

Pakistan National Shipping Corporation



PATH TO SUSTAINABLE GROWTH

UN-AUDITED REPORT
FOR THE QUARTER AND
NINE MONTHS PERIOD ENDED
MARCH 31, 2022

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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.	
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

Mr. Khowaja Obaid Imran Ilyas	Chairmai
2. Mr. Imdad Ullah Bosal	Member
Additional Finance Secretary	

(Expenditure), Finance Division Islamabad.

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

HP Nomination and CSP Cor

HR, Nomination and CSR Committee								
1. Mr. Muhammad Ali	Chairman							
2. Mr. Rizwan Ahmed	Member							
3. Syed Syedain Raza Zaidi	Member							
4. Mr. Khowaja Obaid Imran Ilyas	Member							
5. Mr. Atique Sultan Raja	Secretary							
Strategy and Risk Management C	ommittee							

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

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

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

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

Shares Registrar

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

Bankers

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

Favsal Bank Limited Habib Bank Limited

Habib Metropolitan Bank

JS Bank Limited MCB Bank Limited National Bank of Pakistan

National Bank of Pakistan, Hong Kong

National Bank of Pakistan, Tokyo

Sindh Bank Limited UniCredit Bank, Italy United Bank Limited United Bank Limited, London

PAKISTAN NATIONAL SHIPPING CORPORATION DIRECTORS' REPORT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

The Board of Directors of Pakistan National Shipping Corporation (PNSC) are pleased to present the consolidated and unconsolidated condensed interim financial statements of PNSC and Group for the nine months period ended March 31, 2022.

PERFORMANCE REVIEW

Despite the prevailing unfavorable macroeconomic environmental condition of the country, the PNSC Group has managed to achieve (98%) increase in profit after tax to Rs.2,446 million as against Rs.1,235 million in the corresponding period last year.

Group earnings per share increased to Rs.18.52 as against Rs.9.35 in the corresponding period last year.

Cumulatively, the Group achieved a turnover of Rs.16,223 million (including Rs.6,295 million from PNSC) as compared to Rs.9,633 million (including Rs.1,978 million from PNSC) for the corresponding period last year.

Overall revenue from all segments have increased as compared to last years by Rs.6,590 million. The major increase was seen in the Dry Cargo segment (including slot charter) was increased by Rs.3,036 million. The revenue from Liquid Cargo segment was increased by Rs.3,543 million mainly due to increase of Rs.2,980 million from Foreign flagged vessels.

Due to the controlled strategies implemented by management other expenses at the group level have been decreased by Rs.188 million (52%).

During the current nine months period the finance cost on long term financing is decreased by Rs.46 million (11%), due to the reduction in long-term financing by Rs.1,285 million.

FUTURE PROSPECTS

Dry Bulk Sector

The overall fundamentals for the dry bulk sector seem fairly balanced in 2022 and could improve in 2023. While easing congestion could eventually lead to some 'normalization' in earnings, overall the bulk sector now appears to be in a more positive phase. However, the Russia-Ukraine conflict could lead to some negative impacts on global dry bulk trade volumes, though shifts in trade patterns in some commodities towards longer-haul routes may help to moderate the impact on rates. The expected easing of congestion could eventually lead to some normalization in earnings in the medium term, overall the bulker sector now appears to be in a positive phase.

Tanker Sector

The Russia-Ukraine conflict is having significant impacts on the oil and tanker markets. The international response has seen some buyers of Russian oil (especially in the West) reduce (or cease) imports, leading to initial shifts in trade patterns that at this stage seem to have the potential to support oil tonne-mile trade this year above previous expectations. This is despite downgrades to volume growth (Russia accounts for 10% of seaborne oil exports). Overall, the near-term outlook for the tanker market, with the exception of Russia bound cargos, remains mixed due to OPEC oil cuts as well as oil demand still being significantly below pre-COVID levels. However, expected demand gains due to lifting of COVID restrictions, combined with limited fleet growth and impacts from new environmental regulations (reduction in operating speeds and increase in number of vessels undergoing retrofits for environmental regulations) are expected to support clear tanker earnings improvements later this year and into 2023.

The clean tanker market is going through a struggling phase since the commencement of year 2022. Eleven of the world's largest listed tanker companies reported collective losses, after spot rates averaged the lowest in nearly three decades. Spot rates for most of the tanker fleet have been at or below operating expenses for most of the past 15 months. Longer-term product tanker demand further supported by increasing worldwide refinery throughput and capacity additions, led by Middle East and Asia, leading to tonne-mile expansion, and growth in petroleum products exports from the U.S. & Middle-East.

ACKNOWLEDGMENT

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 25th April, 2022 Khowaja Obaid Imran Ilyas

3rd Quarterly Report - March 31, 2022

تينكركاشعبه

روس اور یو کرین کا تنازعہ آئل اور ٹینکر مارکیٹ پر نمایاں اثرات ڈال رہاہے۔ بین الا قوامی ردعمل میں روسی تیل کے چند خرید ارول (خاص طور پر مغرب میں) کی جانب سے درآ مدات میں کمی (یابندش) دیکھی گئے ہے، جس کے نتیج میں تجارتی وضع میں ابتدائی تبدیلیاں آئیں جو اس مرحلے پر اس سال تیل کی فی ٹن میل تجارت میں گزشتہ تو قعات کی نسبت زیادہ معاونت فراہم کرنے کی صلاحیت رکھتی ہیں۔ یہ حجم میں اضافے کی کمی کے باوجو دہ (روس کی تیل کی سمندری تجارت 10 ہے)۔ مجموعی طور پر، روسی کار گوکے علاوہ ٹینکر مارکیٹ کا قلیل مدن تناظر OPEC کی جانب سے تیل میں کمی، نیز تیل کی طلب کے COVID سے پہلے کی سطح سے کافی کم رہنے کی وجہ سے ملاجلا ہے۔ تاہم، COVID کی پابندیاں ہٹنے، نیز فلیٹ میں محدود اضافے اور نئے ماحولیاتی ضوابط (کام کرنے کی رفتار میں کمی اور ماحولیاتی ضوابط پر عاصل ہونے والی آمدن میں واضع بہتری متوقع ہے۔

