 million in the same period last year, ensuring the best utilization of resources.

Earnings per share for the group increased to Rs.10.62 against Rs.6.60 in previous period.

As informed in our last report that induction of two LR-1 tankers is at final stages, the same were added in PNSC's managed fleet namely "M.T. Bolan" and M.T. Khairpur. M.T. Bolan was inducted during the reporting period on 25th March 2019, while M.T. Khairpur was inducted after the reporting dated on 16th April 2019. These additions have increased the PNSC's managed fleet deadweight tonnage to 831,711 tons which is largest in the history.

The new inductions of oil tankers in managed fleet not only cater the demand of Motor Gasoline transportation but also impart modern technological advancements onboard. These inductions will also curtail reliance on foreign chartered vessels for oil transportation, to encounter the existing and foreseeable external challenges, and to gear up for current and future economic challenges.



FUTURE PROSPECTS

Due to current global depression in commodity trade, the market will remain under significant pressure in the near term. A downfall in bulk carrier segment is evident by a sharp decline in BDI index by 47% since mid-2018. Initial projections suggest that seaborne dry bulk trade could grow by a slightly healthier 2.9% in the near future. As regards liquid cargo segment, existing market situation showed good future prospects for tanker markets with increased AFRA and World Scale.

After successful addition of two LR-1 tankers in the managed fleet, now PNSC has started proceeding to second step, which is addition of one Afframax tanker in its managed fleet. The addition is expected to be completed in upcoming fiscal year.

PNSC keeping in view the global shipping market prospective has set out its strategy by expanding its existing business base and engaging its managed vessels for transportation of current and anticipated cargo globally.

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

RIZWAN AHMED P.A.S.
Chairman & Chief Executive

Kizwan Almed

Karachi: April 26, 2019.

KHOWAJA OBAID IMRAN ILYAS

Director

Be OK



گروپ کی فی حصص آمدنی گزشتہ دورانیے کے 60.60روپے سے بڑھ کر 10.62 ہو گئی۔

جیسا کہ ہماری گزشتہ رپورٹ میں مطلع کیا گیا تھا کہ دو نئے LR-1 ٹینکرزا پنے حتمی مرحلے پر ہیں، انہی کو پی این ایس ی کے زیر انظام فلیٹ بنام "ایم ٹی بولان (M.T.Bolan)" اور ایم ٹی خیر پور (M.T.Khairpur) میں شامل کیا گیا ہے۔ ایم ٹی بولان کو 25 مارچ 2019 کے رپور ٹنگ دورانے میں شامل کیا گیا ہے جبکہ ایم ٹی خیر پور کو رپور ٹنگ کے بعد 16 اپریل 2019 کو شامل کیا گیا ہے۔ اس شمولیت نے پی این ایس سی کے زیرانتظام فلیٹ کاڈیٹ ویٹ ٹنوں میں 2011 831 ٹن کر دیا ہے جو اب تک کی تاریخ میں سب سے زیادہ ہے۔

زیرا نظام فلیٹ میں آئل ٹینکرز کی نئی شمولیت نہ صرف موٹر گیسولین آمدور فت کی طلب پوری کررہی ہے بلکہ جدید ٹیکنالوجی کی ترقیاں بھی شامل حال ہیں۔ یہ شمولیت تیل کی نقل و حمل کے لیے غیر ملکی چارٹرڈ جہازوں پر انحصار کم کرے گی تا کہ موجودہ اور بیرونی مشکلات کامقابلہ کیا جاسکے اور موجودہ اور مستقبل کے اقتصادی مشکلات کے لیے تیار ہوا جائے۔

مستقبل كے امكانات

اشیاء کی تجارت میں حالیہ عالمی و باؤکے باعث، کچھ عرصے تک منڈی نمایاں و باؤکاشکار رہے گی۔ وسط 2018 سے بلک کیریئر کے شعبے میں زوال BDIانڈیکس میں % 47 کی تیز کئی سے واضح ہے۔ ابتدائی تخینے تجویز کرتے ہیں آ بی خشک بلک تجارت مستقبل قریب میں کچھ حد تک % 9. 2 تک مضبوط ہو سکتی ہے۔ جہاں تک مالئے کار گو شعبے کا تعلق ہے، ایفرا (AFRA) اور عالمی پیانے میں اضافے کے ساتھ مارکیٹ کی موجودہ حالت ٹینکر مارکیٹ کے لیے مستقبل کے ایکھا مکانات ظاہر کررہی ہے۔

زیرانظام فلیٹ میں دو1-LR ٹیئکروں کی کامیاب شمولیت کے بعد ،اب پی این ایس سی نے دوسرے مرحلے کی جانب پیش رفت شروع کر دی ہے جواپنے زیرانظام فلیٹ میں ایفرامیس ٹیئکر کی شمولیت ہے۔شمولیت کے آئندہ مالی سال میں مکل ہونے کی توقع ہے۔

جہاز رانی کی عالمی منڈی کے امکانات کومد نظر رکھتے ہوئے، پی این ایس سی نے اپنی موجودہ کاروباری اساس کو توسیع وے کے اور اپنے زیر انتظام جہازوں کو موجودہ اور مکنہ عالمی کار گومیں مصروف عمل کرنے کے لیے حکمت عملی تیار کی ہے۔

تمام اسٹیک ہولڈرز کے مسلسل تعاون اور اعتاد کے لیے بور ڈان کا مشکور ہے۔

مراکس مرکس خواجه عبید عمران الیاس ڈائر پھڑ

المجامع معدد المجامع المجامع



پاکستان میشنل شینگ کار پوریش دائریکرزربورٹ برائے نومای اختام از 31مارچ، 2019

ہم، پاکستان نیشنل شینگ کارپوریشن (پی این ایس سی) کے ڈائر یکٹرز حضرات، پی این ایس سی اور گروپ کے منظم اور متفرق عبوری مالیاتی گوشوارے بالترتیب برائے نوماہی،اختتام از 31مارچ، 2019 بخوشی پیش کررہے ہیں۔

مجموعي جائزه

پی این ایس سی گروپ نے زیر انظام بلک کیریئر کے شعبے میں آمدنی میں %35 (1,272 ملین روپے سے 1,717 ملین روپے) تک نمایاں ترقی اور مائع کار گو شعبے میں اپنے زیر انظام جہازوں سے %28 (3,001 ملین روپے سے 3,833 ملین روپے) تک ترقی حاصل کی ہے۔

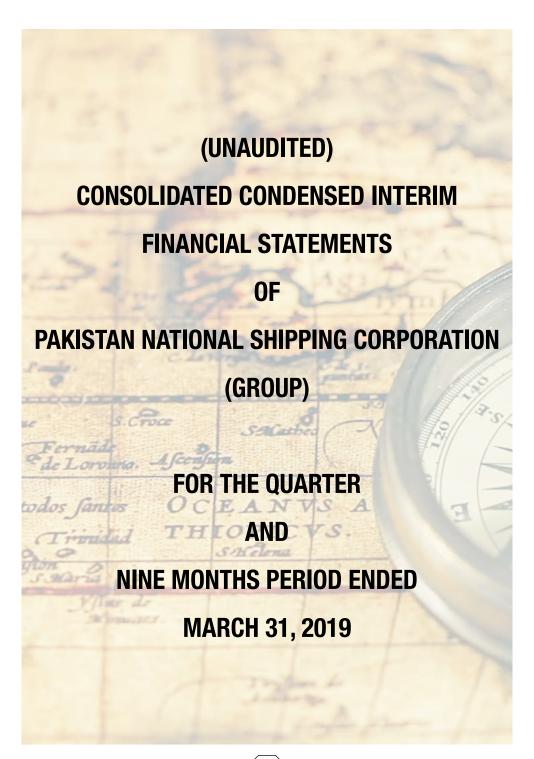
حکومت پاکتان نے متبادل توانائی کے استعمال کی حوصلہ افنرائی کی ہے جو فرنس آئل کے مقابلے میں سستی اور ماحول دوست ہے۔ فرنس آئل کی درآمد پر پابندیوں کے باعث توانائی کااستعمال سستی مائع قدرتی گیس (LNG) کی طرف منتقل ہو گیا، اور اس کے بتیجے میں پی این ایس سی کے غیر ملکی فلیگ ٹیئکروں کے ذریعے چارٹر کرنے کے کاروبار میں % 71 (690 ملین روپے سے 491 ملین روپے تک) کمی کے باعث آپریشنل آمدنی میں مشکلات پیش آئیں۔

