Pakistan National Shipping Corporation

Exploring New Horizons

ANNUAL REPORT 2023

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Chairman's Review

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

I am pleased to report on overall performance of the Board of Directors of Pakistan National Shipping Corporation (the Corporation) and effectiveness of the role played by the Board in achieving the Corporation's objectives.

We are proud to announce a landmark year for PNSC, we have achieved unprecedented growth with the support of the Government of Pakistan and other Stakeholders which leads to record all-time high, net profit after tax of Rs.29,994 million as compared to the last year's net profit after tax of Rs. 5,650 million and earnings per share of Rs.227.11 as Financial results are explained in detail in the enclosed Directors' Report and Financial Statements for the year ended June 30, 2023.

Overview of the Board and its Committees

The Board of Directors is reconstituted under the provisions of Section 14 of the PNSC Ordinance, 1979. During the year four new Board members namely Rear Admiral Jawad Ahmed HI (M), Mr. Muhammad Anwar, Mr. Asad Rafi Chandna and Ms. Alia Shahid were appointed. Subsequently through notification Mr. Qumar Sarwar Abbasi and Mr.

Hassan Mehmood Yousufzai were appointed as member on the Board in place of Mr. Muhammad Anwar and Mr. Asad Rafi Chandna respectively. Election of directors were held during the year and Mr. Ahsan Ali Malik and Capt. Sarfaraz Inayatullah Qureshi were elected by the shareholders, as members of the PNSC Board of Directors for the tenure of next three years.

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

All members of the Board have been appropriately certified under the Directors' Training Program from SECP approved institutions well ahead of the stipulated timeframe except for three, who are scheduled to acquire the certification within the current year as allowed by the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Board meets frequently enough to adequately discharge its responsibilities. The Board remained updated with respect to achievement of Corporation's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.

To evaluate the performance of the Board, in house annual evaluation of the Board of Directors has been carried out. The objective of the evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objective set for the Corporation.

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

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

Vote of thanks

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

Rear Admiral Jawad Ahmed HI(M)
Chairman and Chief Executive

چیئرمین کا جائزہ

کمپنیز ایکٹ، 2017 کے سیکشن 192 کے تحت بورڈ کی مجموعی کارکردگی کے حوالے سے مجھے پاکستان نیشنل شپنگ کارپوریشن (کارپوریشن) کے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کارپوریشن کے مقاصد کے حصول میں بورڈ کے ادا کیے جانے والے مفید کردار کے متعلق بتاتے ہوئے نہایت خوشی محسوس ہورہی ہے۔

ہمیں پی این ایس سی کے لیے ایک تاریخی سال کا اعلان کرنے پر فخر ہے۔ ہم نے حکومت پاکستان اور دیگر اسٹیک ہولڈرز کے تعاون سے بے مثال ترقی حاصل کی ہے جو گزشتہ سال کے 5,650 ملین روپے کے مقابلے میں 29,994 ملین روپے بعد از ٹیکس ریکارڈ منافع اور 227.11 روپے آمدن فی حصص کا باعث بنا ہے، جس کے حوالے سے مالیاتی نتائج کی منسلک ڈائریکٹرز رپورٹ اور سال اختتام از 30 جون، 2023 کے مالیاتی گوشواروں کے ذریعے تفصیل سے وضاحت کی گئی ہے۔

بورڈ اور اس کی کمیٹیوں کا جائزہ

بورڈ آف ڈائریکٹرز کی تشکیل نو پی این ایس سی آرڈیننس، 1979 کے سیکشن 14 کے تحت کی گئی ہے۔ رواں سال میں بورڈ کے چار نئے ممبران ریئر ایڈمرل جواد احمد ہلال امتیاز (ملٹری)، جناب محمد انور، جناب اسد رفیع چاندنا اور محترمہ عالیہ شاہد کو مقرر کیا گیا۔ بعد ازاں نوٹیفکیشن کے ذریعے جناب قمر سرور عباسی اور جناب حسن محمود یوسفزئی کو بالترتیب جناب محمد انور اور جناب اسد رفیع چاندنا کی جگہ بورڈ کا ممبر مقرر کیا گیا۔

رواں سال ڈائریکٹرز کے انتخابات ہوئے اور حصص مالکان نے جناب احسن علی ملک اور جناب سرفراز عنایت اللہ کو آئندہ تین سال کی مدت کے لیے پی این ایس سی بورڈ آف ڈائریکٹرز کے ممبر کے طور پر منتخب کیا۔

کاروباری افعال کے مجموعی کنٹرول اور نظم کے حوالے سے بورڈ کی ذمہ داریاں ادا کرنے کے لیے، بورڈ نے آڈٹ اور فنانس کمیٹی، ہیومن ریسورسز، نامزدگی اور سی ایس آر کمیٹی، سٹریٹیجی اور رسک مینجمنٹ کمیٹی اور ویسل پروکیورمنٹ کمیٹی کے نام سے کمیٹیاں تشکیل دی ہیں۔

بورڈ کے تمام ممبران کو ایس ای سی پی کے منظور شدہ اداروں سے ڈائریکٹرز کے تربیتی پروگرام کے تحت مقررہ وقت میں سرٹیفائی کیا جا چکا ہے، ماسوائے تین ممبران کے، جو لسٹڈ کمپنیز (ضابطہ کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق رواں سال سرٹیفکیشن حاصل کرنے والے ہیں۔

بورڈ اپنی ذمہ داریاں مناسب طور پر ادا کرنے کے لیے اکثر و بیشتر ملاقات کرتا ہے۔

بورڈ اپنی کارپوریشن کے مقاصد، اہداف، حکمتِ عملیوں اور مالیاتی کارکردگی کے حوالے سے بخوبی اپڈیٹ ہے جس کے لیئے بورڈ نے انتظامیہ، اندرونی اور بیرونی آڈیٹرز اور دیگر خودمختار کنسلٹنٹس کی جانب سے باقاعدگی سے پریزنٹیشنز حاصل کی ہیں۔ بورڈ نے بروقت اور مناسب ہدایات و نگرانی فراہم کی ہے۔

بورڈ کی کارکردگی کا جائزہ لینے کے لیے، بورڈ آف ڈائریکٹرز کا اندرونی سالانہ جائزہ انجام دیا گیا۔ جائزے کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور استعداد کی پیمائش کی جائے اور کارپوریشن کے طے کردہ مقاصد کے مطابق توقعات سے موازنہ کیا جائے۔

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

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

اظہار تشکر

میں تمام اسٹیک ہولڈر کا کارپوریشن پر مسلسل بھروسے اور اعتماد، اور سب سے بڑھ کر ہمارے سرگرم ملازمین کا ان کی کوششوں اور لاگت کے مؤثر کنٹرولز پر توجہ مرکوز کرنے پر مشکور ہوں۔ کارپوریشن کے ساحل پر اور سمندر میں موجود ملازمین کے عزم نے کارپوریشن کو اپنے سٹریٹجک اہداف حاصل کرنے کے قابل بنایا۔ میں اپنے تمام ساتھی ڈائریکٹرز کا بھی شکریہ ادا کرنا چاہوں گا جنہوں نے اپنی ذمہ داریاں پوری تندہی سے نبھائیں اور مستقبل میں بھی ان کے تعاون کا منتظر ہوں۔

ریئر ایڈمرل جواد احمد ہلال امتیاز (ملٹری)

چیئرمین اور چیف ایگزیکٹو

Board of Directors

Rear Admiral Jawad Ahmed HI(M)
Chairman

Mr. Qumar Sarwar Abbasi

Mr. Hassan Mehmood Yousufzai

Ms. Alia Shahid

Mr. Muhammad Ali

Capt. Sarfaraz Inayatullah Qureshi

Mr. Ahsan Ali Malik

Corporate Information

Board of Directors

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

Audit & Finance Committee

1. Mr. Muhammad Ali	Chairman
2. Mr. Qumar Sarwar Abbasi	Member
3. Mr. Hassan Mehmood Yousufzai	Member
4. Ms. Alia Shahid	Member
5. Mr. Ahsan Ali Malik	Member
6. Head of Internal Audit	Secretary

HR, Nomination and CSR Committee

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

Strategy and Risk Management Committee

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

Vessels Procurement Committee

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

Chief Financial Officer

Mr. S. Jarar Haider Kazmi

Company Secretary

Mr. Muhammad Javid Ansari

Head Office

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

Auditors

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

Share Registrar

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

Bankers

Bank Alfalah Limited, Bahrain
Bank Al Habib Limited
Bank Al Habib Limited, Bahrain
Bank Islami Pakistan Limited
MCB Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
National Bank of Pakistan, Hong Kong
National Bank of Pakistan, Tokyo
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
UniCredit Bank, Italy
United Bank Limited
United Bank Limited, London

2023

GP Margin	ROCE
49.65%	40.14%
NP Margin	**EPS**
54.76%	Rs. 227.11

2022

GP Margin	ROCE
29.15%	12.09%
NP Margin	**EPS**
20.34%	Rs. 42.75

2021

GP Margin	ROCE
22.45%	5.32%
NP Margin	**EPS**
17.71%	Rs. 17.14

2020

GP Margin	ROCE
33.10%	5.81%
NP Margin	**EPS**
17.49%	Rs. 18.27

VISION

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

MISSION

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

Strategic Objectives

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

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

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

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

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

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

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

Code of Conduct

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

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

Corporation has always emphasized on the Business Ethics as a matter of policy. The Business Ethics include the principles of honesty, integrity, trust-worthiness, loyalty, fairness and justice.

The business ethics are rules for conduct which raise awareness of acceptable and unacceptable behaviour. Furthermore, the ethical minds of individual employees significantly contribute to ethical business practices of the Corporation.

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

POLICY STATEMENT

It is the Corporation's policy to conduct its business operations within the framework of the law and statutory rules and regulations, including the international law governing shipping operations. The Corporation shall manage its affairs in accordance with concepts of good governance, with a high degree of integrity, transparency and accountability.

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

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

DEVELOPMENT OF INTERNAL CONTROL SYSTEMS

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

MAINTENANCE OF PROPER BOOKS OF ACCOUNT AND RECORDS

It is the policy of the Corporation to maintain proper books of account and supporting documents in accordance with law and regulatory requirements.

No compromises as to the integrity of financial records or financial statements shall be permitted. The Corporation shall ensure that all statutory records are properly maintained and that statutory returns are filed strictly according to the regulatory requirements.

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

USE AND SAFEGUARDING OF CONFIDENTIAL INFORMATION

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

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

The responsibility to maintain the confidential nature of all nonpublic information in the Corporation's possession continues after cessation of employment. It is the policy of the Corporation to ensure confidentiality of all inside information and do not leak any inside information out of the Corporation and no employee shall derive any personal benefit from such inside information not yet disclosed to the public and to maintain harmony among all co-workers and staff in the Corporation.

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

POLICY TOWARDS STAKEHOLDERS

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

POLICY ON SAFETY, OCCUPATIONAL HEALTH AND ENVIRONMENT

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

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

The Corporation shall encourage health and safety awareness at all levels and promote procedures and practices that ensure environmental protection taking into account the current legislation and industry codes and practices. The Corporation shall fully disclose all information regarding its operations and standards in relation to safety, occupational health and environment.

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

CONFLICT OF INTEREST

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

ACCEPTANCE OR GIVING OF BRIBES

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

DISCIPLINE AND GENERAL CONDUCT

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

The Corporation expects that all directors, officers and employees will understand and adhere to this Code of Conduct. They shall be responsible for the consequences of any violation. If a violation of law is also implicated, civil or criminal liability may result. It is expected of all to practice good / ethical behavior and to pay attention to emerging questions, challenges and stress points positively in their respective capacities.

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

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

REAR ADMIRAL JAWAD AHMED HI(M)

Chairman & Chief Executive

Rear Admiral Jawad Ahmed HI (M) joined Pakistan Navy in July 1989 and was Commissioned in Operations Branch in January 1992. He has done his specialization in navigation. The Officer has held various Command and Staff appointments which includes Commanding Officer of a Gun Boat, Navigation Officer onboard Type 21 Ships, Staff Officer (Operations) to COMDESRON -25, Executive Officer of a Destroyer and Commanding Officer PNS SAIF (Frigate). Besides this, The Admiral has also served as Fleet Navigation and Direction Officer at Fleet Headquarters, PS to Vice Chief of Naval Staff. DS and SI at PN War College. Director Naval Intelligence (Operations), Defence Attache (Pakistan) in Malaysia, Commander Surface task Group-3 (CSTG-3), Commandant Pakistan Naval Academy, Commander West at Gwadar and as Hydrographer of Pakistan. The Admiral is presently serving as Chairman PNSC.

Rear Admiral Jawad Ahmed HI (M) is a graduate of PN War College Lahore, Defence College Bangladesh and did his National Security and War Course from National Defence University Islamabad. He is a recipient of Tamgha-e-Imtiaz (Military), Sitara-e-Imtiaz (Military) and Hilal-e-Imtiaz (Military). Admiral is happily married, blessed with a son and two daughters.

MR. HASSAN MEHMOOD YOUSUFZAI
Director

Hassan M. Yousufzai is currently serving as Additional Secretary, Ministry of Maritime Affairs. He has served as Additional Secretary, Petroleum Division, Director General, National Institute of Management, Pakistan Academy for Rural Development and Pakistan Provincial Services Academy, Peshawar. In Khyber Pakhtunkhwa (KPK), Mr. Yousufzai has served as secretary Higher Education Department, Housing Department, Auqaf Department, Law and order (Merged Area) and Administration (Establishment). Mr. Yousufzai has also served as commercial counselor in Frankfurt, Germany, Managing Director small Industries, KPK and Chief Economist in the P&D Department of KPK government. Outside the Government, he has experience of working as capacity Development Specialist in Asian Development Bank and Assistant Political Agent in Bajaur Agency. Early in his Career, Mr. Yousufzai served as District coordination officer, Swat, Additional Secretary, Establishment Department and PSO to CS, and also remained Assistant Commissioner in Chitral and Swat.

He passed his CSS Examination in 1995 to join 24th CTP, in the Pakistan Administration Services (Formerly called DMG). He attained MA in Conflict Transformation from Eastern Mennonite University, USA as a Fulbright Fellow. Currently, He is enrolled in the PhD Program in the Department of International Relations, University of Peshawar. He did his schooling from Cadet Collage, Petaro, F.SC from PAF collage, Sargodha and also graduated from PAF College of Aeronautical Engineering. Mr. Yousufzai is also an MA in Political Science from Peshawar University and B.SC. (Aero Sciences) from PAF Academy in Risalpur.

He has participated in diverse Professional training courses and promotion exams in PAF, 18-month Common Training Program and Specialized Trading Program at Civil Services Academy, mid career management course, senior management and national management courses, JICA training on development studies and economical development training in China. Mr. Yousufzai has also participated in numerous domestic and international seminars, certificate courses and non- degree programs on areas related to public sector. He has also drafted "Manual for Musalihat Anjumans" for ADB and co-authored 'Towards Understanding Pukhtoon jirga, an indigenous way of peace building and more. Mr. Yousufzai has served as Director on the Board of SSGC's, Government Holding (Pvt) Limited (GHPL), Pakistan LNG Limited (PPL), Pakistan Refinery Limited (PRL) and Board of Management of Pakistan State oil Company Limited (PSOCL) and their various committees as representative from the government side. Mr. Yousufzai is member of Board of Directors of Port Qasim Authority.