2022 کی ابتداء سے ہی صاف ٹینکر کی مارکیٹ ایک مشکل مرحلے سے گزر رہی ہے۔ قریباً تین دہائیوں میں سپاٹ کی شرحوں کی اوسط سب سے کم ہونے کے باعث دنیا کی سب سے بڑی کسٹرڈٹینکر کمپنیوں میں سے گیارہ نے جمحوی نقصانات کاعند مید دیا ہے۔ زیادہ تر ٹینکر فلیٹ کے لیے سپاٹ ریٹس گزشتہ 15 ماہ میں زیادہ تر آپر ٹینگ اخراجات کے مسادی بیااس سے کم رہے ہیں۔ ریفائنزی کی عالمی پیداوار اور گنجائش کی شمولیت میں اضافے کے ساتھ مصنوعہ جاتی ٹینکر کی طویل مدتی طلب، جس میں مشرق وسطی اور ایشیاء سرکر دہ رہے، نیز امریکہ اور مشرق وسطی سے حاصل ہونے والی تیل کی مصنوعات کی بر آمدات سے سے فی ٹن ممیل اضافہ حاصل ہوا ہے۔

اظهارتشكر

تمام اسٹیک ہولڈرز کے مسلسل تعاون اور اعتاد کے لیے بورڈان کامشکور ہے۔

25ايريل،2022ء

پاکستان میشنل شپنگ کار بوریشن دائر میشر زر بورث برائے نومابی اختیام از 31 مارچ، 2022

پاکستان نیشنل شپنگ کار پوریشن (پی این ایس سی) کے بورڈ آف ڈائر یکٹر زپی این ایس سی اور گروپ کے منظم اور متفرق عبوری مالیاتی گوشوارے برائے نوماہ ،اختتام از 31مارچ، 2022 بخوشی پیش کررہے ہیں۔

كاركرد كى كاجائزه

موجو دہ ناخوشگوار میکر واکنا مک ماحولیاتی صور تحال کے باوجو د، پی این ایس سی گروپ گزشتہ سال اسی دورانیے میں 1,235 ملین روپے کے مقابلے میں رواں سال (×98)اضافے کے ساتھ 2,446 ملین روپے بعد از قبیکس منافع حاصل کرنے میں کامیاب رہاہے۔

گروپ کی فی حصص آمدن میں گزشتہ سال اسی دورانیے میں 9.35 روپے فی حصص کے مقابلے میں 18.52 روپے فی حصص تک اضافہ ہوا۔

مجموعی طور پر، گروپ نے گزشتہ سال کے اسی دورانیے میں 9,633 ملین روپے (بشمول پی این ایس سی کے 1,978 ملین روپے) کے مقابلے میں 16,223 ملین روپے (بشمول پی این ایس سی کے 6,295 ملین روپے) کا کاروبار حاصل کیا۔

تمام شعبوں کی مجموعی آمدن گزشتہ سال کے مقابلے میں 6,590 ملین روپے بڑھی ہے۔ نمایاں اضافہ خشک کار گوکے شعبے (بشمول سلاٹ چارٹر) میں دیکھا گیا جس میں 3,036 ملین روپے اضافہ حاصل ہوا۔ مائع کار گوشعبے کی آمدن غیر ملکی پر چم بر دار جہازوں سے حاصل ہونے والی اضافی 2,980 ملین روپے آمدن کے باعث 3,543 ملین روپے سے بڑھی۔

مینجمپینٹ کی کنٹر ول شدہ حکمت عملیوں کے نفاذ کے باعث، گروپ کی سطح کے دیگر اخراجات میں 188 ملین روپے (ج52) کمی ہوئی۔

موجو دہ نوماہ میں طویل مدتی سرمایہ کاری میں 1,285 ملین روپے کی کمی کی وجہ سے اسکی لاگت میں 46 ملین (11) کی کمی واقع ہوئی ہے۔

مستقبل کے امکانات

خشك بلك شعبه

خشک بلک سیکٹر کی اجہاعی مبادیات 2022 میں کافی متوازن ہیں اور 2023 میں بہتر ہو سکتی ہیں۔ جب کہ بھیڑ کو کم کرنا بالآخر آمدن کو پچھ حد تک معمول پرلانے کا باعث بن سکتا ہے، مجموعی طور پر بلک شعبہ اب زیادہ مثبت حالت میں دکھائی دیتا ہے۔ تاہم، روس اور یو کرین کا تنازعہ عالمی خشک بلک تجارتی حجم پر پچھ منفی اثرات کا باعث بن سکتا ہے، اگرچہ چند اجناس کی تجارتی وضع میں طویل راستوں کی طرف تبدیلی سے شرح پر اثرات کو کم کرنے میں مدد مل سکتی ہے۔ بھیڑ میں کی حتی طور پر در میانی مدت میں آمدن کو پچھ حد تک معمول پر لانے کا باعث بن سکتی ہے، مجموعی طور پر بلک شعبہ اب مثبت حالت میں دکھائی ویتا ہے۔

PNSC Managed Fleet

TANKERS

BULK CARRIERS



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



Gross Tonnage (MT): 17,018

Vessel: M.V SIBI

Length Overall (M): 169.37



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

Length Overall (M): 220.89



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

Length Overall (M): 188.50



Gross Tonnage (MT): 55,894

Length Overall (M): 228.60



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

Length Overall (M): 225.00



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

Length Overall (M): 246.80



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



Gross Tonnage (MT): 58,157

Length Overall (M): 246.80



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

Length Overall (M): 189.80

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

Length Overall (M): 246.80

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

(Unaudited) **Consolidated** Condensed Interim **Financial** Statements of Pakistan National o Shipping Corporation (Group) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2022