اسی طرح، سلاٹ چارٹر کے شعبے میں %7 (1,410 ملین روپ سے 1,317 ملین روپ) کمی ہوئی، جو بنیادی طور پر پبلک سیکٹر کار گو کی درآ مد میں کمی کا باعث ہے۔

مجموعی طور پر ، گروپ نے گزشتہ سال اسی دورا نے کے 522 , 7 ملین روپے (بشمول پی این ایس سی سے 3 , 249 ملین روپے) کے مقالبے میں 478 , 7 ملین روپے (بشمول پی این ایس سی سے 1 ,928 ملین روپے) کاکار و بار حاصل کیا۔

فلیٹ کے براہ راست آپر ٹینگ اخراجات 747,5 ملین روپے (بشمول پی این ایس سی سے 1,738 ملین روپے) سے کم ہو کر 5,500 ملین روپے (بشمول پی این ایس سی سے 1,104 ملین روپے) ہو گئے، جس سے گزشتہ سال کے اسی دورانیے کے 1,656 ملین روپے کے مقابلے میں 1,852 ملین روپے مجموعی منافع حاصل ہوا۔

بعض منفی عوامل کے باوجود، پی این ایس سی گروپ نے وسائل کا بہترین استعال بقینی بناتے ہوئے، گزشتہ سال کے 872 ملین روپے کے مقابلے میں موجودہ دورانیے میں 1,402 ملین روپے منافع بعداز ٹیکس میں %61اضافے کے ساتھ اپنی منافع کی صلاحیت برقرار رکھی۔





PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION **AS AT MARCH 31, 2019**

(Audited) June 30, 2018

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

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	6	26,389,434	22,158,254
ntangible asset			-
nvestment properties	8	3,088,460	3,061,632
ong-term investments in:			•··•·
- Related party (associate)		-	
- Listed companies and an other entity		41,035	51,199
_ong-term loans		16,867	19,050
_ong-term deposits		90	90
Deferred taxation - net		93,097	63,813
		29,628,983	25,354,038
CURRENT ASSETS			
Stores and spares		930,441	655,424
Trade debts - unsecured	9	891,032	562,923
Agents' and owners' balances - unsecured		15,085	19,041
Loans and advances - secured		78,680	110,290
Trade deposits and short-term prepayments		63,010	21,692
nterest accrued on bank deposits and short-term investments		31,560	27,303
Other receivables	10	2,645,552	2,588,272
ncomplete voyages		16,799	-
nsurance claims		77.056	87.642
Taxation - net		1,392,188	1,365,330
Short-term investments	11	3,635,620	4,094,860
Cash and bank balances		1.997.932	2.642.749
		11,774,955	12,175,526
TOTAL ASSETS		41,403,938	37.529.564
EQUITY AND LIABILITIES EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPAN Share capital	Υ	1.320.634	1.320.634
Capital reserve		131,344	131.344
Revenue reserves		29.844.704	28.639.812
Surplus on revaluation of property, plant and equipment - net of tax		1,243,672	1,244,986
		32,540,354	31,336,776
NON-CONTROLLING INTEREST		4,522	4.164
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP		32,544,876	31,340,940
NON-CURRENT LIABILITIES	_		Γ
Long term financing - secured	12	4,348,674	1,751,686
Deferred liabilities		651,530	600,933
20101104 11451111100		5,000,204	2.352.619
CURRENT LIABILITIES		3,000,204	2,002,019
Translational and a state of the state of th	10	0.000.000	0.507045

CURRENT LIABILITIES	5,000,204	2,352,619
Trade and other payables 13	2,263,063	2,507,245
Provision against damage claims	22,872	23,193
Incomplete voyages	- 11	23,985
Current portion of long-term financing 12	1,470,671	1,202,672
Unclaimed dividend	60,203	52,869
Accrued mark-up on long-term financing	42,049	26,041
	3,858,858	3,836,005
TOTAL LIABILITIES	8,859,062	6,188,624
TOTAL EQUITY AND LIABILITES	41,403,938	37,529,564

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CONTINGENCIES AND COMMITMENTS

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

Rizwan Ahmed P.A.S Chairman & Chief Executive

Syed Jarar Haider Kazmi Chief Financial Officer

Khowaja Obaid Imran Ilyas

Director



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

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UNAUDITED)

	Quarter ended March 31, 2019	Quarter ended March 31, 2018	Nine months period ended March 31, 2019 in '000)	Nine months period ended March 31, 2018
REVENUE		(itupees	111 000/	
Income from shipping business	2,776,511	1,986,189	7,357,527	7,372,083
Rental income	43,784	49,483	120,898	149,504
	2,820,295	2,035,672	7,478,425	7,521,587
EXPENDITURE				
Fleet expenses - direct	(2,055,773)	(1,695,527)	(5,499,896)	(5,747,301)
Fleet expenses - indirect	(8,378)	(7,511)	(21,410)	(24,650)
Real estate expenses	(30,447)	(23,981)	(105,489)	(94,073)
	(2,094,598)	(1,727,019)	(5,626,795)	(5,866,024)
GROSS PROFIT	725,697	308,653	1,851,630	1,655,563
Administrative expenses	(345,680)	(245,208)	(823,079)	(750,649)
Other expenses	(61,818)	(102,789)	(327,722)	(625,580)
Other income	470,104	300,535	1,052,091	1,019,865
	62,606	(47,462)	(98,710)	(356,364)
OPERATING PROFIT	788,303	261,191	1,752,920	1,299,199
Finance costs	(71,435)	(59,837)	(187,743)	(195,066)
PROFIT BEFORE TAXATION	716,868	201,354	1,565,177	1,104,133
Taxation	(40,695)	(65,229)	(163,146)	(232,503)
PROFIT AFTER TAXATION	676,173	136,125	1,402,031	871,630
Other comprehensive income		-	-	
TOTAL COMPREHENSIVE INCOME	676,173	136,125	1,402,031	871,630
Attributable to:				
Equity holders of the Holding Company	676,122	135,963	1,401,673	871,179
Non-controlling interest	51	162	358	451
×	676,173	136,125	1,402,031	871,630
EARNINGS PER SHARE FOR PROFIT		Rup	ees	
ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY				
- basic and diluted	5.12	1.03	10.62	6.60

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

Rizwan Ahmed P.A.S Chairman & Chief Executive

Syed Jarar Haider Kazmi Chief Financial Officer Khowaja Obaid Imran Ilyas Director



PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UNAUDITED)

-----Attributable to the shareholders of the Holding Company-----Revenue reserves Surplus on Issued, Remeasurement revaluation subscribed of post Non-Capital Sub-total of property Total and paid-General retirement Unappropriated controlling Total equity plant and reserve* revenue reserves up share reserve benefits profit interest reserves equipment capital obligation net of tax net of tax --- (Rupees in '000) -----Balance as at July 01, 2017 - restated 129,307 (255,659) 27,372,033 27,245,681 1,143,350 28,520,375 1.320.634 131.344 Final cash dividend for the year ended June 30, 2017 (Rs 2 per ordinary share of Rs 10 each) (264, 127) Total comprehensive income for the nine months period ended March 31, 2018 871.179 871.179 451 Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax 6.341 Effect of allocation of revenue between presumptive tax regime and normal tax regime 18.172 18,172 Balance as at March 31, 2018 1,155,181 30,470,398 Balance as at July 01, 2018 1,320,634 131.344 129.307 (255, 121) 28,765,626 28,639,812 1,244,986 30.016.142 4,164 31,340,940 Final cash dividend for the year ended June 30, 2018 (Rs 1.5 per ordinary share of Rs 10 each) (198,095) (198,095) (198,095) (198,095) Total comprehensive income for the nine months period ended March 31, 2019 1,401,673 1,401,673 1.401.673 358 1,402,031 Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax 1,314 1,314 (1,314)

129,307 (255,121) 29,970,518 29,844,704 1,243,672 31,219,720

131,344

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

Rizwan Ahmed P.A.S Chairman & Chief Executive

Balance as at March 31, 2019

Syed Jarar Haider Kazmi Chief Financial Officer

Khowaja Obaid Imran Ilyas

Director

^{1,320,634} *This includes an amount transferred from shareholder's equity at the time of merger of former NSC and PSC.



PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UNAUDITED)

Note

Nine months period ended March 31, 2019

Nine months period ended March 31, 2018

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

Cash flows from operating activities

Cash generated from operations 15	1,613,103	1,633,157
Employees' gratuity paid	(11,233)	(6,181)
Employees' compensated absences paid	(54,194)	(60,458)
Post-retirement medical benefits paid	(20,954)	(28,400)
Long term loans to employees - net	2,183	(26,772)
Finance costs paid	(163,892)	(195,731)
Taxes paid	(219,288)	(282,816)
Net cash generated from operating activities	1,145,725	1,032,799
Cash flows from investing activities		-
Purchase of property, plant and equipment	(5,199,447)	(272,404)
Dividends received on long term investments in listed securities	2,596	2,524
Short-term investments redeemed / (made)	3,973,430	(954,030)
Interest received on short term investments	280,685	286,688
Net cash used in investing activities	(942,736)	(937,222)
Cash flows from financing activities		
Long-term financing obtained / (repaid)	2,857,145	(907,630)
Dividend paid	(190,761)	(249,671)
Net cash generated from / (used in) financing activities	2,666,384	(1,157,301)
Net increase / (decrease) in cash and cash equivalents	2,869,373	(1,061,724)
Cash and cash equivalents at the beginning of the period	2,764,179	5,161,772
Cash and cash equivalents at the end of the period 16	5,633,552	4,100,048

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

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



PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UNAUDITED)

1. 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 Companies Ordinance, 1984 (now 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, MoulviTamizuddin 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
- Islamabad Shipping (Private) Limited
- Johar Shipping (Private) Limited
- Kaghan Shipping (Private) Limited
- Karachi Shipping (Private) Limited
 Khairpur Shipping (Private) Limited
- Lahore Shipping (Private) Limited
- Lalazar Shipping (Private) Limited
- Makran Shipping (Private) Limited
- Malakand Shipping (Private) Limited
- Multan Shipping (Private) Limited
- Pakistan Co-operative Ship Stores (Private) Limited
- Quetta Shipping (Private) Limited
- Sargodha Shipping (Private) Limited
- Shalamar Shipping (Private) Limited
- Sibi Shipping (Private) Limited
- Swat Shipping (Private) Limited

Associate

- Muhammadi Engineering Works (Private) Limited

The Holding Company owns 73% (June 30, 2018: 73%) of the share capital of Pakistan Co-operative Ship Stores (Private) Limited and 100% (June 30, 2018: 100%) of the share capital of the remaining eighteen subsidiary companies. Each of wholly owned subsidiaries operate one vessel / tanker each with the exception of Swat Shipping (Private) Limited, Lalazar Shipping (Private) Limited, Johar Shipping (Private) Limited, Kaghan Shipping (Private) Limited, Kaghan Shipping (Private) Limited, Islamabad Shipping (Private) Limited, Sargodha Shipping (Private) Limited which currently do not own any vessel / tanker.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which 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 requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.



- 2.2 These consolidated condensed interim financial statements comprise of the consolidated condensed interim statement of financial position as at March 31, 2019, 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 to and forming part of the consolidated condensed interim financial statements thereto for the nine months period ended March 31, 2019. These consolidated condensed interim financial statements also includes the consolidated condensed interim statement of profit or loss account and other comprehensive income for the guarter ended March 31, 2019.
- 2.3 The comparative statement of financial position presented in these consolidated condensed interim financial statements as at June 30, 2018 has been extracted from the annual audited financial statements of the Group for the year ended June 30, 2018 whereas the comparative consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows for the nine months period ended March 31, 2018 have been extracted from the consolidated condensed interim financial statements of the Group for the nine months period then ended.
- 2.4 These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended June 30, 2018.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended June 30, 2018 except for the adoption of new standards, amendments and interpretation of International Financial Reporting Standards (IFRSs) as disclosed in note 4.

4. NEW STANDARDS, AMMENDMENTS AND INTERPRETATIONS OF IFRSs

IFRS 15 "Revenue from Contracts with Customers" (replacing IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations) and IFRS 9 "Financial Instruments" (replacing IAS 39 "Financial Instruments: Recognition and Measurement") became effective during the current period with initial application date of July 01, 2018.

However, the Securities and Exchange Commission of Pakistan vide S.R.O 229 (1) / 2019 dated February 14, 2019 has modified the efective date for applicability for IFRS 9 to 'Reporting period / year ending on or after June 30, 2019'.

4.1 IFRS 15 Revenue from Contracts with Customers

According to IFRS 15, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of contract balances, that is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment.

The Group has applied IFRS 15 with initial application date of July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). The first-time application of IFRS 15 by the Group has not had any significant effect with regard to the amount of revenue recognised and when it is recognised. Hence, no cumulative adjustment amount has been recognised to adjust the opening equity as at July 01, 2018. Accordingly, the information presented for previous years has not been restated, as previously reported, under IAS 18 and related interpretations.

The management of the Group has assessed and concluded that the Group is in compliance with the requirements of IFRS 15.



5. 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 judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the Group's consolidated annual financial statements for the year ended June 30, 2018.

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, 2018.

Note

(Unaudited) March 31, 2019

(Audited) June 30, 2018 -----(Rupees in '000)-----

PROPERTY, PLANT AND EQUIPMENT 6

Operating fixed assets Major spare parts and stand-by equipment Capital work-in-progress (CWIP)

6.1, 6.2 & 8

25,478,472 420,218 490,744 26,389,434 21,755,187 346,186 56,881 22,158,254

(Unaudited)

Nine months period ended March 31, 2019

Nine months period ended March 31, 2018

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

6 1 Additions to operating fixed assets (including transfers from CWIP) during the period:

VC33C1
Buildings on lease hold land
Vehicles
Office equipment
Furniture and fixtures
Workshop machinery and equipment
Computer equipment
Spares capitalised
Class renewal and dry docking
Equipment on board

4,296,929	-
4,533	3,569
-	7,151
2,960	3,284
934	2,015
257	372
4,356	6,629
85,118	16,466
369,262	173,282
1,235	6,315
4,765,584	219,083
949,354	1,101,611

6.2 Depreciation charge for the period

7. INTANGIBLE ASSET

V/essel

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

8. INVESTMENT PROPERTIES

During the period, building of regional office Lahore having net book value of Rs. 26.828 million was transferred from Property, plant and equipment to Investment properties.

Unaudited)

March 31

2019

Note

(Audited)

June 30, 2018

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



9.