MR. QUMAR SARWAR ABBASI
Director

Mr. Qumar Sarwar Abbasi joined the Civil Service in 1994 through the 22nd Common Training Programme. He is an alumni of Institute for Development Policy & Management, University of Manchester (UK) from where he acquired his MA (Econ.) Development Administration and Management. He also holds an MA in International Relations.

During his career in the Civil Service Mr. Abbasi has served in different Ministries / Organizations of the Federal Government. His recent postings included Additional Secretary (HRM/CF), Ministry of Finance, Executive Director (Ops), CPEC, Authority; Senior Joint Secretary Ministry of Planning, Development and Special Initiatives; Joint Secretary to the Cabinet; Joint Secretary, Ministry of Finance; Joint Secretary (World Bank-China-Debt Management), EAD and Joint Secretary (PAC), National Assembly. He is married with three children.

MS. ALIA SHAHID
Director

Ms. Alia Shahid has more than 21 years of executive experience. She has done her Masters in International Development from United Kingdom. She has served in various capacities both at Federal and Provincial levels. She has served as Secretary to Government of Sindh for Departments of Education, Boards & Universities, Social Welfare and Women Development. At federal government, she has served as Joint Secretary in Ministries of Kashmir Affairs & Northern Areas, Overseas Pakistanis Human Resources Development and Establishment Division.

Committed to continuous professional development, she has undergone a number of national and international training programs, and has recently attended "Senior Managers in Government" course from Kennedy School of Government at Harvard University.

MR. MOHAMMED ALI
Director

He has over 26 years of experience and expertise in Energy & Petrochemical Sectors; holding leading roles that oversaw development, construction, operations and management of mega-size projects. He is currently heading industrial portfolio of JS Group of companies where he looks after the group's oil and gas, power generation, energy storage handling/businesses and other industrial business.

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

He is currently serving as board member of Zahidjee Textile Mills Ltd.

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

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

MR. AHSAN MALIK
Director

Mr. Ahsan Malik is a Group Director of The Waterlink Group involved in Shipping, Energy, Trading and Infrastructure development businesses. He holds an L.L.B (Hons) and L.L.M. (Masters) from the University of Buckingham and is a licensed Advocate of the Sindh High Court of Pakistan. He is a Certified Director by the SECP for listed companies and is an LSE (London School of Economics) Certified Real Estate and Finance Professional. He brings a wide range of professional and business experience that spans almost two decades. Mr. Malik is Passionate about CSR initiatives and the concept of a Blue Economy, he also serves as a Trustee on the Board of Muskan Welfare Trust (MWT) which focuses on Education Inspiring Change and providing Healthcare facilities to the underprivileged. Mr Malik is a member of an honorable society of Lincoln Inn, Sindh Bar Council, Karachi Bar Association and has also served on the Board of Bahria Transshipment Hub Pakistan Ltd. (BTHP).

He believes that the solution to our nation's Energy Security and Economic Problems, lies within the Shipping and Energy Supply Chain industry. Through his CSR and business initiatives he aims to build an example of Ethical Business, where profits, prosperity and preservation are valued equally.

CAPTAIN (R) SARFARAZ INAYATULLAH TI (M) PN

Director

Captain Sarfaraz Inayatullah is a reputed highly qualified Engineer, Naval Architect vis-à-vis Business Management Professional with over 40 years of experience at Executive, Administrative, Management and Project Development positions both in local & international maritime sector organizations. During his illustrious career, he successfully managed the design, construction, salvage, repairs, and safe operations of maritime assets including Tankers, FSRUs, LNG Gas Carriers, Bulk Carriers, Dredgers, Tugs, Hopper Barges, submarines and Offshore installations through implementation of International Maritime Organization (IMO) protocols & conventions pertaining to safety of life at sea.

Captain Sarfaraz Inayatullah has worked in a challenging environment of Local and International Maritime Sectors with role in senior management. Thus, he is ideally suited to help the organizations in achieving their tactical and strategic objectives.

By virtue of affiliation with professional bodies of international repute viz a viz strong background of foreign training & service, Captain Sarfaraz Inayatullah enjoys the status of chartered engineer and fellow with Engineering Council UK, Royal Institution of Naval Architects (RINA), Institution of Engineers Pakistan (IEP) and Pakistan Engineering Council (PEC). For obvious reasons, these credentials are a source of strength for any organization.

Being qualified Business Management Professional, Auditor, Inspector and Marine Surveyor with vast and versatile experience in international maritime sector, Captain Sarfaraz Inayatullah possesses excellent skills in Technical & Commercial Advisory Services required for capacity building, third party inspection & certification system, QRA, QA/QC, HSE to support the multifaceted challenges of maritime sector.

Captain Sarfaraz Inayatullah enjoys outstanding academic and professional track record both in country and abroad. Presently he is serving as Country Marine & Offshore Chief Executive of International Classification Society "Bureau Veritas Pakistan". He is an elected member on the PNSC Board of Directors.

From left to right

MS. ALIA SHAHID

REAR ADMIRAL JAWAD AHMED HI(M)

CAPTAIN (R) SARFARAZ INAYATULLAH TI(M) PN

MR. AHSAN MALIK

PNSC Managed Fleet

TANKERS

Newly Inducted Vessel In 2023

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

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

Newly Inducted Vessel In 2023

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

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

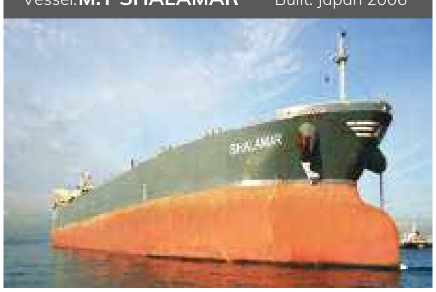
Vessel: **M.T BOLAN** Built: South Korea 2013

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

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

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

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



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

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

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

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

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

BULK CARRIERS

Vessel: **M.V SIBI** Built: Japan 2009

Deadweight (MT): 28,442 Length Overall (M): 169.37
Gross Tonnage (MT): 17,018

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

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

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

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

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

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

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

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

TANKERS & BULK CARRIERS

SEGMENT	DEADWEIGHT (MT)	GROSS TONNAGE (MT)
TANKERS	683,699	373,327
BULK CARRIERS	255,177	140,804
TOTAL	938,876	514,131

REAR ADMIRAL JAWAD AHMED HI(M)

Chairman & Chief Executive

Rear Admiral Jawad Ahmed HI (M) joined Pakistan Navy in July 1989 and was Commissioned in Operations Branch in January 1992. He has done his specialization in navigation. The Officer has held various Command and Staff appointments which includes Commanding Officer of a Gun Boat, Navigation Officer onboard Type 21 Ships, Staff Officer (Operations) to COMDESRON -25, Executive Officer of a Destroyer and Commanding Officer PNS SAIF (Frigate). Besides this, The Admiral has also served as Fleet Navigation and Direction Officer at Fleet Headquarters, PS to Vice Chief of Naval Staff. DS and SI at PN War College. Director Naval Intelligence (Operations), Defence Attache (Pakistan) in Malaysia, Commander Surface task Group-3 (CSTG-3), Commandant Pakistan Naval Academy, Commander West at Gwadar and as Hydrographer of Pakistan. The Admiral is presently serving as Chairman PNSC.

Rear Admiral Jawad Ahmed HI (M) is a graduate of PN War College Lahore, Defence College Bangladesh and did his National Security and War Course from National Defence University Islamabad. He is a recipient of Tamgha-e-Imtiaz (Military), Sitara-e-Imtiaz (Military) and Hilal-e-Imtiaz (Military). Admiral is happily married, blessed with a son and two daughters.

SYED JARAR HAIDER KAZMI

Executive Director (Finance) / CFO

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

He is a seasoned Senior Finance Executive with a career spanning 28 years in Finance with strong emerging market experience and carries a proven track record of managing the finance, insurance and legal functions of organization.

He has spear headed several group projects when these were at a critical stage during their execution and was also involved in practical modelling and handling of derivatives.

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

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

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

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

SYED MUHAMMAD BABUR

Executive Director (Ship Management)

Syed Muhammad Babur is an engineer by profession who has mastered the art of analysing & strategizing the organizational needs and translating them to realistic achievements, with team work. He possesses over 30 years of rich and versatile experience in all facet of his profession with core responsibilities in the field of Systems Engineering Management; managing a large number & variety of men, material and financial resources.

He has been instrumental in Pakistan's new ship acquisition program from China and remained involved for defining customer requirements and an active part of contracting team. During ship construction phase, he was responsible for the final ship design review while being stationed at HZ Shipyard, Shanghai (China).

In past, after having served onboard ships, he remained engaged for operational management of logistics, engineering, victualling, supply support, technical training and human resource aspects of the ashore organization.

Having led several technical and non-technical greenfield projects with experience of their complete life cycle management, he possesses expertise in transforming abstract ideas into concise executable strategies that mitigates risks, maximize ROI and yield measureable business results.

Mr. S. M. Babur has done Masters both in the field of engineering and social sciences and is a member of Pakistan Engineering Council since 1995.

MR. KHURRAM MIRZA
Executive Director (Special Projects & Planning)

Mr. Khurrum Mirza is a Certified Management Accountant (CMA) from the Institute of Management Accountants (IMA), USA. He did his Master in Business Administration (MBA) from the Institute of Business Administration (IBA), Karachi and has been actively involved in various business development projects in Pakistan and internationally. He also has a post graduate diploma in Project Management from the Pakistan Institute of Management and has attended the maritime security course at the Pakistan Navy War College. Mr. Khurrum Mirza assumed the office of Executive Director (Special Projects & Planning) at Pakistan National Shipping Corporation (PNSC, the Corporation) in March 2017. Subsequently, he also assumed the office of Executive Director (Administration) from June 2019 to April 2022.

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

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

MR. ATIQUE SULTAN RAJA
Executive Director (Human Resource and Administration)

Mr Atique Sultan Raja is serving as Executive Director Human Resources and Administration. He has done Masters in International Human Recourse Management (CIPD accredited) from London South Bank University, London, UK. He has extensive and diversified HR Management experience spanning over 26 years.

He has served as an HR professional in both public and private sector organizations in Pakistan and United Kingdom. Mr Atique Raja has also served as member of HR Committee of KP1T Board, Peshawar.

CAPT. MUSTAFA KIZILBASH

Executive Director (Commercial)

Capt Mustafa Kizilbash is a Fellow Member of the Institute of Chartered Ship brokers UK. He did his MBA in Maritime Management from the University of Greenwich London. He also possess a post graduate degree in Nautical Science from the Black pool and Fylde College UK.

He assumed the office of Executive Director (Commercial), Pakistan National Shipping Corporation on 7th July, 2022. Earlier, he has been holding the key positions in PNSC Commercial Department since November 2010. He began his career in 1998 as deck Cadet and came on shore in 2009 as a Master Mariner. A passionate and diligent professional who possess over 22 years of experience within shipping industry with more than 12 years of experience in Tanker (Aframax , LR1) ,Dry bulk (PMX, Supra, Handy) & Break bulk chartering across all product segments.

His strengths include excellent knowledge of key trading routes including (DPP, CPP, Veg oil, minerals, project, general cargoes (OOG), agriculture, etc), FFA derivatives, freight market analysis, commercial contracts & negotiation skills in both liquid and dry bulk trade with a deep passion and devotion for work in the shipping industry.

MR. ZEESHAN TAQVI
Chief Accountant

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

He has excellent expertise in handling matters related to audit engagements in Pakistan and Middle East with leading audit firm and has more than 23 years diversified experience of finance (including ship financing and financial aspects of vessel's drydocking), treasury, taxation and banking on senior position in other organization including banking sector.

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

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

MR. MUHAMMAD JAVID ANSARI
Company Secretary

Mr. Muhammad Javid Ansari has been serving the PNSC Group as Company Secretary of PNSC and its 19 Subsidiary Companies, since 2019.

He has served on key management positions on other organizations and has diversified professional experience of more than 23 years in the field of Corporate Governance & Compliance, Finance, Taxation and Audit.

He is a Law Graduate and member of following professional bodies:

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

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

Directors' Report

FOR THE YEAR ENDED JUNE 30, 2023

The Board of Directors of Pakistan National Shipping Corporation (PNSC, the Corporation) Group (the Group) is pleased to submit the forty-fifth Annual Report, along with the annual audited financial statements for the year ended June 30, 2023.

BRIEF INTRODUCTION, PRINCIPAL OPERATIONS AND PERFORMANCE REVIEW

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

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

It plays a crucial role in meeting Pakistan's domestic demand of petroleum products by conducting sea-borne trade with the Middle East. Additionally, it facilitates the exchange of dry bulk commodities worldwide. However, its performance is heavily reliant on international freight indices and is thus influenced by the global economic outlook. Despite challenges, PNSC remains committed to its mission of ensuring efficient and reliable maritime transportation services.

PNSC is recognized worldwide for its compliance with international maritime conventions and national merchant marine policy, meeting both national and international regulatory requirements.

PNSC safeguards stakeholder interests by involving them in the decision-making process and streamlining trade processes, thereby bolstering Pakistan's national fleet and maritime industry.

GLOBAL ECONOMIC OUTLOOK

The outlook remains uncertain due to financial sector turmoil, high inflation, ongoing effects of Russia-Ukraine conflict, and the lasting impacts of the COVID-19 pandemic.

The conflict between Russia and Ukraine has negatively impacted global economic growth and led to high inflation. Advanced economies' weak performance and tight monetary policies to address inflation have further slowed down global growth, making policy decisions more challenging. The projected global growth rate is expected to decrease with central banks raising interest rates to combat inflation, affecting economic activity. While some risks have reduced, the overall risks to global growth are still leaning towards the downside. Inflation might remain high or increase further due to unexpected events like intensifying conflict in Ukraine or extreme weather disasters, necessitating stricter monetary policies by central banks.

There are concerns about potential financial sector turbulence as markets adjust to central banks' policy tightening. China's recovery could also slow down, partly due to unresolved real estate problems, with possible negative effects on other countries. Moreover, sovereign debt distress could spread to a wider group of economies. On the positive side, there is a possibility of inflation decreasing faster than expected, reducing the need for strict monetary policies, and domestic demand proving resilient.

Pakistan's economy has faced significant challenges, including macroeconomic imbalances, supply shocks, and an international economic slowdown that has dampened economic growth. Flash floods in 2022 severely impacted the agriculture sector, disrupting domestic supply. Increased international prices and currency depreciation led to higher domestic commodity prices, resulting in reduced aggregate demand in 2023. Rising oil prices, currency devaluation, current account deficits, and increasing policy rates are exerting inflationary pressure and are expected to dampen economic growth.

GLOBAL SHIPPING MARKET OUTLOOK

The shipping industry, however, appears to have brighter prospects. Russian sanctions have reshaped shipping routes, leading to longer mileages, particularly in the liquid bulk sector. This has primarily affected tanker shipping, as Russian oil now travels at a discount to China and India instead of shorter routes to Europe. Western countries have shifted crude oil imports away from Russia, increasing imports from Saudi Arabia and the United States, along with refined oil products from India. Consequently, global oil product shipping is expected to experience double-digit growth in 2023, while tonnage demand will only increase by 4%. This trend is also influencing crude oil trade and, to a lesser extent, impacting dry bulk shipping.