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

		(Unaudited)	(Audited)
	Note	March 31,	June 30,
	11010	2022	2021
		(Rupees	
ASSETS		(· · p >==	•
NON-CURRENT ASSETS			
Property, plant and equipment	5	27,292,294	27,772,552
Right-of-use asset		99,482	105,653
Intangible assets		39,436	39,436
Investment properties		3,706,923	3,687,374
Long-term investments in:			
- Related party (associate)		-	-
- Listed companies and an other entity		37,461	49,359
Long-term loans and advances		24,497	8,144
Deferred taxation - net	_	57,852	98,145
CURRENT ASSETS		31,257,945	31,760,663
Stores and spares		1,545,130	1,647,781
Trade debts - unsecured Agents' and owners' balances - unsecured	6	4,247,241 5,108	3,019,161 7,617
Agents and owners balances - unsecured Loans and advances		174.959	94.537
Trade deposits and short-term prepayments		34,050	19.213
Interest accrued on bank deposits and short-term investments		122,869	102,298
Other receivables	7	770,554	414,388
Incomplete voyages		235,023	173,265
Insurance claims		96,198	91,049
Taxation - net Short-term investments	8	1,585,223 6,609,957	1,603,883 6,606,184
Cash and bank balances	۰	1,893,242	1,050,945
Odan and bank balances	L	17,319,554	14.830.321
TOTAL ASSETS	-	48,577,499	46,590,984
	-	40,011,400	40,000,004
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	Ī	1,320,634	1,320,634
issued, subscribed and paid-up share capital		1,320,034	1,020,004
Reserves			
Capital reserve		131,344	131,344
Revenue reserves		36,315,023	34,262,953
Remeasurement of post retirement benefits obligation - net of tax Surplus on revaluation of property, plant and equipment - net of tax		(228,098) 1,615,372	(228,098 1,626,936
Surplus of Tevaluation of property, plant and equipment - net of tax	L	39,154,275	37,113,769
NON-CONTROLLING INTEREST			6,468
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	-	7,514 39,161,789	37,120,237
NON-CURRENT LIABILITIES		00,101,100	01,120,201
	9 [3,784,385	4.684.138
Long-term financing - secured Employee benefits	9	696,056	4,684,136 679,619
Lease liability		113,200	114,805
,	Į.	4,593,641	5,478,562
CURRENT LIABILITIES			
Trade and other payables	10	3,482,760	2,360,225
Contract liabilities		244,877	182,564
Provision against damage claims		38,118	19,012
Current portion of long-term financing - secured	9	949,793	1,334,965
		5,392	1,803
Current portion lease liabilities			
Current portion lease liabilities Unclaimed dividend		87,242	
Current portion lease liabilities Unclaimed dividend		87,242 13,887	16,118
Current portion lease liabilities Unclaimed dividend Accrued mark-up on long-term financing		87,242 13,887 4,822,069	16,118 3,992,185
Current portion lease liabilities Unclaimed dividend Accrued mark-up on long-term financing TOTAL LIABILITIES		87,242 13,887 4,822,069 9,415,710	77,498 16,118 3,992,185 9,470,747
Current portion lease liabilities Unclaimed dividend Accrued mark-up on long-term financing	11	87,242 13,887 4,822,069	16,118 3,992,185

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 NINE MONTHS PERIOD ENDED MARCH 31, 2022 (UNAUDITED)

	Note	Quarter ended March 31, 2022	Quarter ended March 31, 2021	Nine Months period ended March 31, 2022	Nine Months period ended March 31, 2021
			(Rupees in	n '000)	
REVENUE					
Income from shipping business Rental income		6,058,228 58,746	2,602,422 54,947	16,044,482 178,206	9,465,718 167,013
Rental income		6.116.974	2.657.369	16.222.688	9.632.731
EXPENDITURE		-,,	_,,	10,,	-,,
Fleet expenses - direct		(4,572,238)	(2,218,702)	(12,227,180)	(7,291,570)
Fleet expenses - indirect		(475)	(7,192)	(13,496)	(13,451)
Real estate expenses		(30,122)	(24,180)	(84,495)	(83,136)
		(4,602,835)	(2,250,074)	(12,325,171)	(7,388,157)
GROSS PROFIT		1,514,139	407,295	3,897,517	2,244,574
Administrative expenses		(261,413)	(243,027)	(809,966)	(721,711)
Impairment loss	6.3	(103,741)	(3,916)	(370,897)	(24,205)
Other expenses		(46,895)	(126,698)	(175,087)	(362,890)
Other income		254,332	173,123	634,262	654,062
		(157,717)	(200,518)	(721,688)	(454,744)
OPERATING PROFIT		1,356,422	206,777	3,175,829	1,789,830
Finance costs	12	(137,613)	(129,343)	(380,760)	(427,115)
PROFIT BEFORE TAXATION		1,218,809	77,434	2,795,069	1,362,715
Taxation	13	(195,461)	(46,601)	(349,069)	(127,343)
PROFIT AFTER TAXATION		1,023,348	30,833	2,446,000	1,235,372
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		-	-	(8,258)	961
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,023,348	30,833	2,437,742	1,236,333
Attributable to:					
Equity holders of the Holding Company		1,022,722	30,689	2,436,696	1,235,610
Non-controlling interest		626	144	1,046	723
		1,023,348	30,833	2,437,742	1,236,333
			(Rupe	es)	
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY -					
basic and diluted		7.75	0.23	18.52	9.35
The appeared nates 4 to 40 form an integral part of these consolidated a		lintarina financial ata			

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 NINE MONTHS PERIOD ENDED MARCH 31, 2022 (UNAUDITED)

	Attributable to the shareholders of the Holding Company										
			R	evenue reserv	es	Remeas- Surplus on					
	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	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)	
Comprehensive income for the half year ended December 31, 2020											
Profit after taxation	-	-	-	1,235,610	1,235,610	-	-	1,235,610	723	1,236,333	
Other comprehensive income	_	-	_	_	_	-	-	_	_	_	
Total comprehensive income for the nine months period ended March 31, 2021	-	-	-	1,235,610	1,235,610	-	-	1,235,610	723	1,236,333	
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereonnet of tax	-			1,060	1,060		(1,060)				
Balance as at March 31, 2021	1,320,634	131,344	129,307	33,104,087	33,233,394	(291,117)	1,232,958	34,306,579	5,944	35,633,157	
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	-	-	-	2,444,954	2,444,954	-	-	2,444,954	-	2,444,954	
Other comprehensive loss	-	_	-	_	-	_	(8,258)	(8,258)	-	(8,258)	
Total comprehensive income for the nine months period ended March 31, 2022	-	-	-	2,444,954	2,444,954	-	(8,258)	2,436,696	1,046	2,437,742	
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereonnet of tax				3,306	3,306		(3,306)				
Balance as at March 31, 2022	1,320,634	131.344	129,307	36,185,716	36,315,023	(228.098)	1,615,372	39,154,275	7,514	39.161.789	
Datation and at majori VI; EVEE	1000007			- 21.001.10	- 210 . 010 20	(===0(000)	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-3(101)	- 1,017		

^{*} 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 NINE MONTHS PERIOD ENDED MARCH 31, 2022 (UNAUDITED)

Nine Months

period ended

March 31,

2022

Note

Nine Months

period ended

March 31.