91

TRADE DEBTS - unsecured Considered good - Due from related parties 690,926 540,823 - Due from others 200,106 22,100 562,923 891,032 Considered doubtful - Due from related parties 6,230 6,758 - Due from others 185,864 180,455 187,213 192,094 1,083,126 750,136 Less: Provision for doubtful debts 9.1 192,094 187,213 891,032 562,923 Provision for doubtful debts Balance at the beginning 187,213 213,984 Provision made during the period / year 5,409 4,689 9.2 Provision reversed during the period / year (528)(2,217)Provision written off during the period / year (29, 243)192,094 187,213 Balance at the end 9.2 This reversal has been made because of subsequent receipt of the respective amount. (Unaudited) (Audited) Note March 31, June 30. 2019 2018 -----(Rupees in '000)------10. OTHER RECEIVABLES Amount held by lawyer in respect of a guarantee proided to the court 4,953 4,953 Considered good - Due from related parties 2,336,635 2,293,793 - Due from others 255,322 269,760 2,606,395 2,549,115 Considered doubtful - Due from related parties 439,338 453,197 - Due from others 12,659 12,661 465,856 451,999 3,072,251 3,001,114 Less: Provision for doubtful receivables 10.1 465,856 451,999 34,204 34,204 Employees' gratuity scheme - funded 2,645,552 2,588,272 Provision for doubtful receivables 10.1 451,999 404,159 Balance at the beginning Provision made during the period / year 46,890 50,245 10.2 Provision reversed during the period / year (33,033)(1,173)(1,232)Provision written off during the period / year Balance at the end 465,856 451,999 10.2 This reversal has been made because of subsequent receipt and acknowledgement of the respective amount.



Note

Note

(Unaudited) March 31, 2019

(Audited) June 30, 2018

(Audited)

June 30

11. SHORT-TERM INVESTMENTS

Term deposits with banks having maturity of:

- more than six months but upto twelve months
- three to six months
- three months or less

	-	12,000
	-	3,961,430
	3,635,620	121,430
11.1	3,635,620	4,094,860

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

11.1 Mark-up on these term deposits denominated in local currency ranges from 6.60% to 11% (June 2018: 6.05% to 6.90%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 2.40% to 2.75% (June 2018: 2.40%) per annum.

	2019	2018
	(Rupee	s in '000)
12.1	3,287,958	1,145,588

(Unaudited)

12. LONG-TERM FINANCING - secured

Financing under syndicate term finance agreement	12.1	3,287,958	1,145,588
Financing under musharika agreement	12.2	2,531,387	1,808,770
		5,819,345	2,954,358
Less: Current portion		1,470,671	1,202,672
		4 348 674	1 751 686

12.1 Represents the following:

a) Financing obtained in November 2014 in the form of syndicated term finance loan of Rs 3,000 million. Till date, the Holding Company has drawn Rs 2,054.250 million.

The financing carries mark-up at the rate of 3 month KIBOR + 1.60% which has been renegotiated to 3 month KIBOR + 0.50% during the year ended June 30, 2016 and further renegotiated to 3 month KIBOR + 0.20% during the year ended June 30, 2018. The loan along with the mark-up is repayable on a quarterly basis with the last repayment date on November 6, 2022. The facility is secured by way of first mortgage charge over a vessel owned by a subsidiary company.

b) Financing obtained in December 2018, through syndicated term finance agreement of Rs 6,500 million with Faysal bank Limited (FBL) for the procurement of three oil tankers, against which holding company in the month of March 2019 has drawn an amount of Rs 2,340 million for the procurement of one tanker. The financing carries mark up at the rate of 3 month KIBOR+0.35% and is secured against first mortgage charge over procured vessel owned by a subsidiary company. The loan along with mark-up is repayable on a quarterly basis while the last repayment date is March 22, 2027.

12.2 Represents the following:

a) Financing obtained in November 2014 in the form of Musharika Facility of Rs 1,500 million. Till date, the Holding Company has drawn Rs 1,027.125 million.

The financing carries mark-up at the rate of 3 month KIBOR + 1.60% which has been renegotiated to 3 month KIBOR + 0.50% during the year ended June 30, 2016 and further renegotiated to 3 month KIBOR + 0.20% during the year ended June 30, 2018. The loan along with the mark-up is repayable on a quarterly basis with the last repayment date on November 6, 2022. The facility is secured by way of first mortgage charge over a vessel owned by a subsidiary company.

b) Musharika facility obtained from Faysal Bank limited (FBL) amounting to Rs 3,300 million bearing mark-up of 3 month KIBOR + 0.40% which has been renegotiated to 3 month KIBOR + 0.15% during the year ended June 30, 2018. The loan along with the mark-up is repayable on a quarterly basis with the first installment paid on February 23, 2016 while last repayment date is November 23, 2019. The facility is secured by first mortgage charge over a vessel owned by the subsidiary company. The Holding Company has also paid loan arrangement fee amounting to Rs 12.540 million which was included in the amortised cost of the long term financing, whereas an amount of Rs 3.300 million was expensed out at the time of agreement.



13.

Einancing obtained in December 2018, through musharika agreement of Rs 4,000 million with Faysal bank Limited (FBL) for the procurement of three oil tankers, against which holding company in the month of March 2019 has drawn an amount of Rs 1,440 million for the procurement of one tanker. The financing carries mark up at the rate of 3 month KIBOR+0.35% and is secured against first mortgage charge over procured vessel owned by a subsidiary company. The loan along with mark-up is repayable on a quarterly basis while the last repayment date is March 22, 2027.

	Note	(Unaudited) March 31, 2019	(Audited) June 30, 2018
TRADE AND OTHER PAYABLES		(Rupees	s in '000)
Creditors Agents' and owners' balances Accrued liabilities Deposits Bills payable Withholding Tax Payable Advance rent Advance from customers Other liabilities - amounts retained from contractors - others	13.1	290,728 305,003 1,415,927 62,069 4,403 - 33,047 83,800 3,952 64,134 68,086 2,263,063	183,486 394,564 1,574,295 62,705 62,305 17,583 22,420 82,997 27,827 79,063 106,890 2,507,245
		2,203,003	2,507,245

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

14. CONTINGENCIES AND COMMITMENTS

Contingencies

- 14.1 There are no major changes in the status of contingencies as disclosed in note 28 to the consolidated financial statements for the year ended June 30, 2018 except as explained below:
- 14.2 The contingent liability in respect of claims not acknowledged by the Holding Company, which as at March 31, 2019 aggregated to Rs 746.948 million (June 30, 2018: Rs 739.743 million). These claims mainly relate to deficiencies in shipping documentation, delay in delivery of cargo and damages to cargo. These include Rs 2.360 million (June 30, 2018: Rs 2.049 million) approximately in respect of insurance claims which, if accepted, will be borne by the Holding Company as the P&I Club, Oceanous Mutual Underwriting Associations (Bermuda) Limited has gone into liquidation. Out of the total claims, a sum of Rs 724.076 million (June 30, 2018: Rs 716.550 million) approximately would be recoverable from the P&I Club, Steamship Mutual Underwriting Association (Bermuda) Limited, in the event these claims are accepted by the Holding Company. As a matter of prudence, the management has made a total provision of Rs 22.872 million (June 30, 2018: Rs 23.193 million) against the aforementioned claims in these consolidated condensed interim financial statements.

(Unaudited)	(Audited)
March 31,	June 30,
2019	2018
(Runee	s in '000)

Commitments

14.3 Commitments for capital expenditure 32,571

14.4 Outstanding letters of guarantee 5,126

14.5 The Holding Company has provided an undertaking amounting to 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 it's 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.



(Unaudited)

Nine months period ended March 31, 2019

Note

Nine months period ended March 31, 2018

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

15. CASH GENERATED FROM OPERATIONS

Profit before taxation		1,565,177	1,104,133
Adjustments for non-cash charges and other items:			
Depreciation	6.2	949,354	1,101,611
Impairment loss			120,060
Provision for employees' gratuity		43,590	38,488
Provision for employees' compensated absences		73,628	78,042
Provision for post-retirement medical benefits		19,759	16,756
Dividend income		(2,596)	(2,884)
Income from saving accounts and term deposits		(284,942)	(296,812)
Finance costs		187,743	195,066
Loss on disposal of stores		12,429	-
Provision no longer required written back		(9,686)	(236)
Provision for doubtful debts and other receivables	9.1 & 10.1	52,299	3,614
Provision reversed against doubtful debts and receivables		(33,561)	(4,624)
Loss / (Gain) on revaluation of long-term investments		10,164	(1,552)
Provision made against damage claims		3,701	5,606
Provision reversed against damage claims		(4,022)	(2,882)
Working capital changes	15.1	(969,934)	(721,229)
		1,613,103	1,633,157

15.1 Working capital changes

Increase in current assets:

Stores and spares Trade debts - unsecured

Agents' and owners' balances - unsecured

Loans and advances

Trade deposits and short-term prepayments

Other receivables Incomplete voyages Insurance claims

Decrease in current liabilities:

Trade and other payables

(287,446)	39,510
(332,990)	305,532
3,956	(9,828)
31,610	43,509
(41,318)	20,507
(71,137)	(439,801)
(48,699)	76,931
10,586	(81,076)
(735,438)	(44,716)
(234,496)	(676,513)
(969,934)	(721,229)

(Unaudited)

March 31, March 31, 2019 2018 ------(Rupees in '000)------

16. CASH AND CASH EQUIVALENTS

 Short-term investments having maturity of three months or less
 11
 3,635,620
 1,700,000

 Cash and bank balances
 1,997,932
 2,400,048

 5,633,552
 4,100,048

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

17.1 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, 2018. There have been no changes in risk management policies since the year end.