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

DRY BULK MARKET

The international Dry Bulk freight rates have declined over the course of the fiscal year 2022-2023, which can be observed with the Baltic Dry Index (BDI). As of June 30, 2023, the BDI amounted to 1,092 points, which was significantly lower than that in the same month the previous year.

In June 2022, the dry bulk market experienced robust demand, leading to considerably higher charter rates. Panamax vessels, with an average of USD 25,103/day, and Supramax vessels, with an average of USD 27,126/day, were particularly lucrative for ship-owners. Handysize vessels also fetched a respectable average of USD 24,057/day.

However, fast forward to June 2023, and the situation has changed dramatically. The dry bulk market witnessed a substantial downturn, as reflected in the significantly reduced time charter rates. Handysize vessels averaged USD 8,223 / day, Panamax vessels dropped to USD 10,424 / day, and Supramax vessels to USD 8,283 / day. These rates indicate a staggering drop in charter earnings for ship-owners, indicating weaker demand for dry bulk commodities transportation during this period.

DRY BULK OUTLOOK

In the past few years, global energy usage has been influenced by the pandemic, Ukraine conflict, and de-carbonization goals. This has led to fluctuations in coal consumption and trade, and a shift towards renewable energy sources. With Russia's energy being either shunned or withheld, the world faces an energy crisis. Thus, there are expectations of an upturn in the global coal trade in 2023, with a potential increase of 3-5% or more compared to the previous year. Despite this short-term improvement, concerns persist about the longer-term trend, driven by efforts to reduce greenhouse gas emissions and transition to cleaner energy sources. China, as the primary producer and consumer of steel, experienced a slight increase in output by 1.3% during January to June. Nonetheless, certain steel mills have been instructed to maintain their 2022 output level, which may soften iron ore demand. Additionally, the withdrawal of Moscow from the Black Sea grain export deal introduces uncertainties in the grain dry bulk market, potentially impacting supply and demand dynamics.

TANKER MARKET

In 2023, the tanker market has faced considerable downward pressure on freight rates, marking a decline from the highs seen in 2022. Despite this, the market remains volatile, and freight rates are generally healthy, favoring owners.

The impact of sanctions on Russia has reshaped trade flows in the oil market and continues to exert a positive influence on tanker demand. The conflict in Ukraine and the continues to exert a positive influence on tanker demand. The conflict in Ukraine and the EU's ban on Russian oil products have led to an upswing in product tanker demand, resulting in increased shipping volumes and longer voyage distances. Unless there are substantial changes in geopolitical conditions, the volatility in the tanker market is expected to persist.

TANKER OUTLOOK

In 2023, the tanker market experienced fluctuations in freight rates, primarily due to global economic challenges and geopolitical factors. The difficulties faced by oil prices further compounded the situation, impacting the potential gains from China's anticipated recovery in demand and production cuts implemented by oil-exporting countries. China's oil demand is expected to improve in the latter part of the year, presenting potential opportunities for the tanker sector.

Looking ahead to the second half of 2023, the outlook for the tanker market indicates a decline from the highs of 2022 but maintains its characteristic volatility, with freight rates currently holding at generally healthy levels. The ongoing ramifications of Russia's invasion of Ukraine, coupled with significant policy shifts and the resurgence of post-COVID Chinese oil demand, have a substantial impact on the market dynamics. Moreover, sanctions play a pivotal role in shaping trade flows and the oil trade map, further influencing the overall performance of the tanker sector. As a result, there is a forecast of a supply deficit in the latter half of the year, which could potentially lead to higher oil prices, ensuring that the tanker market remains in a volatile state.

SEGMENTAL REVIEW OF MARITIME BUSINESS PERFORMANCE

PNSC having a total DWT capacity of 938,876 metric tons lifted cargo of about 10.83 million tons (FY 2022: 11.97 million tons) during the year under review, which is equivalent to about 13.06% (FY 2022: 11.21%) of country’s total 82.95 million tons (FY 2022: 106.82 million tons) seaborne trade by volume. Bifurcated statistics of Pakistan’s seaborne trade for the current year 2022-23 and last year 2021-22 along with PNSC’s share is as under:

	-------------------------Figures in 'million tons’--------------------					
	Dry Bulk		Liquid Bulk		Total	
	2023	2022	**2023**	2022	**2023**	2022
Pakistan Seaborne Trade	**54.13**	70.72	**28.80**	36.096	**82.95**	106.8
PNSC's Share	**1.57**	1.316	**9.26**	10.655	**10.83**	11.97

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

	Unit of Measurement	2023	2022
Dry Cargo (Bulk Carrier)	Million tons	**1.574**	1.316
Liquid Cargo (Tanker)	Million tons	**9.26**	10.655
Slot Charter			
– Break Bulk	Higher of MT or CBM (W/M)	**0.075**	0.026
– Containerized Cargo	Thousand TEUs	**1.230**	2.159

SIGNIFICANT RISKS

PNSC recognizes that no business can entirely avoid risks, and the shipping industry is no exception. Heightened competition in the dry and wet markets, coupled with excess capacity and subdued freight rates, poses a significant commercial risk for the corporation. The corporation's earnings are closely linked to the demand and supply dynamics of the global markets.

The major event affecting the economic condition globally was the Ukraine - Russia war. Owing to this, there had been a demand and supply imbalance for fuel supplies and Russian vessels resulting in higher bunker costs and consequently, increase in freight rates. PNSC benefitted from the event in-line with other ship-owners around the world.

Various inherent factors in the business landscape contribute to uncertainties that PNSC might encounter. Some key sources of uncertainty include:

- Oversupply in the liquid and dry bulk segments.
- Fluctuating oil and bunker prices.
- Escalating operational costs.
- Evolving operational norms within the shipping industry.
- Hindrance to smooth operations due to foreign payments.

Risk and opportunities and steps taken to mitigate:

LITIGATION RISK

In the context of globalization and the omnipresence of the internet, it is imperative for all shipping practitioners, including those at PNSC, to remain thoroughly informed about ongoing developments. A precise and insightful forecast of the future enables informed decision-making, strategic marketing planning, and the optimization of chartering policies. By doing so, it helps in mitigating and eliminating potential litigation risks that may arise.

PNSC recognizes the significance of staying ahead in a rapidly changing shipping landscape. By proactively monitoring and understanding industry trends, the corporation aims to make well-informed choices and develop effective marketing strategies. Additionally, optimizing chartering policies allows PNSC to efficiently allocate resources and respond to market demands promptly.

By adopting this approach, PNSC aims to minimize the potential for disputes and legal challenges, which can arise due to uncertainties and fluctuations in the shipping industry. The corporation's commitment to prudent decision-making and an accurate anticipation of future developments will contribute to the reduction of litigation risks, safeguarding its position as a reliable and competitive player in the global shipping arena.

RISK OF MAJOR ACCIDENT OR OIL SPILLAGE

Oil spillage remains an inherent risk in shipping operations, particularly within the tanker business. Any incident of high severity could trigger risks to the employees, marine environment, wildlife, and local communities. Additionally, it would have severe impacts on the corporation's financials and reputation, potentially putting the license to operate at risk.

PNSC takes a vigilant approach to sustain incident-free operations and actively works to mitigate such risks. The corporation prioritizes compliance with all health and safety policies and implements good practices in managing its vessels to ensure the highest standards of safety and environmental protection. Through these efforts, PNSC aims to minimize the likelihood of oil spillage incidents and their potential consequences, maintaining a commitment to responsible and safe shipping practices.

MANAGING ENVIRONMENTAL IMPACT

Global shipping is responsible for 3% of the total greenhouse gases (GHGs). Shipping companies are increasingly adopting emission reduction technologies to mitigate their carbon footprint. Improving energy efficiency is a key focus area for shipping companies. Energy-efficient technologies can significantly reduce fuel consumption and emissions. The shipping industry is actively engaged in research and development efforts to develop innovative solutions for climate change mitigation. Collaboration with industry partners, research institutions, and technology providers to explore new technologies and sustainable practices that can further reduce environmental impact is a dire need of the shipping industry. PNSC can benefit from advancements in vessel technology, such as improved fuel efficiency, reduced emissions, and enhanced navigation systems. Investing in modern and eco-friendly vessels can help optimize fuel consumption, reduce operational costs, and comply with environmental regulations.

INTEREST RATE RISK AFFECTING CASH FLOWS

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

FOREIGN PAYMENTS FOR OPERATIONS

Due to the Groups' business mix inclining towards local operations, the revenue realized on these operations is in local currency i.e. Pakistani Rupee, whereas the business is heavily dependent on factors and requirements that require payment in foreign currency. In an event, the payments in foreign currency are delayed, the Group's operations is going to suffer. The Group strategy is to ensure that appropriate business mix is planned to ensure revenue inflows in foreign currency. Additionally, foreign exchange balance in foreign bank accounts is maintained as means to diminish / prolong such a situation should it arise.

ARMED PIRACY

Armed piracy in the Gulf of Aden, Malacca Strait, and off the Somali coast presents a significant operational risk for the global shipping industry, including PNSC. Recognizing these potential threats, the Group prudently secures necessary insurance coverage against piracy incidents. To safeguard the Group's secures necessary insurance coverage against piracy incidents. To safeguard the Group's vessels when transiting through these high-risk regions, strict adherence to the globally recognized Best Management Practices (BMP-5) is maintained.

PNSC places great emphasis on mitigating piracy risks and maintains close coordination with Pakistan Naval headquarters while its ships are navigating through these hazardous areas. Additionally, the corporation has taken proactive measures to address this risk by acquiring appropriate insurance coverage. These combined efforts demonstrate PNSC's commitment to ensuring the safety and security of its vessels and crew.

TRADE RISK IN GULF OF OMAN / STRAIT OF HORMUZ

PNSC's managed oil tankers predominantly traverse the Strait of Hormuz to transport Crude Oil, Furnace Oil, and Refined Petroleum Products from the Arabian Gulf. However, due to certain unfavorable incidents, the area has been designated as a war zone by the Joint War Committee. In response to this heightened trade risk, PNSC's crews exercise exceptional vigilance and prudence when entering the region. Furthermore, the corporation benefits from continuous diplomatic and military support from the Government of Pakistan, as it serves as the National Flag Carrier. To further mitigate this trade risk, PNSC has acquired additional insurance coverage from reputable and well-established insurers. This comprehensive approach aims to ensure the safety and security of the vessels and their cargo during transit through the Gulf of Oman and the Strait of Hormuz.

VOLATILITY IN FUEL COST

The fuel market inherently exhibits volatility, and this characteristic poses significant challenges for PNSC. The demand for fuel is intricately connected to global economic trends, making it susceptible to setbacks during periods of economic downturns. Since the cost of bunkers constitutes a substantial portion, approximately 55 to 60 percent, of the voyage expenses, fluctuations in fuel prices can exert substantial pressure on the corporation's financial performance.

Forecasting the market balance accurately is a complex task, and there is no assurance that resulting freight rates will be sufficient to cover expenses and generate a return on the Corporation's capital. The inherent unpredictability of fuel costs creates uncertainty in the financial outlook and requires prudent risk management strategies.

CYBER ATTACK

The reality of cyber-attacks poses a genuine threat to PNSC's operations and its ability to fulfill commitments. Given the Group's involvement in a diverse range of complex services, the reliance on well-functioning information technology and communication systems is substantial. A cyber-attack could lead to severe business disruptions, adversely affecting both the fleet and offshore operations. To safeguard against such potential impacts, PNSC has taken proactive measures to ensure data security. These measures encompass the implementation of stringent data security controls, including enterprise-level antivirus software, up-to-date firewall systems, and effective spam control software. By employing these robust security measures, the corporation strives to fortify its defenses against cyber threats and protect the integrity of its critical IT infrastructure.

PNSC CREDIT RATING

PACRA
Together. Creating Value.

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

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

FINANCIAL HIGHLIGHTS

PNSC (the Group) has complied with the provisions of Companies Act, 2017 relating to preparation of financial statements for the year ended June 30, 2023. The highlights of consolidated financial results for the period under consideration of the Group as compared to the corresponding period last year are as follows:

	June 30, 2023	June 30, 2022	Variation	%
	------------------------------------Rupees in '000	---------------------------		
Revenue	54,771,160		26,987,700	97%
Expenditures	(27,577,667)		(7,893,420)	40%
Gross Profit	**27,193,493**	**8,099,213**	**19,094,280**	236%
Administrative expenses	(1,608,706)	(1,232,701)	(376,005)	31%
Impairment loss	(1,122,941)	(929,525)	(193,416)	21%
Other expenses	(448,555)	(423,127)	(25,428)	6%
Other income	9,274,286	1,314,157	7,960,129	606%
Operating Profit	**33,287,577**	**6,828,017**	**26,459,560**	388%
Finance Cost	(1,411,030)	(530,879)	(880,151)	166%
Profit Before Tax	**31,876,547**	**6,297,138**	**25,579,409**	406%
Taxation	(1,882,252)	(647,248)	(1,235,004)	191%
Profit After Tax	**29,994,295**	**5,649,890**	**24,344,405**	431%
	----------------------------------Rupees	-----------------------------------		
Profit per share	**227.11**	**42.75**	**184.36**	431%

The outgoing year turned out to be a financially sound for PNSC (Group). The Group has achieved highest ever profit after tax amounting to Rs.29,994M, an increase of 431% as compared to the corresponding period last year profit after tax Rs.5,650M.

The reasons / factors that led to the current year financial results are as under:

GLOBAL EVENT

The major event affecting the economic condition globally was the Ukraine - Russia war. Owing to this, there had been a demand and supply imbalance for fuel supplies and Russian vessels resulting in higher bunker costs and consequently increase in freight rates. PNSC benefitted from the event in line with other ship-owners around the world.

INTERNAL / CORPORATION FACTORS THAT AFFECTED THE BUSINESS OF THE GROUP

During the financial year, the Group timely managed to add to its fleets, two AFRAMAX Tankers (M.T. Sargodha and M.T. Mardan) in August. This had a positive impact on the operations, as it resulted in lower cost for charter-in of foreign flag vessels due to increase in available capacity.

The procurement of these vessels required USD 42.75M capital expenditure, which was arranged from the Groups own sources and availing for financing facility amounting to Rs.4,344 M. Further, during the year PNSC had disposed-off one of its aging vessel M.T Karachi for Rs.5,011 M.

INTERNATIONAL / MACRO ECONOMIC FACTORS THAT AFFECTED THE BUSINESS OF THE GROUP

Increase in average AFRA from 116 to 214 (of 84%) and average World Scale from 5.29 to 6.57 (of 24.3%) respectively was observed during the current Financial Year as compared to corresponding period last year. These increase resulted in average freight rates of USD 14 / MT which was 100% higher than the corresponding period last year.

Further, average exchange rate to US Dollar during the financial year was Rs.252/- which was 41% higher than the corresponding period last year. The US Dollar at the start of the financial year had a parity of Rs.204 approx. which had increased to Rs.286/- approx. by the end of the financial year. This result in historic gains on foreign balances / transactions (upon realization).

KIBOR during the period increased from 15. 16% to 22.91% which resulting in the Group bearing higher finance cost on loan facility availed for procurement of vessels. On the other hand, benefitting the Group on investment made by the Holding Corporation in Interest Based investments.