2021

		(Rupees	in '000)
Cash flows from operating activities			
Cash generated from operations Employees' gratuity paid Employees' compensated absences paid Post-retirement medical benefits paid Long term loans Finance costs paid Taxes paid Net cash generated from operating activities	14	3,801,799 (25,267) (70,838) (16,836) (96,775) (374,834) (298,374) 2,918,875	3,381,501 (9,472) (52,180) (13,052) (5,960) (413,801) (203,603) 2,683,433
Cash flows from investing activities			
Purchase of property, plant and equipment Initial deposit for the acquisition of intangible asset Additions to investment properties Proceeds from disposal of property, plant and equipment Short-term investments redeemed / (made) Dividend received on long-term investment in listed companies Interest received on short-term investments Net cash generated from / (used in) investing activities		(744,627) - (19,549) - 5,248,130 7,540 357,379 4,848,873	(611,504) (7,710) (1,000) 42,840 (4,230,565) - 252,644 (4,555,295)
Cash flows from financing activities			
Long-term financing repaid Lease rentals paid Dividends paid Net cash used in financing activities		(1,284,925) (2,177) (386,446) (1,673,548)	(1,001,224) (504) (287,987) (1,289,715)
Net increase / (decrease) in cash and cash equivalents		6,094,200	(3,161,577)
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	15	7,845,145	1,350,444

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 NINE MONTHS PERIOD ENDED MARCH 31, 2022 (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 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) LimitedMakran Shipping (Private) Limited
- Makran Snipping (Private) Limited
- Malakand Shipping (Private) LimitedMultan 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.

- 1.2 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 nine months period ended March 31, 2022 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 consolidated condensed interim statement of financial position as at March 31, 2022 and consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity, consolidated condensed interim statement of cash flows and notes thereto for the nine months period ended March 31, 2022.
- 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 nine months period March 31, 2021 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 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 nine months period ended March 31, 2022

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.

Note

(Audited)

June 30.

(Unaudited)

March 31.

			2022	2021
			(Rupees	s in '000)
5.	PROPERTY, PLANT AND EQUIPMENT		` .	•
	- Operating fixed assets	5.1 & 5.2	26,512,564	26,970,426
	 Major spare parts and stand-by equipment 		668,747	736,178
	- Capital work-in-progress - buildings on leasehold land		110,983	65,948
			27,292,294	27,772,552
			(Unau	dited)
			Nine Months	Nine Months
			period ended	period ended
			March 31,	March 31,
			2022	2021
			2022	
5.1	Additions to operating fixed assets (including transfers from 0 during the period:	:WIP)	2022	2021
5.1		:WIP)	2022	2021
5.1	during the period:	:WIP)	2022 (Rupees	2021 in '000)
i.1	during the period: Buildings on lease hold land	EWIP)	2022 (Rupees	2021 in '000)
5.1	during the period: Buildings on lease hold land Office equipments	:WIP)	2022 (Rupees 17,673 609	2021 in '000)
5.1	during the period: Buildings on lease hold land Office equipments Furniture and fixtures	:WIP)	2022 (Rupees 17,673 609 870	2021 in '000)
5.1	during the period: Buildings on lease hold land Office equipments Furniture and fixtures Computer equipment	:WIP)	2022 (Rupees 17,673 609 870 5,225	2021 in '000)
5.1	during the period: Buildings on lease hold land Office equipments Furniture and fixtures Computer equipment Spares capitalised	:WIP)	2022 (Rupees 17,673 609 870 5,225 113,400	2021 in '000)
5.1	during the period: Buildings on lease hold land Office equipments Furniture and fixtures Computer equipment Spares capitalised Class renewal and dry docking	:WIP)	2022 (Rupees 17,673 609 870 5,225 113,400 571,427	2021 in '000)
5.1	during the period: Buildings on lease hold land Office equipments Furniture and fixtures Computer equipment Spares capitalised Class renewal and dry docking	:WIP)	2022 (Rupees 17,673 609 870 5,225 113,400 571,427 39,353	2021 in '000)

5.

(Unaudited) March 31, 2022 (Audited) June 30, 2021

-(Rupees in '000)--

6. TRADE DEBTS - unsecured

	good

- Due from related parties - Due from others	6.1 6.2	3,036,289 1,210,952	2,535,532 483,629
Considered doubtful		4,247,241	3,019,161
- Due from related parties - Due from others	6.1 6.2	1,503,357 206,353 1,709,710 5,956,951	1,119,930 218,883 1,338,813 4,357,974
Less: Allowance for expected credit loss (ECL)	6.3	1,709,710 4,247,241	1,338,813 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 March 31, 2022	(Audited) As at June 30, 2021
			(Rupees in '0	00)	
Pakistan State Oil Company Limited	-	-	2,436,165	2,436,165	2,436,165
Pak Arab Refinery Limited	430,773	163,178	369,329	963,280	816,095
Pakistan Refinery Limited	90,343	16,287	57,051	163,681	122,403
Sui Northern Gas Pipelines Limited	9,324	380	-	9,704	1,812
District Controller of Stores	3,346	-	2,749	6,095	2,748
Heavy Industries Taxila Cantt.	323	1,406	15,270	16,999	-
Embarkation Commandant	439,982	156,423	4,370	600,775	-
Officer Commading (PAF)	71,003	32,179	24,644	127,826	-
Trading Corporation of Pakistan	38,658	-	-	38,658	-
Others	39,466	98,036	38,961	176,463	276,239
	1,123,218	467,889	2,948,539	4,539,646	3,655,462

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

		(Unaudited) March 31,	(Audited) June 30,
		2022	2021
		(Rupees	s in '000)
	Upto 1 month	171,324	74,046
	1 to 6 months	716,781	229,453
	More than 6 months	322,847	180,130
		1,210,952	483,629
.3	Allowance for ECL		
	Opening balance	1,338,813	1,623,511
	Increase during the period / year	370,897	65,208
	Reversed during the period / year	-	(349,906)
	Closing balance	1,709,710	1,338,813

		2022	2021
		(Rupees in	ı '000)
OTHER RECEIVABLES			
Considered good			
- Due from related parties		161,050	118,279
- Due from others		609,504	296,109
	7.1	770,554	414,388
Considered doubtful		,	,
- Due from related parties		_	_
- Due from others		88,100	88,100
240 110111 0411010		88,100	88,100
		858,654	502,488
Less: Allowance for ECL		88,100	88,100
EGSS. Allowarioc for EGE		770,554	414,388
This represents balances that are past due but not impaired.		110,004	111,000
SHORT-TERM INVESTMENTS			
Amortized Cost			
Term deposits with banks having maturity of:			
- more than three but upto six months		555,965	5,855,640
- three months or less		5,951,903	700,000
	8.1	6,507,868	6,555,640
Fair value through profit or loss		.,,	-,,-
Mutual funds		102,089	50,544
TETOLOGICAL FORFIGE		6,609,957	6,606,184
		2,000,001	.,,

(Unaudited)

March 31,

2022

(Unaudited)

(Audited)

Note

(Audited)

June 30,

2021

8.1 Mark-up on term deposits denominated in local currency ranges from 9.47% to 11.60% (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.