17.2 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.

17.3 Fair value hierarchy

As at March 31, 2019, 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, 2018 was performed by Fairwater Property Valuers & Surveyors (Private) Limited (an independent valuer).

The Group classifies investment properties measured in the statement of financial position at fair value.

The Group classifies long-term investments in listed companies in the statement of financial position at fair value.

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:

	(Unau	dited)	
March 31, 2019			
Level 1	Level 2	Level 3	Total
	(Rupees	in '000)	

Assets carried at fair value

Long-term investments - Fair value through profit or loss

40,935	-	-	40,935
1,086,960	-	1,086,960	-
740,244	-	740,244	-
15,001	-	15,001	-
4,957	-	4,957	-
3,088,460	-	3,088,460	-
4,935,622	-	4,935,622	-



(Audited)

Level 1	Level 2	Level 3	Total
	(Rupees	in '000)	

Assets carried at fair value

Long-term investments - Fair value through profit or loss	51,099			51,099
Leasehold land	-	1,086,960	-	1,086,960
Buildings on leasehold land	-	786,260	-	786,260
Beach huts	-	16,251	-	16,251
Workshop machinery and equipment	-	5,156	-	5,156
Investment properties	-	3,061,632	-	3,061,632
		4,956,259		4,956,259

18. 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 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:

Nature of transactions	Relationship with the Group		
Freight income	State owned / controlled entities	5,205,07	4 6,099,078
Demurrage income	State owned / controlled entities	97,28	406,782
Rental income	State owned / controlled entities	3,15	2 1,869
Contribution to provident fund	Employees benefit plan	5,52	7,878
Directors' fee	Key management personnel	3,86	6 884
Remuneration and other benefits	Key management personnel 1	8.1 69,64	7 46,281
Dividend to Government of Pakistan	Government holding	172,94	0 229,157

^{18.1} Comparative figure has been restated to include the remuneration and other benefits of Company Secretary in compliance of S.R.O. 1194(1)/2018, dated October 02, 2018.



19. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

19.1 Subsequent to the reporting period, the Group has included an additional vessel in its managed fleet named as M.T. Khairpur at a purchase price of USD 30.1 million on April 16, 2019.

20. GENERAL

- 20.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 20.2 Certain comparative figures have been reclassified for better presentation. However, there are no material reclassifications to report.

21. DATE OF AUTHORISATION FOR ISSUE

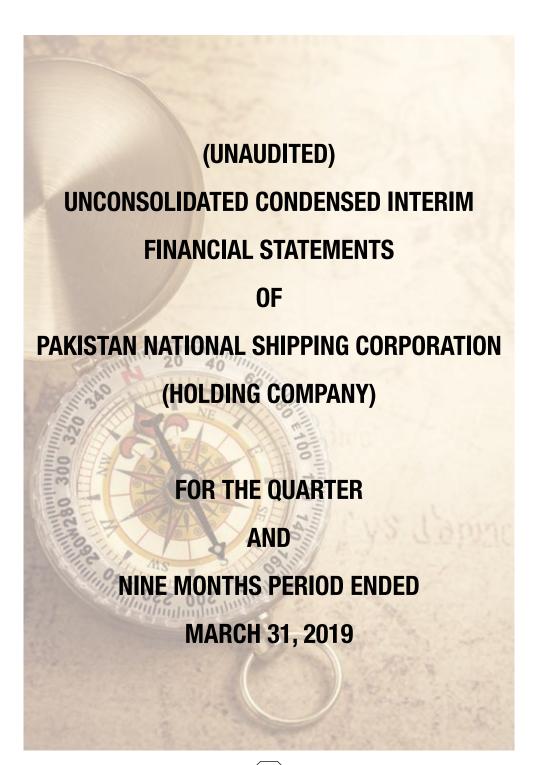
These consolidated condensed interim financial statements were authorised for issue on April 26, 2019 by the Board of Directors of the Holding Company.

Rizwan Ahmed P.A.S Chairman & Chief Executive

Syed Jarar Haider Kazmi Chief Financial Officer

Khowaja Obaid Imran Ilyas Director

22



(Audited)



PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019 (Unaudited) Note (Unaudited) March 31.

	Note	March 31, 2019	June 30, 2018
	•	(Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,948,452	2,001,907
Intangible asset	7		- 0.001.000
Investment properties Long-term investments in:	8	3,088,460	3,061,632
- Related parties (subsidiaries and an associate)	··•············	28.591.761	28,591,761
- Related parties (subsidiaries and an associate) - Listed companies and an other entity		41,035	51.199
		28,632,796	28,642,960
Long-term loans and advances			
_ong-term loans and advances - Related party (subsidiary)	9	4,296,929	-
- Others - due from employees		16,867	19,050
		4,313,796	19,050
Deferred taxation - net		93,097 38,076,601	63,813 33,789,362
		30,070,001	33,769,302
CURRENT ASSETS			
Stores and spares		13,162	12,845
Trade debts - unsecured Agents' and owners' balances - unsecured	10	376,403	344,864
Agents and owners balances - unsecured Loans and advances - secured	······································	15,085 78,680	19,041 110,290
Trade deposits and short-term prepayments		61.262	20,863
Interest accrued on bank deposits and short-term investments		31,391	26,462
Other receivables	11	1,852,242	1,782,911
Incomplete voyages		58,453	1 050 000
Taxation - net Short-term investments	12	1,379,599 3,621,620	1,350,896 4,082,860
Cash and bank balances	!∠	1,996,018	2,639,415
		9,483,915	10,390,447 44,179,809
TOTAL ASSETS		47,560,516	44,179,809
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised 200.000.000 (June 30, 2018; 200.000.000) ordinary shares			
of Rs 10 each		2,000,000	2,000,000
	··•···································	1 220 624	1 220 624
lssued, subscribed and paid-up share capital Capital reserve		1,320,634 126.843	1,320,634 126,843
Revenue reserves		9,608,180	9,640,897
Surplus on revaluation of property, plant and equipment - net of tax		1,240,847	1,242,161
		12,296,504	12,330,535
NON-CURRENT LIABILITIES			
Long-term financing - secured	13	4,348,674	1,751,686
Deferred liabilities	!	651,530	600,933
		5,000,204	2,352,619
CURRENT LIABILITIES			
Trade and other payables	. 14	28,668,013	28,177,812
Provision against damage claims		22,872	23,193
Incomplete voyages Current portion of long-term financing	13	1.470.671	14,068 1,202,672
Unclaimed dividend		60,203	52,869
Unclaimed dividend Accrued mark-up on long-term financing		42,049	26,041
		30,263,808	29,496,655
TOTAL LIABILITIES		35,264,012	31,849,274
TOTAL EQUITY AND LIABILITES		47,560,516	44,179,809
OONTINGENGIEG AND OOMMITMENTO	4-		
CONTINGENCIES AND COMMITMENTS	15		

Rizwan Ahmed P.A.S Chairman & Chief Executive Syed Jarar Haider Kazmi Chief Financial Officer