FINANCIAL SUMMARY

Freight revenue from transportation of crude oil & refined petroleum (liquid cargo segment) contributes significantly towards the revenues of the Group. During the year, the Liquid Cargo segment contributed Rs.41,223 M which is after increase of Rs.22,261 M (117%). The increase can be justified in light of the Global Event and International / Macro Economic factors affecting the business. Further, the induction of vessels resulted in increase of 12 voyages by owned-vessels as compared corresponding period last year.

The Dry Cargo segment also showed promising increase in its business by Rs.4,583 M (increase of 54%). The Slot business showed an increase of Rs.2,187 M (87%) due to increase in Government Orders.

The general reason for increase in fleet expense is the induction of tankers in PNSC's managed fleet and resultantly, the increase in number of voyages by owned-vessels. Whereas, owing to the Global Event, the bunker rates had surged to USD 1,108/MT. Exchange rates adversely affected all the operational expenditures incurred in foreign currency.

Compared to the favorable impact on revenue of the Group, the Administrative and Other Expenses were fairly stable throughout primarily due to the fact that these expenses were largely unaffected by any of the factors as mentioned above.

During the year, impairment loss had been recorded on receivables from PSO amounting to Rs.575M, whereas, finance cost increase was observed due to increase in KIBOR and loan financing availed during the year for procurement of Vessels.

During the year, abnormal increase was observed in other income, the major contributors being Gain on disposal of M.T. Karachi Rs.3,338M, Exchange Gain Rs.3,040M and, Income from Saving Deposits and Short-term investments (primarily Mutual Funds) Rs.2,542M. The yield from short-term investment has increased in-line with the KIBOR.

The Board of Directors is pleased to recommend the final dividend of 150% for the approval of the shareholders in the Annual General Meeting. This is in addition to the interim dividend of Rs. 5.00 per share, that is, 50% already paid, making a total cash dividend of Rs. 20.00 per share, that is, 200% during the year.

The group earnings per share is increased to Rs.227.11/- as compared to Rs.42.57 in the corresponding period.

BOARD AND ITS COMMITTEES

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

Sr. No.	Name of Director	Board	Strategy and Risk Management Committee	Audit & Finance Committee	HR, Nomination & CSR Committee	Vessel Procure ment Committee
1	Rear Admiral Jawad Ahmed HI(M) (assumed charge on Sep 30th 2022)	Chairman / Chief Executive Officer	-	-	Member	Chairman of the Committee
2	Mr.Hassan Mehmood Yousufzai Additional Secretary, Ministry of Maritime Affairs (w.e.f. March 27th 2023)	Non-Executive Director	Member	Member	-	-
3	Mr. Qumar Sarwar Abbasi, Additional Finance Secretary (Corporate Finance), Finance Division, Islamabad. (w.e.f. April 14th 2023)	Non-Executive Director	Member	Member	-	Member
4	Ms. Alia Shahid, Director General Ports & Shipping, Ministry of Maritime Affairs (w.e.f. Sep 30th 2022)	Non-Executive Director / Female Director	-	Member	Member	-
5	Mr. Muhammad Ali (w.e.f. December, 29, 2021)	Non-Executive Director	Member	Chairman of the Committee	-	Member
6	Mr. Ahsan Ali Malik (w.e.f. Oct 28th 2022)	Non-Executive Director	-	Member	Chairman of the Committee	-
7	Capt. Sarfaraz Inayatullah (w.e.f. Oct 28th 2022)	Non-Executive Director	Chairman of the Committee	-	Member	Member
8	Rizwan Ahmed (Upto 5th August, 2022)	Ex-Chairman / Chief Executive Officer	-	-	-	-
9	Syed Syedain Raza Zaidi Director General Ports & Shipping, Ministry of Maritime Affairs (Upto 5th August, 2022)	Non-Executive Director	-	-	-	-
10	Mr. Muhammad Anwar Additional Secretary Finance (Corporate Finance), Finance Division Islamabad. (upto April 14th 2023)	Non-Executive Director	-	-	-	-
11	Capt. Anwar Shah (upto Oct 28th 2022)	Non-Executive Director	-	-	-	-
12	Mr. Khowaja Obaid Imran Ilyas (upto Oct 28th 2022)	Non-Executive Director	-	-	-	-

13	Mr. Asad Rafi Chandna Additional Secretary Ministry of Maritime Affairs, Islamabad. (upto March 27th 2023)	Non-Executive Director	-	-	-	-
14	Mr. Imdad Ullah Bosal Additional Finance Secretary (Expenditure), Finance Division Islamabad. (upto Sep 30th 2022)	Non-Executive Director	-	-	-	-
15	Mr. Kamran Farooq Ansari Joint Secretary Ministry of Maritime Affairs, Islamabad (Upto 5th August, 2022)	Non-Executive Director	-	-	-	-

DIRECTORS' TRAINING PROGRAM

As at June 30, 2023, all members of the Board have been appropriately certified under the Directors' Training Program from SECP approved institutions well ahead of the stipulated timeframe except for three, who are scheduled to acquire the certification within the current year as allowed by the Listed Companies (Code of Corporate Governance) Regulation, 2019.

DIRECTORS' EVALUATION

This year Board's Performance Evaluation was conducted in-house which aims to ensure that the Board of Directors work efficiently and effectively in accomplishing their tasks in the best interests of the Corporation and its subsidiaries.

DIRECTORS' REMUNERATION

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

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

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

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

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Corporation in accordance with the Section 227 (2) (f) of the Companies Act, 2017 as at June 30, 2023 is annexed to this report.

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

Good Governance is our realistic objective while adopting ethical business framework. The Board is committed with respect to shareholders, protection of minority rights, value of input from stakeholders, besides safeguarding the Corporation's reputation in Pakistan and global shipping arena.

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

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

STRATEGIES, OBJECTIVES AND FUTURE PROSPECTS

ADVANCING GROWTH,DIVERSIFICTION, AND EXCELLENCE PNSC'S STRATEGIC ENDEAVORS

PNSC is resolutely focused on pursuing strategic objectives that drive growth, diversification, and enhanced service quality. One of the key goals is to attract new customers to maximize the cargo carrying capacity and ensure optimal utilization. The corporation remains dedicated to serving existing Contracts of Affrieghtment for Pakistan's domestic oil refineries while emphasizing the commitment to delivering high-quality services.

Diversification is a key aspect of PNSC's strategic approach, and it strives to penetrate new markets domestically, such as container feeder service and palm oil transportation. By pursuing these strategic objectives, PNSC aims to enhance its market presence, optimize operational efficiency, and solidify its position as a reliable and versatile player in the shipping industry.

In line with its vision, PNSC aims to capitalize on assured cargo carriage requirements for Pakistan's tankers, with a specific target of transporting up to 40% of clean petrochemical products imported into the country. PNSC was able to secure contract of Afrieghtment with Shell Pakistan for international transportation of its Cargo. Moreover, the corporation seeks to reduce its dependence on the tanker segment by expanding its dry bulk operations, particularly by securing long-term contracts, especially from public sector entities.

In addition to its core shipping operations, PNSC holds ownership of three commercial properties, leveraging this valuable asset for further growth and rental income. With the objective of maximizing rental revenue, the corporation has initiated renovation projects at two key locations - the PNSC Building (15th and 16th floors) and Muhammadi House, strategically situated in Karachi's financial hub at I.I. Chundrigar Road.

EXPANSION INTO MARINE SERVICES AND CARGO TRANSPORTATION

PNSC has embarked on a strategic endeavor to expand its operations into the Marine Services Business, a key focus being stevedoring and the management of essential maritime assets. To facilitate this expansion, the corporation has established a dedicated subsidiary, namely Pakistan Marine and Shipping Services Company (Private) Limited (PMSSC). After obtaining the necessary license from Karachi Port Trust (KPT), PMSSC is now fully equipped to undertake Stevedoring operations.

In line with this strategy, PMSSC has also ventured into Agency operations for prominent entities, including the Trading Corporation of Pakistan and other lines. Moving forward, PNSC aims to capitalize on the opportunities in the NVOCC (Non-Vessel Operating Common Carrier) and slot business by targeting public sector entities, aligning with the guidelines of the Pakistan Merchant Marine Policy 2001 (as amended). Simultaneously, the corporation seeks to establish a new Freight Forwarding Division, dedicated to serving and securing private cargoes.

By venturing into these areas, PNSC is poised to diversify its services, bolster its market presence, and extend its reach to new clientele. The strategic expansion into Marine Services and cargo transportation reaffirms PNSC's commitment to adapt to evolving market demands and position itself as a comprehensive and reliable partner in the shipping and logistics industry.

ENVIRONMENTAL SUSTAINABILITY INITIATIVES

Committed to environmental responsibility, PNSC has set ambitious goals to become a carbon-neutral organization by the year 2050. This aspiration encompasses not only the corporation's vessels but also extends to its shore operations. By integrating sustainable practices and adopting eco-friendly technologies, PNSC aims to reduce its carbon footprint significantly, contributing to environmental conservation and demonstrating a commitment to environmental stewardship.

Furthermore, PNSC is diligently working on development plans for the maintenance of its fleet. By incorporating the latest technologies, the corporation seeks to provide low-cost ship maintenance services to its existing fleet, thereby optimizing operating costs. These initiatives are strategically aligned with the corporation's mission to enhance efficiency and cost-effectiveness, ensuring the continued growth and long-term sustainability of PNSC's operations.

STATUTORY AUDITORS

The Board on the recommendation of the Board's Audit and Finance Committee, recommended reappointment of M/s. Grant Thornton Anjum Rehman, Chartered Accountants and M/s. Yousuf Adil, Chartered Accountants as joint statutory auditors of the Corporation for the year ending June 30, 2024, for the approval of the members in the forthcoming 45th Annual General Meeting of the Corporation.

CORPORATE SOCIAL RESPONSIBILITY

As a socially responsible corporate entity, over the years, PNSC has been contributing significantly towards the welfare of the society by performing activities in the different social segments.

PNSC engages with the community in the areas around which it operates. It focusing on healthcare, education, training and development, women's empowerment and environmental sustainability. The details of which are provided in this Annual Report under a dedicated section of Corporate Social Responsibility.

GOING CONCERN

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

ACKNOWLEDGMENT

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

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

For and on behalf of the Board of Directors

REAR ADMIRAL JAWAD AHMED HI (M)
Chairman / Chief Executive Officer
Karachi

September 27, 2023

Director

پی این ایس سی اپنے کاروبار کے شعبوں سے وابستہ کمیونٹی کے ساتھ مصروف عمل ہے۔ یہ صحت کی نگہداشت، تعلیم، تربیت اور ترقی، خواتین کو بااختیار بنانے اور ماحولیاتی استحکام پر توجہ مرکوز کرتی ہے۔ جس کی تفصیلات کارپوریٹ سماجی ذمہ داری کے ایک وقف حصے کے تحت اس سالانہ رپورٹ میں فراہم کی گئی ہیں۔

کاروبار کی فعالیت

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

تسلیمات

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

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

بورڈ آف ڈائریکٹرز کی جانب سے

ریئر ایڈمرل جواد احمد ہلال امتیاز (ملٹری)
چیئرمین/ چیف ایگزیکٹو آفیسر
کراچی
27 ستمبر 2023

ڈائریکٹر

بحری خدمات اور کارگو کی نقل وحمل میں توسیع

پی این ایس سی نے بحری خدمات کے کاروبار میں اپنے افعال کو وسعت دینے کے لیے ایک سٹریٹجک کوشش کا آغاز کیا ہے، جس میں کلیدی توجہ سٹیوڈورنگ اور ضروری سمندری اثاثوں کے نظم پر ہے۔ اس توسیع کو آسان بنانے کے لیے، کارپوریشن نے پاکستان میرین اینڈ شپنگ سروسز کمپنی (پرائیویٹ) لمیٹڈ (PMSSC) کے نام سے ایک وقف ذیلی ادارہ قائم کیا ہے۔ کراچی پورٹ ٹرسٹ (KPT) سے ضروری لائسنس حاصل کرنے کے بعد، PMSSC اب سٹیوڈورنگ کے افعال انجام دینے کے لیے پوری طرح لیس ہے۔

اس حکمت عملی کے مطابق، PMSSC نے اہم اداروں، بشمول ٹریڈنگ کارپوریشن آف پاکستان اور دیگر لائنز کے لیے ایجنسی آپریشنز کا آغاز کیا ہے۔ آگے بڑھتے ہوئے، پی این ایس سی کا مقصد پبلک سیکٹر کے اداروں کو ہدف بنا کر پاکستان مرچنٹ میرین پالیسی 2001 (ترمیم شدہ) کی رہنماہدایات سے ہم آہنگ رہتے ہوئے NVOCC (نان ویسل آپریٹنگ کامن کیریئر) اور سلاٹ بزنس کے مواقع سے فائدہ اٹھانا ہے۔ بیک وقت، کارپوریشن ایک نیا فریٹ فارورڈنگ ڈویژن قائم کرنے کی کوشش کر رہی ہے، جو نجی کارگو حاصل اور فراہم کرنے کے لیے وقف ہے۔ ان شعبوں میں قدم رکھ کر، پی این ایس سی اپنی خدمات کو متنوع بنانے، مارکیٹ میں اپنی موجودگی کو تقویت دینے اور نئے گاہکوں تک اپنی رسائی بڑھانے کے لیے تیار ہے۔ بحری خدمات اور کارگو کی نقل وحمل میں سٹریٹجک توسیع پی این ایس سی کی مارکیٹ کے بڑھتے ہوئے تقاضوں کے مطابق خود کو ڈھالنے اور شپنگ اور لاجسٹکس کی صنعت میں ایک جامع اور قابل اعتماد پارٹنر کے طور پر خود کو پیش کرنے کے عزم کی تصدیق کرتی ہے۔

ماحولیاتی استحکام کے اقدامات

ماحولیاتی ذمہ داری کے لیے عہد بستہ، پی این ایس سی نے سال 2050 تک کاربن سے پاک تنظیم بننے کے بامعنی اہداف مقرر کیے ہیں۔ یہ آرزو نہ صرف کارپوریشن کے جہازوں کا احاطہ کرتی ہے بلکہ اس کے ساحلی کاموں تک پھیلی ہے۔ پائیدار طریقوں کو یکجا کر کے اور ماحول دوست ٹیکنالوجیز کو اپناتے ہوئے، پی این ایس سی کا مقصد اپنے کاربن کے اخراج کو نمایاں طور پر کم کرنا، ماحولیاتی تحفظ میں حصہ ڈالنا اور ماحولیاتی ذمہ داری سے وابستگی کا مظاہرہ کرنا ہے۔

مزید برآں، پی این ایس سی اپنے فلیٹ کی دیکھ بھال کے لیے ترقیاتی منصوبوں پر تندہی سے کام کر رہی ہے۔ جدید ترین ٹیکنالوجیز کو شامل کر کے، کارپوریشن اپنے موجودہ فلیٹ کو کم لاگت پر جہاز کی دیکھ بھال کی خدمات فراہم کرنے کی کوشش کرتی ہے، اور اس طرح آپریٹنگ اخراجات کو بہتر بناتی ہے۔ یہ اقدامات سٹریٹجک طور پر کارپوریشن کے مشن سے مربوط ہیں تا کہ پی این ایس سی کے افعال کی مسلسل ترقی اور دیرپا استحکام کو یقینی بناتے ہوئے کارکردگی اور لاگت کے لحاظ سے اثر کو بڑھایا جاسکے۔