		(Giladaitea)	(, (aa, (oa)
	Note	March 31,	June 30,
		2022	2021
		(Rupee:	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	2,930,682	2,341,252
		2,930,682	3,753,549
Financing under musharika agreement			
- MCB Bank Limited	9.3	_	706,148
- Faysal Bank Limited	9.4	1,803,496	1,559,406
·		1,803,496	2,265,554
		4,734,178	6,019,103
Less: Current portion of long-term financing		949,793	1,334,965
		3,784,385	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.

7.

7.1 8.

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)

March 31, June 30,

2022 2021

-----(Rupees in '000)

262,520 1.588.764

251,998

254.553

2,616,528 458.921

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

47,213	44,000
22,457	53,823
71,235	53,008
8,054	9,241
3,799	96,263
11,853	105,504
3,482,760	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. 530.977 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. 492.858 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.38.118 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 nine months period ended March 31, 2022, 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 nine months period ended March 31, 2022, 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 unfavorable 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 nine months period ended March 31, 2022, the ACIR vide order dated September 17, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2019. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs 477.364 million was raised, the Holding Company 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 nine months period ended March 31, 2022, the ACIR vide order dated September 30, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2020. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs 271.121 million was raised, the Holding Company 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.
- 11.1.6 During the nine months period ended March 31, 2022, the ACIR vide order dated January 12, 2022 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2021. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs 352.121 million was raised, the Holding Company has filed an appeal with the Commissioner Inland Revenue (Appeals) The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2021 will eventually be decided in favour of the Holding Company.

		March 31,	June 30,
		2022	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 2,110.88 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 75.882 million (USD 0.417 million) and Rs 34.938 million (USD 0.192 million) respectively.

		(Unaudited)	
		Nine Months	Nine Months
		period ended	period ended
		March 31,	March 31,
		2022	2021
		(Rupees	in '000)
2.	FINANCE COSTS		
	Mark-up on long term financing	370,365	417,810
	Mark-up on lease liability	4,162	4,235
	Bank charges	6,233	5,070
		380,760	427,115

12

		(Unau	ıdited)
		Nine Months	Nine Months
		period ended	period ended
	Note		March 31,
		2022	2021
		(Rupees	in '000)
13.	TAXATION		
	Current	341,255	140,640
	Prior	(24,221)	-
	Deferred	32,035 349,069	(13,297)
14.	CASH GENERATED FROM OPERATIONS		
14.	Profit before taxation	2 705 060	1 262 715
		2,795,069	1,362,715
	Adjustments for non-cash charges and other items: Depreciation on:		
	Property, plant and equipments	1,224,885	1,636,159
	Right-of-use assets	6,171	6,187
	Finance costs on:		
	Long-term financing	372,602	416,232
	Lease liabilities	4,162	4,235
	Provision on disposal of property, plant and equipment	-	(42,840)
	Provision for employees' gratuity	65,799	56,772
	Provision for employees' compensated absences	51,524	57,398
	Provision for post-retirement medical benefits	12,055	17,502
	Income from saving accounts and term deposits Loss on disposal of stores	(377,950)	(293,793) 29,968
	Impairment loss	370,897	24,205
	Provision no longer required written back	(8,426)	(127,196)
	Provision against damage claims	19,106	-
	Loss / (gain) on revaluation of long-term investments in listed securities	11,898	(13,956)
	Dividend income	(7,540)	
	Working capital changes 14.1	(738,453) 3,801,799	247,913 3,381,501
		3,001,799	3,361,301
14.1	Working capital changes		
	(Increase) / decrease in current assets:	400.004	(00.000)
	Stores and spares	102,651	(62,692)
	Trade debts - unsecured Agents' and owners' balances - unsecured	(1,598,977) 2,509	489,856 6,013
	Loans and advances	2,309	(1,227)
	Trade deposits and short-term prepayments	(14,837)	(6,720)
	Other receivables	(356,166)	62,009
	Incomplete voyages	(61,758)	(23,895)
	Insurance claims	(5,149)	55,530
	(Decrees) (in second in second link little)	(1,931,727)	518,874
	(Decrease) / increase in current liabilities:	4 400 004	(245 427)
	Trade and other payables Contract liabilities	1,130,961	(345,437)
	Provision against damages claims	62,313	30,118 44,358
	Tronsion against damages stalling	(738,453)	247,913
		(Unai	ıdited)
		March 31,	March 31,
		2022	2021
45	CACH AND CACH EQUIVALENTS	(Rupees	in '000)
15.	CASH AND CASH EQUIVALENTS		
	Short-term investments having maturity of three months or less	5,951,903	18,000
	Cook and bank balances	4 902 242	1 222 111

Cash and bank balances

1,893,242 7,845,145

1,332,444 1,350,444

16. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

16.1 Financial risk factors

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

These consolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Group's annual financial statements 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 March 31, 2022, 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 Group'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)					
March 31, 2022					
Level 1 Level	2 Leve	el 3	Total		
(Rupees in '000)					

Assets carried at fair value

Investments - Fair value through profit or loss

Leasehold land Buildings on leasehold land Beach huts Workshop machinery and equipment Investment properties

139,450	-	-	139,450
	1,399,780	-	1,399,780
-	767,982	-	767,982
	18,260	-	18,260
	10,490	-	10,490
	3,706,923	-	3,706,923
-	5,903,435	-	5,903,435

(Audited) June 30, 2021

Level 3

Total

Level 2

Assets carried at fair value		(Rupees 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

Level 1

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:

		(Unau	idited)
		Nine Months	Nine Months
	Relationship with	period ended	period ended
	the Group	March 31,	March 31,
Name and particulars		2022	2021
		(Rupees	s in '000)
Transactions with State owned / controlled en	tities		
Freight income		7,444,161	4,431,860
Income from other operating activities		170,565	41,377
Rental income		10,643	9,454
Rental expense		2,475	9,080
Transactions with other related parties			
Contribution to provident fund	Employees benefit plan	3,704	4,808
Directors' fee	Key management personnel	2,688	3,873
Key management personnel compensation	Key management personnel	51,530	49,726
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 April 25, 2022 by the Board of Directors of the Holding Company.