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

Khowaja Obaid Imran Ilyas Director



PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UNAUDITED)

	Quarter ended	Quarter ended	Nine months period ended	Nine months period ended
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
REVENUE		(Rupees	s in '000)	
Freight income - foreign flag vessels	686,494	638,629	1,807,995	3,099,764
Service fees	83,601	53,903	221,981	170,893
Rental income	43,540	49,265	120,166	148,839
	813,635	741,797	2,150,142	3,419,496
EXPENDITURE				
Fleet expenses - direct	(439,656)	(405,147)	(1,103,508)	(1,738,403)
Fleet expenses - indirect	(4,536)	(5,583)	(12,614)	(17,334)
Vessel management expenses	(258,286)	(176,686)	(604,115)	(503,731)
Real estate expenses	(30,447)	(23,981)	(105,489)	(94,073)
	(732,925)	(611,397)	(1,825,726)	(2,353,541)
GROSS PROFIT	80,710	130,400	324,416	1,065,955
Administrative expenses	(84,246)	(65,713)	(207,969)	(236,504)
Other expenses	(47,767)	(101,116)	(271,186)	(585,584)
Other income	145,463	247,033	628,191	840,313
	13,450	80,204	149,036	18,225
OPERATING PROFIT	94,160	210,604	473,452	1,084,180
Finance costs	(70,410)	(58,871)	(184,585)	(192,891)
PROFIT BEFORE TAXATION	23,750	151,733	288,867	891,289
Taxation	(27,914)	(53,580)	(124,803)	(200,343)
(LOSS) / PROFIT AFTER TAXATION	(4,164)	98,153	164,064	690,946
Other comprehensive income	-		_	
TOTAL COMPREHENSIVE (LOSS) / INCOME	(4,164)	98,153	164,064	690,946
		(Rup	nees)	
(LOSS) / EARNINGS PER SHARE - basic and diluted	(0.03)	0.74	1.24	5.23

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

Rizwan Ahmed P.A.S Chairman & Chief Executive

Syed Jarar Haider Kazmi Chief Financial Officer Khowaja Obaid Imran Ilyas Director

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PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UNAUDITED)

	Issued, subscribed and paid- up share capital	Capital Reserve*	Remeasurement of post retirement benefits obligation - net of tax	Unappropriated profit	Sub-total	revaluation of property, plant and equipment - net of tax	Total reserves	Total equity	
				(Rupees ir	1 '000)				
Balance as at July 01, 2017 - restated	1,320,634	126,843	(255,659)	8,839,457	8,583,798	1,140,525	9,851,166	11,171,800	
Final cash dividend for the year ended June 30, 2017									
(Rs 2 per ordinary share of Rs 10 each)	-	-	-	(264, 127)	(264,127)		(264,127)	(264,127)	
Total comprehensive income for the nine months									
period ended March 31, 2018	-	-	-	690,946		-	690,946	690,946	

Revenue Reserves

Balance as at March 31, 2019	1,320,634	126,843	(255,121)	9,863,301	9,608,180	1,240,847	10,975,870	12,296,504
thereon - net of tax	-	-		1,314	1,314	(1,314)		
account of incremental depreciation charged			<u>.</u> .			(4.044)		
equipment realised during the period on								
Surplus on revaluation of property, plant and								
period ended March 31, 2019	-	-	-	164,064	164,064	-	164,064	164,064
Total comprehensive income for the nine months								
(Rs 1.5 per ordinary share of Rs 10 each)	-	-		(198,095)	(198,095)	-	(198,095)	(198,095
Final cash dividend for the year ended June 30, 2018				<u> </u>				
Balance as at July 01, 2018	1,320,634	126,843	(255,121)	9,896,018	9,640,897	1,242,161	11,009,901	12,330,535
Balance as at March 31, 2018	1,320,634	126,843	(255,659)	9,272,617	9,016,958	1,152,356	10,296,157	11,616,79
tax regime and normal tax regime			-	- <u>-</u>		10,172	10,172	18,172
Effect of allocation of revenue between presumptive						18.172	18.172	10 170
thereon - net of tax				0,041	0,041	(0,041)		
account of incremental depreciation charged thereon - net of tax		<u></u> .		6,341	6,341	(6,341)		
equipment realised during the period on								•••••
Surplus on revaluation of property, plant and								
period ended March 31, 2018		-	-	690,946	690,946	-	690,946	690,94
Total comprehensive income for the nine months								

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

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

Rizwan Ahmed P.A.S Chairman & Chief Executive Syed Jarar Haider Kazmi Chief Financial Officer

Khowaja Obaid Imran Ilyas Director

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PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (UNAUDITED)

Note

Nine months period ended March 31, 2019 Nine months period ended March 31, 2018

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

Cash flows from operating activities

Cash generated from operations 16	683,051	1,364,069
Employees' gratuity paid	(11,233)	(6,181)
Employees' compensated absences paid	(54,194)	(60,458)
Post-retirement medical benefits paid	(20,954)	(28,400)
Long-term loans to employees - net	(20,954) 2.183	(26,772)
Finance costs paid	(160,736)	(193.554)
Taxes paid	(182,789)	(254,174)
Net cash generated from operating activities	255,328	794,530
Cash flows from investing activities		-
Purchase of property, plant and equipment	(11,910)	(34,589)
Long-term loans and advances - related party	(4,296,929)	-
Dividends received on long term investments in listed securities	2,596	2,524
Short-term investments redeemed / (made)	3,961,430	(952,030)
Interest received on short term investments	279,894	286,030
Net cash used in investing activities	(64,919)	(698,065)
Cash flows from financing activities		
Long-term financing obtained / (repaid)	2,857,145	(907,630)
Dividend paid	(190,761)	(249,671)
Net cash generated from / (used in) financing activities	2,666,384	(1,157,301)
Net increase / (decrease) in cash and cash equivalents	2,856,793	(1,060,836)
Cash and cash equivalents at the beginning of the period	2,760,845	5,158,281
Cash and cash equivalents at the end of the period 17	5,617,638	4,097,445

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

Rizwan Ahmed P.A.S Chairman & Chief Executive

Syed Jarar Haider Kazmi Chief Financial Officer Khowaja Obaid Imran Ilyas

Director



PAKISTAN NATIONAL SHIPPING CORPORATION NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019 (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.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1 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 which 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 requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2 These unconsolidated condensed interim financial statements comprise of the unconsolidated condensed interim statement of financial position as at March 31, 2019, 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 to and forming part of the unconsolidated condensed interim financial statements for the nine months period then ended. These unconsolidated condensed interim financial statements also include the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarter ended March 31, 2019 which has neither been reviewed nor audited.
- 2.3 The comparative statement of financial position presented in these unconsolidated condensed interim financial statements as at June 30, 2018 has been extracted from the annual audited financial statements of the Corporation for the year ended June 30, 2018 whereas the comparative unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows for the nine months period ended March 31, 2018 have been extracted from the unconsolidated condensed interim financial statements of the Corporation for the nine months period then ended, which were neither subjected to a limited scope review nor audited. The comparative unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarter ended March 31, 2018 included in these unconsolidated condensed interim financial statements was neither subjected to a review nor audited.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Corporation's annual unconsolidated financial statements for the year ended June 30, 2018 except for the adoption of new standards, amendments and interpretation of International Financial Reporting Standards (IFRSs) as disclosed in note 4.



NEW STANDARDS, AMMENDMENTS AND INTERPRETATIONS OF IFRSs 4.

IFRS 15 "Revenue from Contracts with Customers" (replacing IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations) and IFRS 9 "Financial Instruments" (replacing IAS 39 "Financial Instruments: Recognition and Measurement") became effective during the current period with initial application date of July 01, 2018.

However, the Securities and Exchange Commission of Pakistan vide S.R.O 229 (1) / 2019 dated February 14, 2019 has modified the effective date for application of IFRS 9 to 'Reporting period / year ending on or after June 30, 2019'.