قانونی آڈیٹرز

بورڈ نے بورڈ کی آڈٹ اور فنانس کمیٹی کی تجویز پر آئندہ 45 ویں سالانہ جنرل میٹنگ میں ممبران کی منظوری کے لیے میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس اور میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو سال اختتام از 30 جون، 2024 کے لیے کارپوریشن کے مشترکہ قانونی آڈیٹرز کے طور پر دوبارہ تعینات کرنے کی سفارش کی۔

کارپوریٹ سماجی ذمہ داری

سماجی طور پر ایک ذمہ دار کارپوریٹ ادارے کے طور پر، سالہا سال سے پی این ایس سی مختلف سماجی شعبوں میں سرگرمیاں انجام دے کر معاشرے کی فلاح و بہبود کے لیے اہم کردار ادا کر رہی ہے۔

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

اخلاقی کاروباری فریم ورک کو اپناتے ہوئے عمدہ نظم ونسق ہمارا حقیقت پسندانہ مقصد ہے۔ بورڈ پاکستان میں کارپوریشن کی ساکھ اور عالمی شپنگ کے میدان کے تحفظ کے علاوہ شیئر ہولڈرز، اقلیتوں کے حقوق کے تحفظ، اسٹیک ہولڈرز کی آراء کی اہمیت کے حوالے سے پرعزم ہے۔

کارپوریشن اچھے نظم ونسق اور بہترین طرزِ عمل کی تعمیل کرتی ہے، اور اچھے نظم ونسق کا طریقہ کار کمپنیز ایکٹ 2017، پاکستان اسٹاک ایکسچینج کی رُول بک، لسٹڈ کمپنیز (کارپوریٹ گورننس کے ضابطہ) ریگولیشنز 2019 کے مطابق پیشہ وارانہ مہارت کے اعلیٰ ترین معیار، اخلاقی طرزِ عمل، احتساب اور شفافیت کا احاطہ کرتا ہے، جنہیں ضابطہ اخلاق، وہسل بلوئنگ پالیسی اور کاروباری اخلاقیات کے ضابطے کے ذریعے نافذ کیا گیا ہے۔ چیف ایگزیکٹیو اور کارپوریشن کے ڈائریکٹر کی جانب سے دستخط شدہ لسٹڈ کمپنیوں (کارپوریٹ گورننس کا ضابطہ) کے ضوابط 2019 کی تعمیل کا ایک الگ بیان اس رپورٹ کے ساتھ منسلک ہے۔
اندرونی کنٹرولز کے نظام کا ڈھانچہ درست ہے اور مؤثر طور پر نافذ العمل اور نگرانی شدہ ہے۔

حکمت عملی، مقاصد اور مستقبل کے امکانات

ترقی، تنوع اور برتری میں پیش رفت: پی این ایس سی کی حکمت عملی کی کاوشیں

پی این ایس سی کی پوری توجہ حکمت عملی کے مقاصد کے حصول پر مرکوز ہے جو ترقی، تنوع، اور بہتر سروس کے معیار کو آگے بڑھاتے ہیں۔ اہم اہداف میں سے ایک کارگو لے جانے کی صلاحیت کو زیادہ سے زیادہ بڑھانا اور بہترین استعمال کو یقینی بنانے کے لیے نئے صارفین کو راغب کرنا ہے۔ کارپوریشن اعلیٰ معیار کی خدمات کی فراہمی کے عزم پر زور دیتے ہوئے پاکستان کی مقامی آئل ریفائنریوں کے لیے موجودہ معاہدے پورے کرنے کے پرعزم ہے۔

تنوع پی این ایس سی کے سٹریٹجک نکتہ نظر کا ایک اہم پہلو ہے، اور یہ مقامی طور پر نئی منڈیوں میں داخل ہونے کی کوشش کرتی ہے، جیسا کہ کنٹینر فیڈر سروس اور پام آئل کی نقل وحمل۔ ان حکمت عملی کے مقاصد کی جستجو کرتے ہوئے پی این ایس سی کا مقصد مارکیٹ میں اپنی موجودگی کو بڑھانا، آپریشنل کارکردگی کو بہتر بنانا اور شپنگ کی صنعت میں ایک قابل اعتماد اور ہمہ گیر کھلاڑی کے طور پر اپنی حیثیت کو مستحکم بنانا ہے۔

اپنے وژن کے مطابق، پی این ایس سی کا مقصد پاکستانی ٹینکرز کے لیے کارگو لے جانے کی یقینی صلاحیت کی ضروریات پوری کرنے کو بروئے کار لانا ہے، جس کا مخصوص ہدف ملک میں درآمد کی جانے والی 40 فیصد تک صاف پیٹرو کیمیکل مصنوعات کی نقل وحمل ہے۔ پی این ایس سی اپنے کارگو کی بین الاقوامی نقل وحمل کے لیے شیل پاکستان کے ساتھ افریٹمنٹ کا معاہدہ حاصل کرنے میں کامیاب رہی ہے۔ مزید برآں، کارپوریشن اپنے خشک بلک آپریشنز کو بڑھا کر اور خاص طور پر پبلک سیکٹر کے اداروں سے طویل مدتی معاہدے کر کے ٹینکر کے شعبہ پر اپنا انحصار کم کرنا چاہتی ہے۔

اپنے بنیادی شپنگ کے افعال کے علاوہ، پی این ایس سی تین کمرشل املاک کی مالک ہے، اور اس قیمتی اثاثے کو مزید ترقی اور کرائے کی آمدنی کے لیے استعمال کرتی ہے۔ کرائے کی آمدن کو زیادہ سے زیادہ کرنے کے مقصد کے تحت، کارپوریشن نے دو اہم مقامات پر مرمتی پروجیکٹس شروع کیے ہیں۔ پی این ایس سی کی عمارت (15 ویں اور 16 ویں منزل) اور محمدی ہاؤس، جو کراچی کے مالیاتی مرکز، آئی آئی چندریگر روڈ کے اہم مقام پر واقع ہے۔

14	جناب امداداللہ بوسال ایڈیشنل فنانس سیکرٹری (اخراجات)، فنانس ڈویژن اسلام آباد۔ (05 مئی، 2022 تک)	نان ایگزیکٹوڈائریکٹر	–	–	–	–
15	جناب کامران فاروق انصاری جوائنٹ سیکرٹری وزارت سمندری امور، اسلام آباد (5اگست،2022 تک)	نان ایگزیکٹوڈائریکٹر	–	–	–	–

ڈائریکٹرز کا تربیتی پروگرام

30 جون،2023 تک بورڈ کے تمام ممبران کوایس ای سی پی کے منظور شدہ اداروں سے ڈائریکٹرز کے تربیتی پروگرام کے تحت مقررہ وقت میں سرٹیفائی کیا جاچکا ہے، ماسوائے تین کے، جولسٹڈ کمپنیز (کارپوریٹ گورننس کے ضابطہ) ریگولیشنز ،2019 کے مطابق رواں سال سرٹیفکیشن حاصل کریں گے۔

ڈائریکٹرز کا جائزہ

اس سال بورڈ کی کارکردگی کا جائزہ اندرون خانہ انجام دیا گیا، جس کا مقصد یہ یقینی بنانا ہے کہ بورڈ آف ڈائریکٹرز کارپوریشن اوراس کے ذیلی اداروں کے بہترین مفاد میں اپنے کاموں کو پورا کرنے میں مؤثر طور پراور مستعدی سے کام کریں۔

ڈائریکٹرز کا معاوضہ

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

بورڈ اوراس کے کمیٹیوں کے اجلاس میں شرکت کے طور پر میٹنگ فیس کے علاوہ کارپوریشن اپنے ڈائریکٹرز کو کوئی معاوضہ ادا نہیں کرے گی۔

بورڈ آف ڈائریکٹرز یا اس کی کمیٹی کے اجلاس میں شرکت کرنے پر کسی ڈائریکٹر کے معاوضے کا وقتاً فوقتاً تعین کیا جائے گا اور بورڈ آف ڈائریکٹرز اس کی منظوری دیں گے۔

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

شیئر ہولڈنگ کی وضع

کمپنیز ایکٹ 2017 کے سیکشن (f) (2)227 کے مطابق 30 جون، 2023 کو کارپوریشن کی شیئر ہولڈنگ کی وضع اس رپورٹ کے ساتھ منسلک ہے۔

5	جناب محمد علی (مؤثر از تاریخ 29 دسمبر، 2021)	نان ایگزیکٹو ڈائریکٹر	ممبر	کمیٹی کے چیئرمین	–	ممبر
6	جناب احسن علی ملک (مؤثر از تاریخ 28 اکتوبر، 2022)	نان ایگزیکٹو ڈائریکٹر	–	ممبر	–	–
7	کیپٹن سرفراز عنایت اللہ (مؤثر از تاریخ 28 اکتوبر، 2022)	نان ایگزیکٹو ڈائریکٹر	–	–	–	ممبر
8	رضوان احمد (5 اگست، 2022 تک)	سابقہ چیئرمین/ چیف ایگزیکٹو افسر	–	–	–	–
9	سید سیدین زیدی ڈائریکٹر جنرل پورٹس اور شپنگ، وزارت سمندری امور (5 اگست، 2022 تک)	نان ایگزیکٹو ڈائریکٹر	–	–	–	–
10	جناب محمد انور ایڈیشنل سیکریٹری فنانس (کارپوریٹ فنانس)، فنانس ڈویژن اسلام آباد۔ (14 اپریل 2023 تک)	نان ایگزیکٹو ڈائریکٹر	–	–	–	–
11	جناب کیپٹن انور شاہ (28 اکتوبر، 2022 تک)	نان ایگزیکٹو ڈائریکٹر	–	–	–	–
12	جناب خواجہ عبید عمران الیاس (28 اکتوبر، 2022 تک)	نان ایگزیکٹو ڈائریکٹر	–	–	–	–
13	جناب اسد رفیع چاندنا ایڈیشنل سیکریٹری وزارت سمندری امور، اسلام آباد۔ (27 مارچ، 2023 تک)	نان ایگزیکٹو ڈائریکٹر	–	–	–	–

زرمبادلہ کی شرح نے غیرملکی کرنسی میں کیے گئے تمام آپریشنل اخراجات کو بری طرح متاثر کیا۔

گروپ کی آمدن پر سازگار اثرات کے مقابلے میں، انتظامی اور دیگر اخراجات بنیادی طور پر اس حقیقت کی وجہ سے کافی حد تک مستحکم رہے کہ یہ اخراجات مذکورہ بالا کسی بھی عوامل سے زیادہ متاثر نہیں ہوئے۔

سال کے دوران، پی ایس او کی جانب سے **575 ملین روپے** کی وصولیوں پر نقصان ریکارڈ کیا گیا تھا، جبکہ KIBOR میں اضافے اور دورانِ سال جہازوں کی خریداری کے لیے حاصل کردہ قرض کے باعث مالیاتی لاگت میں اضافہ دیکھا گیا۔

دورانِ سال، دیگر آمدن میں غیرمعمولی اضافہ دیکھا گیا، جس میں اہم حصہ ایم ٹی کراچی کی فروخت پر **3,338 ملین روپے**، زرمبادلہ پر **3,040 ملین روپے** اور سیونگ ڈیپازٹس اور قلیل مدتی سرمایہ کاری سے حاصل ہونے والی آمدن (بنیادی طور پر میوچل فنڈز) **2,542 ملین روپے** رہے۔ قلیل مدتی سرمایہ کاری سے حاصل ہونے والے منافع میں KIBOR کے مطابق اضافہ ہوا۔

بورڈ آف ڈائریکٹرز نے سالانہ جنرل میٹنگ میں حصص مالکان کی منظوری کے لیے بخوشی **150%** حتمی ڈیویڈنڈ تجویز کیا ہے۔ یہ 5.00 روپے فی حصص کے عبوری ڈیویڈنڈ کے علاوہ ہے، یعنی 50% پہلے ہی ادا کردیا گیا ہے، جو فی حصص 20.00 روپے کا کل نقد ڈیویڈنڈ بنتا ہے، یعنی سال کے دوران **200%**۔

گروپ کی فی حصص آمدن اسی دورانیے میں 42.57 روپے کے مقابلے میں اضافے کے ساتھ **227.11/-** روپے رہی۔

بورڈ اور اس کی کمیٹیاں

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

	ڈائریکٹر کا نام	بورڈ	اسٹریٹجی اور رسک مینجمنٹ کمیٹی	آڈٹ اور فنانس کمیٹی	ایچ آر، نامزدگی اور سی ایس آر کمیٹی	ویسل پروکیورمنٹ کمیٹی
1	ریئر ایڈمرل جواد احمد ہلال امتیاز (ملٹری) (30 ستمبر 2022 کو عہدہ سنبھالا)	چیئرمین/ چیف ایگزیکٹو افسر	–	–	ممبر	–
2	جناب حسن محمود یوسفزئی ایڈیشنل سیکرٹری، وزارت سمندری امور (مؤثر از تاریخ 27 مارچ 2023)	نان ایگزیکٹیو ڈائریکٹر	ممبر	ممبر	–	–
3	جناب قمر سرور عباسی، ایڈیشنل فنانس سیکرٹری (کارپوریٹ فنانس)، فنانس ڈویژن، اسلام آباد۔ (مؤثر از تاریخ 14 اپریل 2023)	نان ایگزیکٹو ڈائریکٹر	ممبر	ممبر	–	ممبر
4	محترمہ عالیہ شاہد، ڈائریکٹر جنرل (پورٹس اور شپنگ) وزارت سمندری امور (مؤثر از تاریخ 30 ستمبر 2022 کو عہدہ سنبھالا)	نان ایگزیکٹو ڈائریکٹر/ خاتون ڈائریکٹر	–	ممبر	ممبر	–

عالمی واقعات:

عالمی سطح پر اقتصادی حالت کو متاثر کرنے والا سب سے بڑا واقعہ یوکرین اور روس کی جنگ تھا۔ اس کی وجہ سے، ایندھن کی طلب اور رسد میں عدم توازن پیدا ہوا اور روسی جہازوں کی بنکر کی قیمتیں بڑھیں، جس کے نتیجے میں فریٹ کی شرح میں اضافہ ہوا۔ پی این ایس سی نے دنیا بھر کے دیگر جہاز مالکان کی طرح اس واقعہ سے فائدہ اٹھایا۔

اندرونی/کارپوریشن کے عوامل جنہوں نے گروپ کے کاروبار کو متاثر کیا:

مالی سال کے دوران، گروپ نے بروقت اپنے فلیٹس میں اگست میں دو ایفرامیکس ٹینکر (ایم ٹی سرگودھا اور ایم ٹی مردان) شامل کیے۔ اس کا انفعال پر مثبت اثر پڑا کیونکہ اس کے نتیجے میں دستیاب صلاحیت میں اضافے کی وجہ سے غیر ملکی پرچم بردار جہازوں کو چارٹر کرنے کی لاگت کم ہوئی۔ ان جہازوں کی خریداری کے لیے **42.75 ملین ڈالر** سرمائے کے اخراجات کی ضرورت تھی، جس کا انتظام گروپ کے اپنے ذرائع سے کیا گیا اور **4,344 ملین روپے** کی سرمایہ کاری کی سہولت حاصل کی گئی تھی۔ مزید برآں، رواں سال پی این ایس سی نے اپنے ایک پرانے جہاز ایم ٹی کراچی کو **5,011 ملین روپے** کے عوض فروخت کیا۔