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

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

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2022

PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	Note	(Unaudited) March 31, 2022	(Audited) June 30, 2021 s in '000)
ASSETS		(Rupees	3 111 000)
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,260,320	2,294,029
Right-of-use assets		99,482	105,653
Intangible assets		39,436	39,436
Investment properties Long-term investments in:		3,706,923	3,687,374
- Subsidiaries and associate - Related parties		37,140,378	37,140,378
- Listed companies and an other entity		37,461	49,359
		37,177,839	37,189,737
Long-term loans and advances		24,497	8,144
Deferred taxation - net		57,852	98,145
CURRENT ASSETS		43,366,349	43,422,518
Stores and spares Trade debts - unsecured	6	10,380 2,386,991	10,380 1,536,615
Agents' and owners' balances - unsecured	O	2,386,991 5,108	7,617
Loans and advances		174,959	98,535
Trade deposits and short-term prepayments		31,260	17,079
Interest accrued on bank deposits and short-term investments	7	121,510	102,117
Other receivables Incomplete voyages	/	230,082 96,026	297,183 11,861
Taxation - net		1,569,166	1,594,402
Short-term investments	8	6,609,957	6,606,184
Cash and bank balances		1,868,464	1,027,181
TOTAL ASSETS		13,103,903 56,470,252	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		.,,	1,020,000
Capital reserve		126,843	126,843
Revenue reserve		8,531,666	8,840,694
Remeasurement of post retirement benefits obligation - net of tax		(228,096)	(228,096)
Surplus on revaluation of property, plant and equipment - net of tax		1,612,547 11,363,594	1,624,111 11,684,186
		,,	,,
NON-CURRENT LIABILITIES		[]	
Long-term financing - secured	9	3,784,385	4,684,138
Lease liabilities Employee benefits		113,200 696,056	114,805 679,619
		4,593,641	5,478,562
CURRENT LIABILITIES		ļ	
Trade and other payables Contract liabilities	10	39,323,385 95,200	36,020,870 98,660
Provision against damage claims		38,118	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		87,242	77,496
Accrued mark-up on long-term financing		13,887 40,513,017	16,118 37,568,924
TOTAL LIABILITIES		45,106,658	43,047,486
TOTAL EQUITY AND LIABILITES		56,470,252	54,731,672
CONTINGENCIES AND COMMITMENTS	11		
COCE.VOICO AND COMMITMENTO	- 11		

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

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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 NINE MONTHS PERIOD ENDED MARCH 31, 2022 (UNAUDITED)

	Note	Quarter ended March 31, 2022	Quarter ended March 31, 2021	Nine Months period ended March 31, 2022	Nine Months period ended March 31, 2021
			(Rupees	in '000)	
DEVENUE			` .		
REVENUE Freight income - foreign flag vessels Service fees - net Rental income Other operating activities		2,157,120 144,245 57,685 10,328	476,791 84,098 54,652 1,052	5,107,096 371,420 175,376 641,197	1,496,977 303,544 166,128 11,757
Other operating activities		2,369,378	616,593	6,295,089	1,978,406
EXPENDITURE Fleet expenses - direct Fleet expenses - indirect		(1,811,391)	(326,521) (1,997)	(4,810,874) (5,297)	(917,235) (6,236)
Vessel management expenses		(138,910)	(192,622)	(467,421)	(567,127)
Real estate expenses		(30,122)	(24,180)	(84,495)	(83,136)
		(1,980,630)	(545,320)	(5,368,087)	(1,573,734)
GROSS PROFIT		388,748	71,273	927,002	404,672
Administrative expenses Impairment loss on financial assets	6.3	(116,345) (84,126)	(46,775) (3,916)	(326,537) (290,853)	(137,125) (24,205)
Other expenses		(45,612)	(106,620)	(171,095)	(329,012)
Other income		263,410	160,333	611,134	534,239
OPERATING PROFIT		17,327 406,075	3,022 74,295	(177,351) 749,651	43,897 448,569
OPERATING PROFIT		400,075	74,295	749,001	440,309
Finance costs	12	(136,021)	(128,350)	(376,764)	(422,045)
PROFIT / (LOSS) BEFORE TAXATION		270,054	(54,055)	372,887	26,524
Taxation	13	(175,448)	(28,396)	(289,031)	(72,728)
PROFIT / (LOSS) AFTER TAXATION		94,606	(82,451)	83,856	(46,204)
OTHER COMPREHENSIVE INCOME		-	-	-	-
Items that will not be transferred subsequently to prof.	fit or loss				
Deferred tax related to change of rate on surplus of re	evaluation	-		(8,258)	961
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR	THE		(00.75)		(45.0.5)
PERIOD		94,606	(82,451)	75,598	(45,243)
			(Rup	ees)	
EARNINGS / (LOSS) PER SHARE - basic and dilute	ed	0.72	(0.62)	0.63	(0.35)
			(1.10-)		(

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 NINE MONTHS PERIOD ENDED MARCH 31, 2022 (UNAUDITED)

	Issued, subscribed and paid-up share capital	Capital reserve*	Revenue reserve	ent of post retirement benefits obligation - net of tax	revaluation of property, plant and equipment - net of tax	Total equity
			(Rupees	in '000)		
Balance as at July 01, 2020	1,320,634	126,843	8,440,569	(291,117)	1,231,193	10,828,122
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)
Loss after taxation		-	(46,204)	-		(46,204)
Other comprehensive income	_	-	- (10,201)	-	961	961
Total comprehensive income for the nine months period ended March 31, 2021	-	-	(46,204)	-	961	(45,243)
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 March 31, 2021	1,320,634	126,843	8,098,282	(291,117)	1,231,094	10,485,736
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)
Profit after taxation	-	-	83,856	-	-	83,856
Other comprehensive loss	-	-	-	-	(8,258)	(8,258)
Total comprehensive income for the nine months period ended March 31, 2022	-	-	83,856	-	(8,258)	75,598
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 March 31, 2022	1,320,634	126,843	8,531,666	(228,096)	1,612,547	11,363,594

^{*} 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

Khowaja Obaid Imran Ilyas Director

Remeasurem Surplus on

PAKISTAN NATIONAL SHIPPING CORPORATION UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022 (UNAUDITED)