IFRS 15 Revenue from Contracts with Customers 4.1

According to IFRS 15, revenue is recognised to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Corporation expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of contract balances, that is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment.

The Corporation has applied IFRS 15 with initial application date of July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). The first-time application of IFRS 15 by the Corporation has not had any significant effect with regard to the amount of revenue recognised and when it is recognised. Hence, no cumulative adjustment amount has been recognised to adjust the opening equity as at July 01, 2018. Accordingly, the information presented for previous years has not been restated, as previously reported, under IAS 18 and related interpretations.

The management of the Corporation has assessed and concluded that the Corporation is in compliance with the requirements of IFRS 15.

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

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

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the Corporation's annual financial statements for the year ended June 30, 2018.

The Corporation's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

Note

(Unaudited) March 31, 2019

(Audited) June 30. 2018 -----(Rupees in '000)-----

6. PROPERTY, PLANT AND EQUIPMENT

> Operating fixed assets Capital work-in-progress (CWIP) - buildings on leasehold land

6.1, 6.2 & 8

1,891,571 56,881 1,948,452

1,945,026 56,881 2,001,907



(Unaudited)

Nine months period ended March 31, 2019

Nine months period ended March 31, 2018 -----(Rupees in '000)-----

Additions to operating fixed assets (including transfers from CWIP) 6.1 during the period:

Buildings on leasehold land Vehicles Office equipment Furniture and fixtures Workshop machinery and equipment Computer equipment

4,533	3,569
-	7,151
2,960	3,284
934	2,015
257	372
3,226	6,629
11,910	23,020
38,538	44,925

6.2 Depreciation charge for the period

INTANGIBLE ASSET 7.

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

8. INVESTMENT PROPERTIES

During the period, building of regional office Lahore having net book value of Rs. 26.828 million was transferred from Property, plant and equipment to investment properties.

Note

(Unaudited) March 31, 2019

(Audited) June 30, 2018 -----(Rupees in '000)-----

LONG-TERM LOANS AND ADVANCES 9.

Related party (subsidiary)

9.1

4,296,929

9.1 This represents amount paid by the Corporation, as an advance against future issue of share capital to its wholly owned subsidiary, Bolan Shipping (Private) Limited, for purchase of vessel.

Note

(Unaudited) March 31, 2019 -----(Rupees in '000)-----

(Audited) June 30, 2018

TRADE DEBTS - unsecured 10.

Considered good

- Due from related parties

- Due from others

Considered doubtful

- Due from related parties

- Due from others

Less: Provision for doubtful debts

360,327 16,076 376,403

322,764 22,100 344,864

6,230 6,062 12,292 388,695

6,758 653 7,411 352,275 7,411

10.1

12,292 376,403 344.864



2018

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

^d Quarterly Report March 31, 2019			
	Note	(Unaudited) March 31,	(Audited) June 30,

10.1 Provision for doubtful debts

Balance at the beginning Provision made during the period / year Provision reversed during the period / year	10.2	7,411 5,409 (528)	34,182 4,689 (2,217)
Provision written off during the period / year	.0.2	-	(29,243)
Balance at the end		12,292	7,411

	Balance at the end		12,292	7,411
10.2	This reversal has been made because of subsequent receipt of the	respective	e amount.	
	OTUED DESCRIVED ES	Note	(Unaudited) March 31, 2019(Rupees	(Audited) June 30, 2018 s in '000)
11.	OTHER RECEIVABLES			
	Considered good - Due from related parties - Due from others		1,667,716 150,321 1.818.037	1,630,354 118,352 1,748,706
	Considered doubtful		1,010,037	1,740,700
	- Due from related parties - Due from others		289,853 12,659 302,512	295,512 12,659 308,171
	Less: Provision for doubtful receivables	11.1	2,120,549 302,512 1,818,037	2,056,877 308,171 1,748,706
	Employees' gratuity scheme - funded		34,205 1,852,242	34,205 1,782,911
11.1	Provision for doubtful receivables			
	Balance at the beginning Provision made during the period / year Provision reversed during the period / year Balance at the end	11.2	308,171 8,596 (14,255) 302,512	282,791 25,380 - 308,171
11.2	This reversal has been made because of subsequent receipt and ac	cknowledg	ement of the resp	ective amount.

Note Marc	udited) (Audited) (https://doi.org/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.1001/10.	
	(Rupees in '000)	-

12. SHORT-TERM INVESTMENTS

Term	deposits	with	banks	having	maturity	of:

refin deposits with banks having maturity or.		
- three to six months	-	3,961,430
- three months or less	3,621,620	121,430
12.1	3,621,620	4,082,860



12.1 Mark-up on these term deposits denominated in local currency ranges from 10.55% to 11.15% (June 30, 2018: 6.05% to 6.90%) per annum, whereas mark-up on term deposits denominated in foreign currency was 2.45% to 2.75% (June 30, 2018: 2.40%) per annum.

Note (Unaudited) (Audited)
March 31, June 30,
2019 2018
-------(Rupees in '000)-------

13. LONG-TERM FINANCING - secured

 Financing under syndicate term finance agreement
 13.1
 3,287,958
 1,145,588

 Financing under musharika agreement
 13.2
 2,531,387
 1,808,770

 5,819,345
 2,954,358

 Less: Current portion
 1,470,671
 1,202,672

 4,348,674
 1,751,686

13.1 Represents the following:

a) Financing obtained in November 2014 in the form of syndicated term finance loan of Rs 3,000 million. Till date, the Holding Company has drawn Rs 2,054.250 million.

The financing carries mark-up at the rate of 3 month KIBOR + 1.60% which has been renegotiated to 3 month KIBOR + 0.50% during the year ended June 30, 2016 and further renegotiated to 3 month KIBOR + 0.20% during the year ended June 30, 2018. The loan along with the mark-up is repayable on a quarterly basis with the last repayment date on November 6, 2022. The facility is secured by way of first mortgage charge over a vessel owned by a subsidiary company.

b) Financing obtained in December 2018, through syndicated term finance agreement of Rs 6,500 million with Faysal bank Limited (FBL) for the procurement of three oil tankers, against which holding company in the month of March 2019 has drawn an amount of Rs 2,340 million for the procurement of one tanker. The financing carries mark up at the rate of 3 month KIBOR+0.35% and is secured against first mortgage charge over procured vessel owned by a subsidiary company. The loan along with mark-up is repayable on a quarterly basis while the last repayment date is March 22, 2027.

13.2 Represents the following:

 Financing obtained in November 2014 in the form of Musharika Facility of Rs 1,500 million. Till date, the Holding Company has drawn Rs 1,027.125 million.

The financing carries mark-up at the rate of 3 month KIBOR + 1.60% which has been renegotiated to 3 month KIBOR + 0.50% during the year ended June 30, 2016 and further renegotiated to 3 month KIBOR + 0.20% during the year ended June 30, 2018. The loan along with the mark-up is repayable on a quarterly basis with the last repayment date on November 6, 2022. The facility is secured by way of first mortgage charge over a vessel owned by a subsidiary company.

- b) Musharika facility obtained from Faysal Bank limited (FBL) amounting to Rs 3,300 million bearing mark-up of 3 month KIBOR + 0.40% which has been renegotiated to 3 month KIBOR + 0.15% during the year ended June 30, 2018. The loan along with the mark-up is repayable on a quarterly basis with the first installment paid on February 23, 2016 while last repayment date is November 23, 2019. The facility is secured by first mortgage charge over a vessel owned by the subsidiary company. The Holding Company has also paid loan arrangement fee amounting to Rs 12.540 million which was included in the amortised cost of the long term financing, whereas an amount of Rs 3.300 million was expensed out at the time of agreement.
- c) Financing obtained in December 2018, through musharika agreement of Rs 4,000 million with Faysal bank Limited (FBL) for the procurement of three oil tankers, against which holding company in the month of March 2019 has drawn an amount of Rs 1,440 million for the procurement of one tanker. The financing carries mark up at the rate of 3 month KIBOR+0.35% and is secured against first mortgage charge over procured vessel owned by a subsidiary company. The loan along with mark-up is repayable on a quarterly basis while the last repayment date is March 22, 2027.