بین الاقوامی/میکرو اکنامک عوامل جنہوں نے گروپ کے کاروبار کو متاثر کیا:

گزشتہ سال کے اسی دورانیے کے مقابلے میں رواں مالی سال کے دوران بالترتیب اوسط ایفرا میں **116** سے **214** (**84%**) اور اوسط عالمی پیمانے پر **5.29** سے **6.57** (**24.3%**) تک کا اضافہ دیکھا گیا۔ ان اضافوں کے نتیجے میں فریٹ کی اوسط شرح **14** ڈالر/ملین ٹن رہی جو گزشتہ سال کے اسی دورانیے کے مقابلے میں **100%** زیادہ تھی۔ نیز، رواں مالی سال میں امریکی ڈالر کی اوسط شرح مبادلہ روپے **252/-** تھی جو گزشتہ سال کے اسی دورانیے کے مقابلے میں **41%** زیادہ تھی۔ مالی سال کے آغاز میں امریکی ڈالر تقریباً **204** روپے کے مساوی تھا جو مالی سال کے اختتام تک بڑھ کر **286/-** روپے تک پہنچ گیا۔ اس کے نتیجے میں غیر ملکی بقایاجات/ٹرانزیکشنز پر تاریخی منافع حاصل ہوا (مؤثر ہونے پر)۔

اس دورانیے میں KIBOR کی شرح **15.16%** سے بڑھ کر **22.91%** ہوگئی جس کے نتیجے میں گروپ کو جہازوں کی خریداری کے لیے حاصل کردہ قرض کی سہولت پر زیادہ مالیاتی لاگت برداشت کرنا پڑی۔ دوسری طرف، ہولڈنگ کارپوریشن کی طرف سے منافع پر مبنی سرمایہ کاری میں کی گئی سرمایہ کاری پر گروپ کو فائدہ حاصل ہوا۔

مالیاتی خلاصہ:

خام تیل اور ریفائنڈ پیٹرولیم (مائع کارگو کا شعبہ) کی نقل و حمل سے حاصل ہونے والی فریٹ کی آمدن گروپ کی آمدن کا نمایاں حصہ ہے۔ مالی سال کے دوران، مائع کارگو کے شعبہ نے **41,223** ملین روپے کا حصہ ڈالا جو 22,261 ملین روپے (**117%**) کے اضافے کے بعد ہے۔ کاروبار کو متاثر کرنے والے عالمی واقعہ اور بین الاقوامی/میکرو اکنامک عوامل کی روشنی میں اضافہ قابل جواز ہے۔ علاوہ ازیں، جہازوں کی شمولیت کے نتیجے میں گزشتہ سال کے اسی دورانیے کے مقابلے میں ملکیتی جہازوں کے ذریعے **12** سفروں میں اضافہ ہوا۔

خشک کارگو کے شعبہ نے بھی اپنے کاروبار میں **4,583 ملین روپے** (**54%** کا اضافہ) کا امید افزاء اضافہ ظاہر کیا۔ حکومتی آرڈرز میں اضافے کی وجہ سے سلاٹ کے کاروبار میں **2,187** ملین روپے (**87%**) کا اضافہ ہوا۔

فلیٹ کے اخراجات میں اضافے کی عمومی وجہ پی این ایس سی کے زیر انتظام فلیٹ میں ٹینکرز کی شمولیت اور اس کے نتیجے میں ملکیتی جہازوں کے ذریعے سفر کی تعداد میں اضافہ ہے۔ جبکہ، عالمی واقعہ کی وجہ سے، بنکر کے نرخ **1,108** ڈالر/ملین ٹن تک بڑھے۔

مالیاتی جھلکیاں

پی این ایس سی (گروپ) نے اختتام سال از 30 جون 2023 کے مالیاتی گوشواروں کی تیاری میں کمپنیز ایکٹ 2017 کی شقوں کی تعمیل کی ہے۔ گزشتہ سال اسی دورانیے کے مقابلے میں گروپ کی زیرغور مدت کے لیے مجموعی مالیاتی نتائج کی جھلکیاں حسب ذیل ہیں:

	30 جون 2023	30 جون 2022	تبدیلی	%
	---------- روپے ملین میں '000 ----------			
آمدنی	54,771,160	27,783,460	26,987,700	97%
اخراجات	(27,577,667)	(19,684,247)	(7,893,420)	40%
مجموعی منافع	**27,193,493**	**8,099,213**	**19,094,280**	236%
انتظامی اخراجات	(1,608,706)	(1,232,701)	(376,005)	31%
خلل سے نقصان	(1,122,941)	(929,525)	(193,416)	21%
دیگر اخراجات	(448 555)	(423,127)	(25,428)	6%
دیگر آمدن	9,274,286	1,314,157	7,960,129	606%
آپریٹنگ منافع	**33,287,577**	**6,828,017**	**26,459,560**	388%
مالیاتی لاگت	(1,411,030)	(530,879)	(880,151)	166%
قبل از ٹیکس منافع	**31,876,547**	**6,297,138**	**25,579,409**	406%
ٹیکس	(1,882,252)	(647,248)	(1,235,004)	191%
بعد از ٹیکس منافع	**29,994,295**	**5,649,890**	**24,3444,05**	431%
	---------- روپے ----------			
نفع فی حصص	227.11	42·75	184·36	431%

گزشتہ سال پی این ایس سی (گروپ) کے لیے مالی طور پر بہتر ثابت ہوا ہے۔ گروپ نے اب تک کا سب سے زیادہ 29,994 ملین روپے کا بعد از ٹیکس منافع حاصل کیا، جو گزشتہ سال اسی دورانیے کے بعد از ٹیکس منافع 5,650 ملین روپے کے مقابلے میں 431% زیادہ ہے۔

رواں سال کے مالیاتی نتائج کا باعث بننے والی وجوہات/عوامل حسب ذیل ہیں:

سائبر حملہ:

سائبر حملوں کی حقیقت پی این ایس سی کے افعال اور اس کے عزائم کو پورا کرنے کی صلاحیت کے لیے ایک حقیقی خطرہ ہے۔ پیچیدہ خدمات کے ایک متنوع سلسلے میں گروپ کی شمولیت کے پیش نظر، عمدگی سے کام کرنے والی انفارمیشن ٹیکنالوجی اور مواصلاتی سسٹم پر انحصار اہم ہے۔ سائبر حملہ شدید کاروباری رکاوٹوں کا باعث بن سکتا ہے، جس سے فلیٹ پر اور ساحل سے دور دونوں طرح کے افعال بری طرح متاثر ہوتے ہیں۔ اس طرح کے ممکنہ اثرات سے حفاظت کے لیے، پی این ایس سی نے ڈیٹا کی حفاظت کو یقینی بنانے کے لیے فعال اقدامات کیے ہیں۔ یہ اقدامات ڈیٹا سکیورٹی کے سخت کنٹرولز کے نفاذ کا احاطہ کرتے ہیں، بشمول انٹر پرائز کی سطح کے اینٹی وائرس سافٹ ویئر، جدید ترین فائر وال سسٹمز اور مؤثر سپیم کنٹرول سافٹ ویئر۔ ان مضبوط سکیورٹی اقدامات کو بروئے کار لا کر کارپوریشن سائبر خطرات کے خلاف اپنے دفاع کو مضبوط بنانے اور انفارمیشن ٹیکنالوجی کے کلیدی انفراسٹرکچر کی سالمیت کی حفاظت کرنے کی کوشش کرتی ہے۔

پی این ایس سی کی کریڈٹ ریٹنگ

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

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

پہنچے گا۔ گروپ کی حکمت عملی یہ یقینی بنانا ہے کہ غیر ملکی کرنسی میں آمدنی کی آمد کو یقینی بنانے کے لیے مناسب کاروباری امتزاج کی منصوبہ بندی کی جائے۔ مزید برآں، غیر ملکی بینک اکاؤنٹس میں زرمبادلہ کا توازن برقرار رکھا جائے تاکہ ایسی صورت حال پیدا ہونے پر اسے کم/طویل کیا جا سکے۔

مسلح قزاقی:

خلیج عدن، آبنائے ملاکا اور صومالیہ کے ساحل کے قریب مسلح بحری قزاقی پی این ایس سی سمیت عالمی شپنگ کی صنعت کے لیے ایک مرکزی آپریشنل خطرہ ہے۔ ان ممکنہ خطرات کو تسلیم کرتے ہوئے، گروپ سمجھداری سے بحری قزاقی کے واقعات کے خلاف ضروری انشورنس کوریج حاصل کرتا ہے۔ ان زیادہ خطرے والے علاقوں سے گزرتے وقت گروپ کے جہازوں کی حفاظت کے لیے، عالمی سطح پر تسلیم شدہ نظم کے بہترین طرز عمل (BMP-5) کی سخت تعمیل برقرار رکھی جاتی ہے۔

پی این ایس سی بحری قزاقی کے خطرات کو کم کرنے پر بہت زور دیتی ہے اور جب اس کے جہاز ان خطرناک علاقوں سے گزر رہے ہیں تو پاکستان نیول ہیڈ کوارٹرز کے ساتھ قریبی رابطہ برقرار رکھتی ہے۔ نیز، کارپوریشن نے مناسب انشورنس کوریج حاصل کر کے اس خطرے سے نمٹنے کے لیے فعال اقدامات کیے ہیں۔ یہ مشترکہ کوششیں پی این ایس سی کے اپنے جہازوں اور عملے کی حفاظت اور سلامتی کو یقینی بنانے کے عزم کو ظاہر کرتی ہیں۔

خلیج عمان/آبنائے ہرمز میں تجارتی خطرہ:

پی این ایس سی کے زیر انتظام آئل ٹینکرز بنیادی طور پر خلیج عرب سے خام تیل، فرنس آئل اور ریفائنڈ پیٹرولیم مصنوعات کی نقل و حمل کے لیے آبنائے ہرمز سے گزرتے ہیں۔ تاہم بعض ناخوشگوار واقعات کی وجہ سے اس علاقے کو جوائنٹ وار کمیٹی نے جنگ زدہ علاقہ قرار دیا ہے۔ اس بڑھتے تجارتی خطرے کے ردعمل میں، پی این ایس سی کا عملہ خطے میں داخل ہوتے وقت غیر معمولی احتیاط اور دانائی کا مظاہرہ کرتا ہے۔ مزید برآں، کارپوریشن حکومت پاکستان کی طرف سے مسلسل سفارتی اور عسکری تعاون سے استفادہ کرتی ہے، کیونکہ یہ قومی پرچم بردار کے طور پر کام کرتی ہے۔ اس تجارتی خطرے کو مزید کم کرنے کے لیے، پی این ایس سی نے معروف اور اچھی ساکھ کے حامل انشوررز سے اضافی انشورنس کوریج حاصل کی ہے۔ اس جامع طریقہ کار کا مقصد خلیج عمان اور آبنائے ہرمز سے گزرنے کے دوران جہازوں اور ان کے کارگو کے تحفظ اور سکیورٹی کو یقینی بنانا ہے۔

ایندھن کی قیمت میں اتار چڑھاؤ:

ایندھن کی مارکیٹ فطری طور پر اتار چڑھاؤ کو ظاہر کرتی ہے اور یہ خصوصیت پی این ایس سی کے لیے نمایاں مشکلات کا باعث بنتی ہے۔ ایندھن کی طلب کا عالمی اقتصادی رجحانات سے پیچیدہ تعلق ہے، جو اسے اقتصادی بدحالی کے ادوار میں ناکامیوں سے متاثر کرتا ہے۔ چونکہ بنکرز کی لاگت سفری اخراجات کا ایک اہم حصہ ہے، تقریباً 55 سے 60 فیصد، اس لیے ایندھن کی قیمتوں میں اتار چڑھاؤ کارپوریشن کی مالی کارکردگی پر نمایاں دباؤ ڈال سکتا ہے۔

مارکیٹ کے توازن کی درست پیش گوئی ایک پیچیدہ کام ہے، اور یہ یقینی نہیں ہے کہ اس کے نتیجے میں فریٹ کی قیمتیں اخراجات کو پورا کرنے اور کارپوریشن کے سرمائے پر منافع حاصل کرنے کے لیے کافی ہوں گی۔ ایندھن کے اخراجات کی فطری غیر متوقع حیثیت مالیاتی تناظر میں غیر یقینی صورتحال پیدا کرتی ہے اور اس کے لیے خطرے کے نظم کی محتاط حکمت عملیوں کی ضرورت ہوتی ہے۔

یہ نکتہ نظر اپنا کر، پی این ایس سی کا مقصد تنازعات اور قانونی مشکلات کے امکانات کو کم کرنا ہے، جو شپنگ کی صنعت میں غیر یقینی صورتحال اور اتار چڑھاؤ کی وجہ سے پیدا ہو سکتے ہیں۔ دانشمندانہ فیصلہ سازی کے لیے کارپوریشن کی عہد بستگی اور مستقبل میں ہونے والی پیش رفت کی درست پیش بینی قانونی چارہ جوئی کے خطرات کو کم کرنے میں معاون ثابت ہو گی، جو عالمی شپنگ کے میدان میں ایک قابل اعتماد اور مسابقتی کھلاڑی کے طور پر اس کی حیثیت کو محفوظ بنائے گی۔

بڑے حادثے یا تیل کے گرنے کا خطرہ:

شپنگ کی سرگرمیوں، خاص طور پر ٹینکر کے کاروبار میں تیل ضائع ہونے کا خطرہ ہمیشہ لاحق رہتا ہے۔ زیادہ شدت کا کوئی بھی واقعہ ملازمین، آبی ماحول، جنگلی حیات اور مقامی کمیونٹیز کے لیے خطرات کا باعث بن سکتا ہے۔ نیز، اس سے کارپوریشن کی مالیات اور ساکھ پر شدید اثرات مرتب ہوں گے، جو ممکنہ طور پر کام کرنے کا لائسنس خطرے میں پڑ سکتا ہے۔
پی این ایس سی واقعات سے پاک افعال کو برقرار رکھنے کے لیے ایک محتاط رویہ اختیار کرتی ہے اور ایسے خطرات کو کم کرنے کے لیے فعال طور پر کام کرتی ہے۔ کارپوریشن صحت اور حفاظت کی تمام پالیسیوں کی تعمیل کو ترجیح دیتی ہے اور حفاظت اور ماحولیاتی تحفظ کے اعلیٰ ترین معیارات کو یقینی بنانے کے لیے اپنے جہازوں کے انتظام میں اچھے طرز عمل کو نافذ کرتی ہے۔
ان کوششوں کے ذریعے، پی این ایس سی کا مقصد ذمہ دارانہ اور محفوظ شپنگ کے طریقوں کے عزم کو برقرار رکھتے ہوئے تیل کے ضیاع کے واقعات اور ان کے ممکنہ نتائج کے امکانات کو کم کرنا ہے۔