N	ote	March 31, 2022	March 31, 2021
	-	(Rupees	in '000)
Cash flows from operating activities			
Employees' gratuity paid Employees' compensated absences paid Post-retirement medical benefits paid Long term loans and advances Finance costs paid Taxes paid	14	2,995,175 (25,267) (70,838) (16,836) (92,777) (374,833) (231,760)	2,730,497 (9,472) (52,180) (13,052) (5,960) (419,490) (157,184)
Net cash generated from operating activities Cash flows from investing activities		2,182,864	2,073,159
Purchase of property, plant and equipment Initial deposit for the acquisition of intangible asset Additions to investment properties Proceeds from disposal of property, plant and equipment Short-term investments redeemed / (made) Dividend received on long-term investments in listed companies Interest received on short term investments Net cash generated from / (used in) investing activities		(9,629) - (19,549) - 5,248,130 7,540 357,378 5,583,870	(9,401) (7,710) (1,000) 42,840 (4,245,565) - 249,968 (3,970,868)
Cash flows from financing activities			
Long-term financing repaid Lease rentals paid Dividend paid Net cash used in financing activities		(1,284,925) (2,177) (386,444) (1,673,546)	(993,539) (504) (287,987) (1,282,030)
Net increase / (decrease) in cash and cash equivalents		6,093,188	(3,179,739)
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	7,820,369	1,328,641

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

Nine Months

period ended

Nine Months

period ended

PAKISTAN NATIONAL SHIPPING CORPORATION NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022 (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 unconsolidated condensed interim statement of financial position as at March 31, 2022 and 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 thereto for the nine months period ended March 31, 2022.
- 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 for the nine months period ended March 31, 2021 have been extracted from the unconsolidated condensed interim financial statements of the Corporation for the nine months period 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

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 nine months period ended March 31, 2022

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.

5.	PROPERTY, PLANT AND EQUIPMENT	Note	(Unaudited) March 31, 2022(Rupees	(Audited) June 30, 2021 in '000)
	Operating fixed assets Capital work-in-progress - Buildings on leasehold land	5.1 & 5.2	2,206,250 54,070 2,260,320	2,228,082 65,947 2,294,029
5.1	Additions to operating fixed assets during the period:		(Unau Nine Months period ended March 31, 2022	Nine Months period ended March 31, 2021 in '000)
	Buildings on leasehold land Office equipment Furniture and fixtures Computer equipment		17,673 609 870 4,210 23,362	4,677 1,117 1,041 2,566 9,401
5.2	Depreciation charge for the period		43,340	40,347

	(Unaudited)	(Audited)
Note	March 31,	June 30,
	2022	2021
	(Rupees	in '000)

(Unaudited)

(Audited)

6. TRADE DEBTS - unsecured

Considered g	ood
--------------	-----

- Due from related parties - Due from others	6.1 6.2	2,140,719 246,272 2,386,991	1,515,061 21,554 1,536,615
Considered doubtful		_,000,001	,,,,,,,,,,
- Due from related parties - Due from others	6.1 6.2	867,502 149,340	674,907 51,082
		1,016,842 3,403,833	725,989 2,262,604
Less: Allowance for expected credit loss (ECL)	6.3	1,016,842 2,386,991	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 March 31, 2022	(Audited) As at June 30, 2021
			(Rupees in '0	00)	
Pakistan State Oil Company Limited Pak Arab Refinery Limited Pakistan Refinery Limited Sui Northern Gas Pipelines Limited District Controller of Stores Embarkation Commandant Naval Stores Stores Liasion Officers Officer Commanding (PAF) Pakistan Ordinance Factory	85,982 - 9,324 3,346 439,982 6,732 9,568 71,003 18,694	3,447 6,494 380 - 156,423 47,590 33,955 32,179 46,113	1,849,833 59,065 795 - 2,749 4,370 26,547 5,951 24,644	1,849,833 148,494 7,289 9,704 6,095 600,775 80,869 49,474 127,826 64,807	1,849,833 58,539 795 1,812 2,749 - - - -
Trading Corporation of Pakistan	38,658			38,658	-
Others	1,711 685,000	7,414 333,995	15,272 1,989,226	24,397 3,008,221	276,240 2,189,968

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

		(Olladdited)	(Addited)
		March 31,	June 30,
		2022	2021
		(Rupees	in '000)
	Upto 1 month	3,665	15,627
	1 to 6 months	176,803	5,927
	More than 6 months	65,804	-
		246,272	21,554
6.3	Allowance for ECL		
	Opening balance	725,989	1,005,769
	Increase during the period / year	290,853	11,269
	Reversed during the period / year	-	(291,049)
	Closing balance	1,016,842	725,989

		Note	(Unaudited) March 31, 2022	(Audited) June 30, 2021
			(Rupees	in '000)
7.	OTHER RECEIVABLES			
	Considered good			
	- Due from related parties	7.1	161,050	118,279
	- Due from others		69,032	178,904
			230,082	297,183
	Considered doubtful			
	- Due from related parties		-	-
	- Due from others		34,145	34,145
			34,145	34,145
			264,227	331,328
	Less: Allowance for ECL		34,145	34,145
			230,082	297,183

7.1 These include amounts of Rs. 83.858 million (June 2021: Rs.33.765 million) due from the Government of Pakistan, Rs. 62.129 million (June 2021: Rs.77.417 million) from Port Qasim Authority and Rs. 5.173 million (June 2021: 7.096 million) from Karachi Port Trust.

		(Unaudited)	(Audited)
	Note	March 31,	June 30,
		2022	2021
		(Rupees	in '000)
SHORT-TERM INVESTMENTS			
Amortised cost			
Term deposits with banks having maturity of:			
- more than three but upto six months		555,965	5,855,640
- three months or less		5,951,903	700,000
	8.1	6,507,868	6,555,640
Fair value through profit or loss			
Mutual funds		102,089	50,544
		6,609,957	6,606,184

8.1 Mark-up on term deposits denominated in local currency ranges from 9.47% to 11.60% (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%) perannum.

(Unaudited)

(Audited)

		(Olladaltoa)	(riadicou)
	Note	March 31,	June 30,
		2022	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	2,930,682	2,341,252
		2,930,682	3,753,549
Financing under musharika agreement			
- MCB Bank Limited	9.3	-	706,148
- Faysal Bank Limited	9.4	1,803,496	1,559,406
		1,803,496	2,265,554
		4,734,178	6,019,103
Less: Current portion of long-term financing		949,793	1,334,965
		3,784,385	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 Corporation has drawn Rs 2,340 million and Rs 2,363.734 million to finance its subsidiary companies namely Bolan Shipping (Private) Limited and Khairpur Shipping (Private) Limited respectively for purchase of vessels. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiary companies.
- 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.