Note

(Unaudited) March 31, 2019

June 30, 2018 -----(Rupees in '000)-----

TRADE AND OTHER PAYABLES 14

Creditors Current account balances with subsidiary companies Agents' and owners' balances Accrued liabilities Deposits 14.1 Advance rent Advance from customers Amounts retained from contractors Others	82,280 27,338,730 305,003 695,002 62,069 33,047 83,800 3,952 64,130	103,685 26,296,280 394,564 1,108,271 62,705 22,420 82,997 27,827 79,063
	28,668,013	28,177,812

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

CONTINGENCIES AND COMMITMENTS 15

Contingencies

- There are no major changes in the status of contingencies as disclosed in note 26 to the unconsolidated financial statements for the year ended June 30, 2018 except as explained below:
- 15.2 The contingent liability in respect of claims not acknowledged by the Corporation, which as at March 31, 2019 aggregated to Rs 746.948 million (June 30, 2018: Rs 739.743 million). These claims mainly relate to deficiencies in shipping documentation, delay in delivery of cargo and damages to cargo. These include Rs 2.360 million (June 30, 2018: Rs 2.049 million) approximately in respect of insurance claims, which if accepted, will be borne by the Corporation as the P&I Club, Oceanous Mutual Underwriting Association (Bermuda) Limited has gone into liquidation. Out of the total claims, a sum of Rs 724.076 million (June 30, 2018: Rs 716.550 million) approximately would be recoverable from the P&I Club, Steamship Mutual Underwriting Association (Bermuda) Limited, in the event these claims are accepted by the Corporation. As a matter of prudence, the management has made a total provision of Rs 22.872 million (June 30, 2018: Rs 23.193 million) against the aforementioned claims in these unconsolidated condensed interim financial statements.

(Unaudited) (Audited) March 31 June 30, 2018 ----(Rupees in '000)------

Commitments

15.3	Commitments for capital expenditure	32,571	32,571
15.4	Outstanding letters of guarantee	5,126	5,126

15.5 The Corporation has provided an undertaking amounting to USD 11.6 million to one of the vendor / supplier of another state owned entity. This undertaking was provided due to arrest of two of its managed vessels operated by its subsidiaries which were released subsequently. However, the Government of Pakistan has provided a counter guarantee to the Corporation in relation to the aforesaid undertaking.



(Unaudited)
Nine months Nine

Note

16 1

Nine months period ended March 31, 2019 Nine months period ended March 31, 2018

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

16. CASH GENERATED FROM OPERATIONS

Adjustments for non-cash charges and other items:
Depreciation
Impairment loss
Provision for employees' gratuity
Provision for employees' compensated absences
Provision for post-retirement medical benefits
Dividend income
Income from saving accounts and term deposits
Finance costs
Provision for doubtful debts and other receivables
Provision reversed against doubtful debts and other receivables

Loss / (Gain) on revaluation of long-term investments in listed securities Provision made against damage claims Provision reversal against damage claims

Working capital changes

16.1 Working capital changes

Profit before taxation

Increase in current assets:

Stores and spares Trade debts - unsecured

Agents' and owners' balances - unsecured

Loans and advances

Trade deposits and short-term prepayments Other receivables

Incomplete voyages

Increase in current liabilities:

Trade and other payables

288,867	891,289	
38,538	44,925	
-	87,713	
43,179	37,981	
72,827	16,495	
19,504	76,791	
(2,596)	(2,884)	
(284,823)	(296,300)	
184,585	192,891	
14,005	3,614	
(14,783)	(2,217)	
10,164	(1,552)	
3,701	5,606	
(4,022)	(2,882)	
313,905	312,599	
683,051	1,364,069	

(317)	(1,713)
(36,420)	240,799
3,956	(9,828)
31,610	43,509
(40,399)	23,120
(63,672)	(333,615)
(72,521)	30,492
(177,763)	(7,236)
491,668	319,835
313,905	312,599

March 31, 2019 2018

17. CASH AND CASH EQUIVALENTS

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

3,621,620	1,700,000
1,996,018	2,397,445
5 617638	1 097//5

18. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

18.1 Financial risk factors

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

These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Corporation's annual financial statements as at June 30, 2018. There have been no changes in risk management policies since the year end.

18.2 Fair value estimation

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



18.3 Fair value hierarchy

As at March 31, 2019, 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, 2018 was performed by Fairwater Property Valuers & Surveyors (Private) Limited (an independent valuer).

The Corporation classifies investment properties measured in the statement of financial position at fair value.

The Corporation classifies long-term investments in listed companies in the statement of financial position at fair value

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)
March 31, 2019

	Watch 31, 2019			
_	Level 1	Level 2	Level 3	Total
		(Rupee	s in '000)	
Assets carried at fair value				
Long-term investments - Fair value through profit or loss	40,935	-	-	40,935
Leasehold land Buildings on leasehold land Beach huts Workshop machinery and equipment Investment properties	-	1,086,960 736,827 15,001 4,957 3,088,460 4,932,205	-	1,086,960 736,827 15,001 4,957 3,088,460 4,932,205
=		4,932,209		4,932,203
		(Aud June 30		
	Level 1	Level 2 (Rupees	Level 3 in '000)	Total
Assets carried at fair value				
Long-term investments - Fair value through profit or loss	51,099			51,099
Leasehold land	_	1,086,960	_	1,086,960
Buildings on leasehold land	_	782.843	_	782.843
Beach huts	-	16,251	-	16,251
Workshop machinery and equipment	-	5,156	-	5,156
Investment properties		3,061,632		3,061,632
_	-	4,952,842	-	4,952,842



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 recovered, recovery of demurrage, rental income, services fee charged on account of rendering of technical, commercial, administrative and financial services, expenses charged to subsidiary companies on actual cost basis etc. Service fee charges on account of rendering of technical, commercial, administrative and financial services is charged to subsidiary companies and related parties on the basis of mutually agreed terms. Balances with related parties have been disclosed in the relevant notes to these unconsolidated condensed interim financial statements. Further, transactions entered into with the key management personnel as per their terms of employment are also included in related party transactions.

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

(Unaudited)			
Nine months	Nine months		
period ended	period ended		
March 31,	March 31,		
2019	2018		

d ended rch 31, 018 -----(Rupees in '000)-----

Nature of transactions	Relationship with the Corporation		
Freight income - foreign flag vessels	State owned / controlled entities	1,807,903	3,098,372
Service fee	Subsidiaries	187,716	170,893
Rental income	State owned / controlled entities	3,152	1,869
Rental expense	Subsidiary	713	687
Demurrage income	State owned / controlled entities	56,262	295,725
Transfer of stores	Subsidiaries	19,327	17,861
Retirement benefit costs charged	Subsidiaries	1,466	2,018
Contribution to provident fund	Employees benefit plan	5,528	7,878
Dividend to Government of Pakistan	Government holding	172,940	229,157
Advance against future issue of shares Bolan Shipping (Private) Limited	Subsidiary	4,296,929	-
Remuneration and other benefits	Key management personnel	69,647	46,281*
Directors' Fees	Key management personnel	3,866	884

^{19.1} In addition, the Corporation is engaged in making certain payments / collections on behalf of the subsidiary companies in accordance with the 'Technical and Commercial Services' and 'Administrative and Financial Services Agreement' which are settled through a current account of the subsidiary.

^{*} The amount has been restated to include the remuneration and other benefits of Company Secretary in compliance of S.R.O. 1194(1)/2018, dated October 02, 2018.



20. GENERAL

- 20.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 20.2 Certain comparative figures have been reclassified for better presentation. However, there are no material reclassifications to report.

21. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 26, 2019 by the Board of Directors of the Corporation.

Rizwan Ahmed P.A.S Chairman & Chief Executive

Syed Jarar Haider Kazmi Chief Financial Officer Khowaja Obaid Imran Ilyas Director



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