ماحولیاتی اثرات کا نظم

عالمی شپنگ کل گرین ہاؤس گیسوں (GHGs) کے 3% کا ذمہ دار ہے۔ شپنگ کمپنیاں اپنے کاربن کے اثرات کو کم کرنے کے لیے اخراج میں کمی کی ٹیکنالوجی کو تیزی سے اپنا رہی ہیں۔ توانائی کی کارکردگی کو بہتر بنانا شپنگ کمپنیوں کے لیے اہم زیر توجہ حصہ ہے۔ توانائی میں بچت کی ٹیکنالوجیز ایندھن کی کھپت اور اخراج کو نمایاں طور پر کم کر سکتی ہیں۔ شپنگ کی صنعت موسمیاتی تبدیلیوں کے خاتمے کے حوالے سے جدید حل تیار کرنے کے لیے تحقیق اور ترقی کی کوششوں میں سرگرم عمل ہے۔ صنعتی شراکت داروں، تحقیقی اداروں اور ٹیکنالوجی فراہم کرنے والوں کے ساتھ نئی ٹیکنالوجیز اور پائیدار طریقوں کو دریافت کرنے کے لیے ایسا اشتراک شپنگ کی صنعت کی اشد ضرورت ہے جو ماحولیاتی اثرات کو مزید کم کر سکے۔ پی این ایس سی جہازوں کی ٹیکنالوجی میں ترقی سے فائدہ اٹھا سکتی ہے، جیسا کہ ایندھن کی بہتر استعداد، کم اخراج اور بہتر نیویگیشن سسٹمز۔ جدید اور ماحول دوست جہازوں میں سرمایہ کاری ایندھن کی کھپت کو بہتر بنانے، آپریشنل اخراجات کو کم کرنے اور ماحولیاتی ضوابط کی تعمیل میں مدد دے سکتی ہے۔

کیش فلو کو متاثر کرنے والا شرح سود کا خطرہ:

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

افعال کے لیے بیرون ملک ادائیگیاں:

مقامی افعال کی طرف مائل گروپ کی مخلوط کاروباری سرگرمیوں کی وجہ سے، ان افعال سے حاصل ہونے والی آمدنی مقامی کرنسی یعنی پاکستانی روپے میں ہوتی ہے، جبکہ کاروبار کا کافی زیادہ انحصار ایسے عوامل اور تقاضوں پر ہوتا ہے جن کی ادائیگی غیر ملکی کرنسی میں ہوتی ہے۔ ایسی صورت میں کہ غیر ملکی کرنسی میں ادائیگیوں میں تاخیر ہوتی ہے، تو گروپ کے افعال کو نقصان

نمایاں خطرات

پی این ایس سی تسلیم کرتی ہے کہ کوئی بھی کاروبار مکمل طور پر خطرات سے بچ نہیں سکتا اور شپنگ کی صنعت بھی اس سے مستثنیٰ نہیں ہے۔ ڈرائی اور ویٹ مارکیٹس میں بڑھتی مسابقت، اضافی صلاحیت اور فریٹ کی کم شرح کارپوریشن کے لیے ایک اہم کاروباری خطرہ ہے۔
کارپوریشن کی آمدن کا عالمی منڈیوں کی طلب اور رسد کی محرکات سے گہرا تعلق ہے۔

عالمی سطح پر معاشی حالت کو متاثر کرنے والا سب سے بڑا واقعہ یوکرین اور روس کی جنگ تھا۔ اس کی وجہ سے، ایندھن کی سپلائی اور روسی جہازوں کی طلب اور رسد میں عدم توازن پیدا ہوا جس کے نتیجے میں بنکر کی قیمتیں زیادہ ہوئیں اور اس کے نتیجے میں مال برداری کے نرخوں میں اضافہ ہوا۔ پی این ایس سی نے دنیا بھر کے دیگر جہاز مالکان سے مل کر اس واقعہ سے فائدہ اٹھایا۔

کاروباری منظر نامے میں مختلف پنہاں عوامل غیر یقینی صورتحال میں کردار ادا کرتے ہیں جن کا پی این ایس سی کو سامنا ہو سکتا ہے۔ غیر یقینی صورتحال کے کچھ اہم ذرائع درج ذیل ہیں:

- مائع اور خشک بلک شعبوں میں زائد رسد
- تیل اور بنکر کی قیمتوں میں اتار چڑھاؤ
- بڑھتی آپریشنل لاگت
- شپنگ کی صنعت میں ارتقاء پذیر آپریشنل اصول۔
- غیر ملکی ادائیگیوں کی وجہ سے ہموار آپریشنز میں رکاوٹ۔

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

قانونی چارہ جوئی کا خطرہ:

عالمگیریت اور انٹرنیٹ کی ہمہ گیریت کے تناظر میں، تمام شپنگ پریکٹیشنرز، بشمول پی این ایس سی کے لیے ضروری ہے کہ وہ جاری پیش رفت کے بارے میں مکمل طور پر آگاہ رہیں۔ مستقبل کی ایک درست اور بصیرت انگیز پیش گوئی باخبر فیصلہ سازی، سٹریٹجک مارکیٹنگ کی منصوبہ بندی اور چارٹرنگ کی پالیسیوں کی بہتری کے قابل بناتی ہے۔ ایسا کرنا ممکنہ قانونی چارہ جوئی کے خطرات کو کم کرنے اور ختم کرنے میں مدد کرتا ہے جو پیدا ہو سکتے ہیں۔

پی این ایس سی تیزی سے بدلتے ہوئے شپنگ کے منظر نامے میں سرکردہ رہنے کی اہمیت کو تسلیم کرتی ہے۔ صنعت کے رجحانات کو سمجھ کے اور فعال نگرانی کر کے، کارپوریشن کا مقصد عمدہ باخبر انتخاب کرنا اور مارکیٹنگ کی مؤثر حکمت عملی تیار کرنا ہے۔ نیز، چارٹرنگ کی پالیسیوں کو بہتر بنانا پی این ایس سی کو مؤثر طریقے سے وسائل مختص کرنے اور مارکیٹ کے تقاضوں پر فوری ردعمل دینے کے قابل بناتا ہے۔

محرکات پر گہرا اثر ڈالتے ہیں۔ مزید برآں، پابندیاں تجارتی بہاؤ اور تیل کی تجارت کے نقشے کی تشکیل میں اہم کردار ادا کرتی ہیں، جو ٹینکر کے شعبہ کی مجموعی کارکردگی کو مزید متاثر کرتے ہیں۔ اس کے نتیجے میں، سال کی دوسری ششماہی میں رسد میں خسارہ متوقع ہے، جو ممکنہ طور پر تیل کی قیمتوں میں اضافے کا باعث بن سکتا ہے، اور یہ یقینی بنا سکتا ہے کہ ٹینکر مارکیٹ غیر مستحکم حالت میں رہے۔

بحری کاروباری کارکردگی کا شعبہ جاتی جائزہ

938,876 میٹرک ٹن کی کل DWT صلاحیت کی حامل پی این ایس سی نے زیر مشاہدہ سال کے دوران تقریباً 10.83 ملین ٹن (مالی سال 2022: 11.97 ملین ٹن) کا کارگو اٹھایا، جو ملک کے کل سمندری تجارتی حجم 82.95 ملین ٹن (مالی سال 2022 106.82 ملین ٹن) کے تقریباً 13.06% (مالی سال 2022: 11.21%) کے مساوی ہے۔ پاکستان کی سمندری تجارت برائے حالیہ سال 2022-23 اور گزشتہ سال 2021-22 کے الگ الگ اعداد و شمار اور پی این ایس سی کا حصہ درج ذیل ہیں:

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

	خشک بلک		مائع بلک		کل	
	2023	2022	2023	2022	2023	2022
پاکستان کی سمندری تجارت	54.13	70.72	28.80	36.096	82.95	106.8
پی این ایس سی کا حصہ	1.57	1.316	9.26	10 655	10.83	11.97

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

	پیمائش کی اکائی	2023	2022
ڈرائی کارگو (بلک کیریئر)		1.574	1.316
مائع کارگو (ٹینکر)		9.26	10.655
سلاٹ چارٹر			
۔بریک بلک	MT یا CBM میں سے زیادہ (M/W)	0.075	0.026
۔ کنٹینرشدہ کارگو	ہزار TEU	1.230	2.159

تاہم، تیزی سے جون2023 پر جاتے ہوئے یہ صورت حال ڈرامائی طور پر تبدیل ہوئی۔ خشک بلک مارکیٹ میں کافی مندی دیکھنے میں آئی، جیسا کہ نمایاں طور پر کم وقت کے چارٹر نرخ سے ظاہر ہوتا ہے۔ چھوٹے جہازوں کی اوسط 8,223 ڈالر/ دن رہی، پینامیکس جہازی اوسط 10,424 ڈالر/ دن، اور سپرامیکس جہاز کی اوسط 8,283 ڈالر/ دن تک کم ہوئی۔ یہ شرحیں جہاز مالکان کے لیے چارٹر کی آمدنی میں حیران کن کمی کی نشاندہی کرتی ہیں، جو اس دورانیے میں خشک بلک اجناس کی ٹرانسپورٹیشن کی کم طلب کو ظاہر کرتی ہیں۔

خشک بلک کا تناظر

گزشتہ چند سالوں میں، عالمی توانائی کا استعمال وبائی امراض، یوکرین کے تنازعہ اور کاربن سے پاک کرنے کے اہداف سے متاثر ہوا ہے۔ یہ کوئلے کی کھپت اور تجارت میں اتار چڑھاؤ اور قابل تجدید توانائی کے ذرائع کی طرف منتقلی کا باعث بنا ہے۔ روس کے توانائی کے ذخائر سے اجتناب یا معطّلی کے باعث دنیا کو توانائی کے بحران کا سامنا ہے۔ لہٰذا، 2023 میں کوئلے کی عالمی تجارت میں اضافہ متوقع ہے، جس میں گزشتہ سال کے مقابلے میں 5-3 فیصد یا زیادہ کا امکان ہے۔ اس قلیل مدتی بہتری کے باوجود، گرین ہاؤس گیسوں کے اخراج کو کم کرنے اور توانائی کے صاف ذرائع کی طرف منتقلی کی کوششوں کے باعث طویل مدتی رجحان کے حوالے سے خدشات برقرار ہیں۔ اسٹیل کے بنیادی پروڈیوسر اور صارف کے طور پر، چین میں جنوری سے جون کے دوران پیداوار میں 1.3% کا معمولی اضافہ ہوا۔ بہرحال، بعض سٹیل ملوں کو ہدایت کی گئی ہے کہ وہ اپنی 2022 کی پیداوار کی سطح کو برقرار رکھیں، جو لوہے کی طلب میں کمی لا سکتا ہے۔ نیز، بحیرہ اسود کے اناج کی برآمد کے معاہدے سے ماسکو کی دستبرداری سے اناج کی خشک بلک مارکیٹ کو غیر یقینی صورتحال درپیش ہے، جو ممکنہ طور پر رسد اور طلب کے محرکات کو متاثر کر سکتا ہے۔

ٹینکر مارکیٹ

2023 میں، ٹینکر مارکیٹ کو فریٹ کی شرحوں میں کمی کے دباؤ کا سامنا کرنا پڑا، جو 2022 میں دیکھی جانے والی بلندی سے تنزلی کو ظاہر کرتا ہے۔ اس کے باوجود، مارکیٹ اتار چڑھاؤ کا شکار رہے اور فریٹ کے نرخ عموماً مستحکم یعنی مالکان کے حق میں ہیں۔

روس پر پابندیوں کے اثرات نے تیل کی منڈی میں تجارتی بہاؤ کو نئی تشکیل دی ہے اور ٹینکر کی طلب پر مثبت اثرات جاری رکھے ہوئے ہے۔ یوکرین میں تنازعہ اور روسی تیل کی مصنوعات پر یورپی یونین کی جانب سے پابندی نے مصنوعہ جاتی ٹینکر کی طلب میں اضافہ کیا ہے، جس کے نتیجے میں شپنگ کے حجم اور سفر کے طویل فاصلوں میں اضافہ ہوا ہے۔ جب تک جغرافیائی سیاسی حالات میں خاطر خواہ تبدیلیاں نہیں آتیں، ٹینکر مارکیٹ میں اتار چڑھاؤ برقرار رہنے کی توقع ہے۔

ٹینکر کا تناظر

2023 میں، بنیادی طور پر عالمی اقتصادی مشکلات اور جغرافیائی سیاسی عوامل کی وجہ سے ٹینکر مارکیٹ کو فریٹ کی شرح میں اتار چڑھاؤ کا سامنا ہوا۔ تیل کی قیمتوں کی وجہ سے درپیش مشکلات نے صورتحال کو مزید پیچیدہ بنا دیا، جس سے تیل برآمد کرنے والے ممالک کی جانب سے نافذ کردہ طلب اور پیداوار میں کٹوتیوں کی وجہ سے چین کی متوقع بحالی سے ممکنہ فوائد متاثر ہوئے۔ ٹینکر کے شعبہ کے لیے ممکنہ مواقع پیش کرتے ہوئے سال کے آخر میں چین کی تیل کی طلب میں بہتری متوقع ہے۔

2023 کی دوسری ششماہی پر نظر ڈالتے ہوئے، ٹینکر مارکیٹ کا تناظر 2022 کی بلندی میں کمی کی نشاندہی کرتا ہے لیکن موجودہ طور پر فریٹ کی شرح کے مستحکم سطح پر رہتے ہوئے اپنے اتار چڑھاؤ کی خصوصیت کو برقرار رکھے ہوئے ہے۔ یوکرین پر روس کے حملے کے جاری اثرات، اور پالیسی میں نمایاں تبدیلیاں اور COVID کے بعد چین کی تیل کی طلب میں اضافہ مارکیٹ کی

یوکرین کے بڑھتے تنازعہ یا شدید موسمی آفات جیسے غیر متوقع واقعات کے باعث افراط زر بلند رہ سکتی ہے یا اس میں مزید اضافہ ہوسکتا ہے، جس سے مرکزی بینک کو سخت مالیاتی پالیسیوں کی ضرورت ہوسکتی ہے۔
منڈیوں کے مرکزی بینکوں کی پالیسی میں سختی سے مطابقت پذیر ہونے کے ساتھ مالیاتی شعبے کے ممکنہ بحران کے حوالے سے خدشات موجود ہیں۔ جزوی طور پر غیر حل شدہ رئیل اسٹیٹ کے مسائل کے باعث چین کی بحالی کی رفتار بھی سست ہوسکتی ہے، جس کے ممکنہ طور پر دیگر ممالک پر منفی اثرات مرتب ہوں گے۔ مزید برآں، خود مختار قرضوں کی پریشانی معیشتوں کے ایک وسیع گروپ تک پھیل سکتی ہے۔ مثبت پہلو پر، افراط زر میں توقع سے زیادہ تیزی سے کمی کا امکان ہے، جو سخت مالیاتی پالیسیوں کی ضرورت کو کم کرتا ہے اور مقامی طلب کو لچکدار ثابت کرتا ہے۔

پاکستان کی معیشت کو نمایاں مشکلات کا سامنا ہے، بشمول میکرو اکنامک عدم توازن، رسد کے جھٹکے اور بین الاقوامی اقتصادی سست روی جس نے اقتصادی ترقی کو کم کر دیا ہے۔ 2022 میں آنے والے سیلاب نے زراعت کے شعبے کو بری طرح متاثر کیا، جس سے مقامی رسد میں خلل پیدا ہوا۔ بین الاقوامی قیمتوں میں اضافہ اور کرنسی کی قدر میں کمی کی وجہ سے ملکی اجناس کی قیمتیں بلند ہوئیں، جس کے نتیجے میں 2023 میں مجموعی طلب میں کمی واقع ہوئی۔ تیل کی بڑھتی ہوئی قیمتیں، کرنسی کی قدر میں کمی، کرنٹ اکاؤنٹ خسارہ اور پالیسی ریٹ میں اضافہ مہنگائی کا دباؤ ڈال رہے ہیں اور توقع ہے کہ اس سے اقتصادی ترقی میں کمی متوقع ہے۔