	March 31,	June 30,
	2022	2021
	(Rupees	in '000)
TRADE AND OTHER PAYABLES		
Creditors	42,663	73,061
Current account balances with subsidiary companies	37,271,200	34,833,703
Agents' and owners' balances	458,043	251,996
Accrued liabilities	1,402,606	658,988
Deposits	47,213	44,608
Advance rent	71,235	53,010
Other liabilities:		
- amounts retained from contractors	8,054	9,241
- others	22,371	96,263
	30,425	105,504
	39,323,385	36,020,870

11. CONTINGENCIES AND COMMITMENTS

Contingencies

10.

- 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. 530.977 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. 492.858 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.38.118 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 nine period ended March 31, 2022, 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.

(Unaudited)

(Audited)

- 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 nine period ended March 31, 2022, 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 nine months period ended March 31, 2022, the ACIR vide order dated September 17, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2019. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 477.364 million was raised. The Corporation 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 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 2019 will eventually be decided in favour of the Corporation.
- 11.1.5 During the nine months period ended March 31, 2022, the ACIR vide order dated September 30, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2020. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 271.121 million was raised, the Corporation 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. The Management has filed an appeal in ATIR on points which are unfavorable to the 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 2020 will eventually be decided in favour of the Corporation.
- 11.1.6 During the nine months period ended March 31, 2022, tthe ACIR vide order dated January 12, 2022 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2021. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs 352.121 million was raised, the Corporation has filed an appeal with the Commissioner Inland Revenue (Appeals) The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2021 will eventually be decided in favour of the Corporation.

		(- 11 - 11 - 11 - 11 - 11	(
		March 31,	June 30,
		2022	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

(Unaudited)

(Audited)

- 11.4 The Corporation has provided an undertaking amounting to Rs. 2,110.88 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. 75.882 million (USD 0.417 million) and Rs 34.938 million (USD 0.192 million) respectively.

		Note	Nine Months period ended March 31, 2022	Nine Months period ended March 31, 2021
12.	FINANCE COSTS		(Rupees	in '000)
	Mark-up on long-term financing		370,365	416,232
	Mark-up on lease liability Bank charges		4,162 2,237	4,235 1,578
	Daily Ordigot		376,764	422,045
13.	TAXATION			
	Current Prior		281,217	86,025
	Deferred		(24,221) 32,035	(13,297)
			289,031	72,728
			(Unau	
			March, 31 2022	March, 31 2021
14.	CASH GENERATED FROM OPERATIONS		(Rupees	in '000)
	Profit before taxation		372,887	26,524
	Adjustments for non-cash charges and other items: Depreciation on:			
	Property, plant and equipment		43,340	40,347
	Right-of-use assets Finance costs:		6,171	6,187
	Long-term financing Lease liabilities		372,602	414,237
	Gain on disposal of fixed assets		4,162	4,235 (42,840)
	Provision for employees' gratuity		65,799	56,028
	Provision for employees' compensated absences Provision for post-retirement medical benefits		51,524 12,055	57,398 17,502
	Income from saving accounts and term deposits		(376,771)	(292,464)
	Impairment loss on financial assets		290,853	24,205
	Provision no longer required written back Provision against damage claims		(4,388)	(74,442)
	Loss / (gain) on revaluation of long-term investments in listed securities		19,106 11,898	(13,957)
	Dividend Income		(7,540)	-
	Working capital changes	14.1	2,133,477 2,995,175	2,507,537 2,730,497
14.1	Working capital changes		2,353,173	2,730,437
	(Increase) / decrease in current assets:			
	Stores and Spares Trade debts - unsecured		- (1,141,229)	66 (9,359)
	Agents' and owners' balances - unsecured		2,509	6,013
	Loans and advances			(1,227)
	Trade deposits and short-term prepayments Other receivables		(14,181) 67,101	(3,599) (90,234)
	Incomplete voyages		(84,165)	(12,105)
	Increase / (decrease) in current liabilities:		(1,169,966)	(110,445)
	Trade and other payables Contract liabilities		3,306,903 (3,460)	2,573,624 44,358
	Contract habilities		3,303,443	2,617,982
			2,133,477	2,507,537
15.	CASH AND CASH EQUIVALENTS			
	Short-term investments having maturity of three months or less		5,951,903	-
	Cash and bank balances		1,868,464 7,820,367	1,328,641 1,328,641
			1,020,001	1,020,071

(Unaudited)

16. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

16.1 Financial risk factors

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

These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Corporation's annual unconsolidated financial statements 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 March 31, 2022, 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) March 31, 2022			
	Level 1	Level 2	Level 3	Total	
		(Rupe	es in '000)		
Assets carried at fair value					
Investments - Fair value through profit or loss	139,450	-	-	139,450	
Leasehold land	-	1,399,780	-	1,399,780	
Buildings on leasehold land	-	767,982	-	767,982	
Beach huts	-	18,260	-	18,260	
Workshop machinery and equipment	-	10,490	-	10,490	
Investment properties	-	3,706,923	-	3,706,923	
	-	5,903,435	-	5,903,435	

	Level 1	Level 2	Level 3	Total
		(Rupee	es in '000)	
Assets carried at fair value				
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.

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

		(Unaudited)		
	Relationship with the	Nine Months	Nine Months	
	Corporation	period ended	period ended	
		March 31,	March 31,	
		2022	2021	
		(Rupees	in '000)	
Name and particulars				
Transactions with State owned / controlled entities				
Freight income - foreign flag vessels		4,585,002	1,331,710	
Income from operating activities		62,093	11,757	
Rental income		10,643	9,454	
Rental expense		2,475	9,080	
Transactions with subsidiary companies				
Service fee charged to subsidiary companies		371,420	303,544	
Rental expense of Pakistan Co-operative Ship Stores				
(Private) Limited		-	635	
Retirement benefit costs charged to subsidiary companies		404	744	
Transactions with other related parties				
Contribution to provident fund	Employees benefit plan	3,704	4,808	
Directors' fee and traveling allowance	Key management personnel	2,688	3.873	
Remuneration and other benefits	Key management personnel	51,530	49,726	
Dividend paid to Government of Pakistan	Government holding	349,556	261.095	
Dividend paid to Government of Pakistan	Government notding	349,550	201,095	

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

These unconsolidated condensed interim financial statements were authorised for issue on April 25, 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

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