عالمی شپنگ مارکیٹ کا تناظر

تاہم، شپنگ کی صنعت کے امکانات روشن نظر آتے ہیں۔ روسی پابندیوں نے شپنگ کے راستوں کو دوبارہ تشکیل دیا ہے جو خاص طور پر مائع بلک شعبے میں طویل مسافت کا باعث بنے ہیں۔ اس نے بنیادی طور پر ٹینکر کی ترسیل کو متاثر کیا ہے، کیونکہ روس کا تیل اب یورپ کے لیے چھوٹے راستوں کے بجائے رعایتی نرخوں پر چین اور بھارت کا سفر کرتا ہے۔

مغربی ممالک نے روس سے خام تیل کی درآمدات کو منتقل کر کے سعودی عرب اور امریکہ کے ساتھ ساتھ بھارت سے ریفائنڈ تیل کی مصنوعات کی درآمد میں بھی اضافہ کیا ہے۔ اس کے نتیجے میں 2023 میں عالمی سطح پر تیل کی مصنوعات کی ترسیل میں دوعددی ترقی متوقع ہے، جبکہ فی ٹن طلب میں صرف 4% اضافہ ہوگا۔ یہ رجحان خام تیل کی تجارت پر بھی اثر انداز ہو رہا ہے، اور کچھ حد تک خشک بلک شپنگ کو بھی متاثر کر رہا ہے۔
خشک اور مائع دونوں شعبوں سے متعلقہ پیشین گوئیاں اور غیر یقینی کیفیت جو ادارے کی کارکردگی کو متاثر کر سکتی تھیں، ان کی ذیل میں وضاحت کی گئی ہے:

خشک بلک مارکیٹ

مالی سال 2023-2022 کے دوران بین الاقوامی خشک بلک فریٹ کی شرح میں کمی آئی ہے، جس کا مشاہدہ بالٹک ڈرائی انڈیکس (BDI) کے ساتھ کیا جا سکتا ہے۔ 30 جون 2023 تک، BDI کی قدر 1,092 پوائنٹس رہی، جو گزشتہ سال اسی مہینے کے مقابلے میں نمایاں طور پر کم تھی۔

جون 2022 میں، خشک بلک مارکیٹ کو مستحکم طلب کا تجربہ ہوا، جس سے چارٹر کے نرخ کافی بڑھ گئے۔ اوسطاً 25,103 ڈالر/ دن کے ساتھ پینامیکس جہاز اور 27,126 ڈالر/ دن کی اوسط کے ساتھ سپرامیکس جہاز، جہاز مالکان کے لیے خاص طور پر کافی منافع بخش ثابت ہوئے۔ چھوٹے جہازوں نے بھی 24,057 ڈالر/ دن کی بھروسہ منداوسط حاصل کی۔

پاکستان نیشنل شپنگ کارپوریشن (پی این ایس سی، کارپوریشن) گروپ (گروپ) کا بورڈ آف ڈائریکٹرز سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ہمراہ پینتالیسویں (45) سالانہ رپورٹ برائے اختتام سال از 30 جون 2023 بخوشی پیش کرتا ہے۔

مختصر تعارف، بنیادی افعال اور کارکردگی کا جائزہ

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

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

یہ مشرق وسطیٰ سے بحری تجارت کے ذریعے پاکستان کی پیٹرولیم مصنوعات کی مقامی طلب کو پورا کرنے میں اہم کردار ادا کرتا ہے۔ نیز، یہ دنیا بھر میں خشک بلک اشیاء کے تبادلے کی سہولت فراہم کرتی ہے۔ تاہم، اس کی کارکردگی بین الاقوامی فریٹ انڈیکس پر بہت زیادہ منحصر ہے اور اس لیے عالمی اقتصادی تناظر سے متاثر ہوتی ہے۔ مشکلات کے باوجود، پی این ایس سی مؤثر اور قابل بھروسہ بحری ٹرانسپورٹیشن سروسز کو یقینی بنانے میں اپنے مشن کے لیے پرعزم ہے۔

پی این ایس سی بین الاقوامی میری ٹائم کنونشنز اور قومی مرچنٹ میرین پالیسی کی تعمیل کے حوالے سے دنیا بھر میں معروف ہے، اور قومی اور بین الاقوامی ریگولیٹری تقاضوں کو پورا کرتی ہے۔

پی این ایس سی اسٹیک ہولڈرز کو فیصلہ سازی کے عمل میں شامل کر کے اور تجارتی عمل کو بہتر بنا کے ان کے مفادات کا تحفظ کرتی ہے، جس سے پاکستان کے قومی فلیٹ اور بحری صنعت کو تقویت ملتی ہے۔

عالمی اقتصادی تناظر

مالیاتی شعبے کی افراتفری، بلند افراط زر، روس و یوکرین تنازعہ کے جاری اثرات اور COVID-19 کی وباء کے دیرپا اثرات کی وجہ سے تناظر غیر یقینی ہے۔

روس اور یوکرین کے درمیان تنازعہ نے عالمی اقتصادی ترقی کو منفی طور پر متاثر کیا ہے اور مہنگائی میں اضافہ کیا ہے۔ ترقی یافتہ معیشتوں کی کمزور کارکردگی اور افراط زر سے نمٹنے کے لیے سخت مالیاتی پالیسیوں نے عالمی ترقی کو مزید سست کر دیا ہے، جس سے پالیسی ساز فیصلے مزید مشکل ہو رہے ہیں۔ افراط زر سے نمٹنے کے لیے مرکزی بینک کی جانب سے شرح سود بڑھانے سے متوقع عالمی شرح نمو میں کمی متوقع ہے، جس سے اقتصادی سرگرمیاں متاثر ہوں گی۔ اگرچہ کچھ خطرات کم ہوئے ہیں، تاہم، عالمی ترقی کے لیے مجموعی خطرات اب بھی منفی پہلو کی عکاسی کر رہے

Pakistan National Shipping Corporation

CSR
Report

Corporate Social Responsibility

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Welcome & Introduction

Welcome to Corporate Social Responsibility Report 2023.

The Pakistan National Shipping Corportaion (PNSC) is committed to delivering its mission in a socially responsible and sustainable way.

This Corporate Social Responsibility (CSR) Report sets out a number of key initiatives delivered during the current fiscal year 2022-2023 as part of PNSC's commitment under the five pillars: Education, Community, Workplace, Health, and Environment. These initiatives also reflect the impact of the flood disaster and a rapidly changing society underpinned by Corpoartion's ongoing response to serve the public interest in everything we do.

Not only during the year but also always, the PNSC has assessed and acknowledged its Corporate Social Responsibility and sustainability management system across the five pillars. It is external stakeholder's recognition that the PNSC is delivering mission and vision in a socially responsible and sustainable way. I would like to thank the independent members of the CSR Committee, Working Group for their work in leading and coordinating the PNSC with input and support from right across the organisation. The achievement of the mark confirms that, we are in a good position from which to build as we look to the future as part of the Corporation's new strategy.

In PNSC Strategy, I spoke about the pace of change in the economy, financial system and wider society, how it has accelerated and looks set to continue doing so. It is a future of complexity and uncertainty but also of opportunity. Corporations's Strategy recognises the emerging context, and the need to change the way we work in how we deliver on mission and what we work on. It also recognises that we are building from strong foundations. This CSR Report 2023 sets out how PNSC is delivering its commitment to be a socially responsible and sustainable organisation as deliver its mission and as the PNSC responds to the current and emerging challenges. The achievement of the highest historic profit of amount **Rs.30 Billion** in the fiscal year 2022-2023 from managing its core business portfolio marks a positive endorsement that we have strong foundations in place.

Rear Admiral Jawad Ahmed HI (M)
Chairman (PNSC)

Education

Corporate Social Responsibilty

Education

Education is about an exemplary learning community

- An educated and skilled nation is critical for socioeconomic development of a country. The Corporation believes that improving access to education & training is one of the most long-lasting investments it can make for the society. In this regard, following activities were carried out to support education & training:

- PNSC has established a state of the art library at its Head Office, which is well equipped with literature about maritime, management, law and other professional areas. A wide range of books are available in both physical and digital formats. The library also facilitates employees for training sessions and awareness programs arranged by the HR department for enhancing their professional skills throughout the year.

- PNSC continued its unwavering commitment to the future of education in Pakistan by contributing a generous amount of **Rs.3 Million** towards its yearly scholarship programme. This noble initiative was specifically aimed at supporting and empowering deserving students of the prestigious Pakistan Marine Academy (PMA) to pursue their educational dreams without financial constraints.

- Recognizing the importance of education as a catalyst for positive change and progress, PNSC took it upon itself to invest in the potential and talent of young individuals aspiring to join the maritime industry. By offering scholarships to the promising students of PMA, PNSC reaffirmed its dedication to nurturing a skilled and competent workforce that would contribute significantly to the nation's maritime sector.

- By investing in the potential of these bright young minds of PMA, the PNSC not only paved the way for their individual success but also laid the foundation for a prosperous and thriving maritime industry in Pakistan.

- Being the only National Shipping Corporation of Pakistan, PNSC provides internship to the university students, each year, during the semester break. This opportunity helps the students to gain practical experience in their field of specialization. Such programs give hands-on experience to interns which cannot be obtained in classrooms and is great way for them to acquaint themselves with the field of their interest. This also helps the Company to discover quality employees for future.

- PNSC also contributed towards supporting maritime research & strengthening of regulatory framework for training & certification of seafarers.

Community

Corporate Social Responsibilty

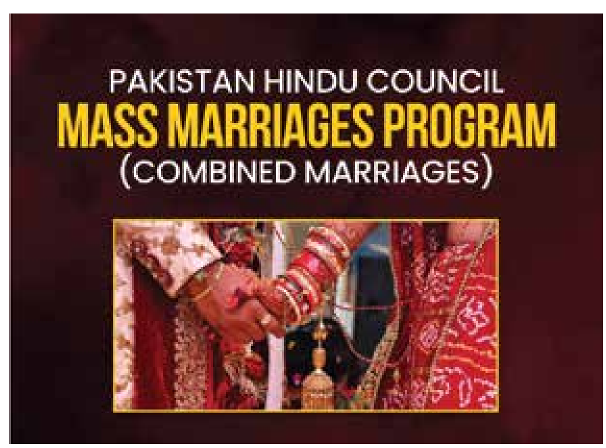
Community

Supporting our local communities

- During the year, PNSC has demonstrated its unwavering commitment to humanitarian efforts by making a significant contribution of **Rs.13 Million** towards conducting flood relief operations in the affected rural areas of Sindh. The devastating floods in the region had caused widespread destruction, displacing communities, damaging infrastructure, and leaving countless lives in disarray.

- PNSC with a steadfast sense of responsibility towards the well-being of the people, PNSC swiftly mobilized its resources and extended a helping hand to those grappling with the aftermath of the calamity. The allocated funds were utilized to support vital relief activities, including emergency shelter provisions, distribution of food and clean drinking water, medical aid, and rehabilitation initiatives. The altruistic gesture of PNSC in allocating a substantial amount for flood relief operations in Sindh exemplified their commitment to serving the community and standing as a beacon of hope in times of crisis.

- The Mass Marriage Program, a noble and compassionate endeavor, aimed to bring joy and alleviate financial burdens for economically disadvantaged Hindu couples who wished to solemnize their union. By participating in this program, PNSC not only provided financial support but also demonstrated its dedication to fostering a society where love and marriage could flourish regardless of economic constraints. In December 2022, PNSC exemplified its commitment to promoting inclusivity and supporting social welfare initiatives by making a generous contribution of **Rs.500,000/-** towards the organization of a Mass Marriage Program organized by the Pakistan Hindu Council.



- The Chairman PNSC visited the orphanage house "Sirratur Jannah" and spent time with them in the Amusement park in September 2022. He exemplified the spirit of compassion and empathy by paying a heartfelt visit to the

"Sirratur Jannah" orphanage house. This visit was not just a formal event; it was a sincere gesture of care and support for the orphaned children, a reflection of the Corporation's commitment to making a positive impact in the lives of those less fortunate.

- Upon arriving at the orphanage, the Chairman PNSC was warmly welcomed by the bright smiles and eager faces of the children. The atmosphere was filled with excitement and anticipation as the youngsters looked forward to a day of special treats and memorable experiences. To make the day truly memorable, the Chairman and the PNSC team had thoughtfully prepared a collection of delightful gifts and an assortment of sweets. The gifts were carefully chosen to cater to the varied interests of the children, ranging from toys and books to practical essentials that could brighten their everyday lives. The distribution of gifts and sweets brought immense joy to the orphanage.

- PNSC showcased its strong commitment to promoting sports and maritime activities by making a generous contribution towards the prestigious event of the 1st Chief of Naval Staff International Sailing Regatta. The Chief of Naval Staff International Sailing Regatta, a premier sailing event, brought together sailing enthusiasts, athletes, and maritime professionals from around the world.

- The regatta served as a platform for friendly competition, skill showcasing, and the celebration of the maritime heritage that unites nations across oceans. By contributing to this esteemed event, PNSC reaffirmed its dedication to supporting endeavors that elevate Pakistan's maritime profile on the global stage.

Workplace

Corporate Social Responsibilty

Workplace Events Gallery 2023

Creating a fulfilling workplace

Annual lunch at PNSC head office Karachi

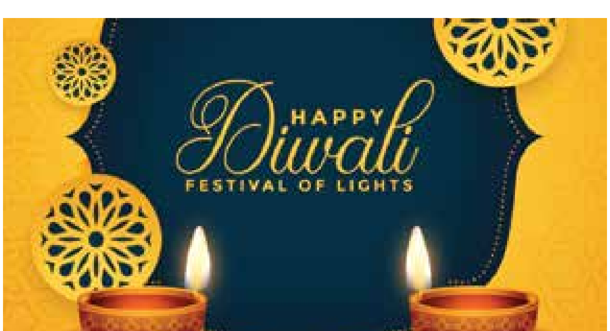
PNSC celebrating independence day at head office

PNSC organized corporate briefing session (CBS) 2022

PNSC management acknowlege the femal staff contribution on women's day

PNSC inducted a new batch of (PMA) internees.

PNSC invited Hunar foundation to brief on skill courses



PNSC celebrated the joyous occasion of Diwali with its hindu employees

PNSC celebrated the joyous occasion of Christmas with its christian employees

- The PNSC demonstrated its profound commitment to the welfare of its low-income staff and other vulnerable individuals by extending a compassionate helping hand. Through a heartwarming initiative, the PNSC has contributed a substantial amount of **Rs.7 Million** towards the distribution of essential Ration Bags low-income PNSC staff and as well as other needy people to relievethe financial burden of their home expenses in February 2023 & May 2023.

- In the blessed month of Rabi-ul-Awwal, the Pakistan National Shipping Corporation (PNSC) embraced the spirit of unity and joy as it commemorated the occasion of Eid Milad-un-Nabi, the birthday of Prophet Muhammad (peace be upon him). The event held a profound significance for the employees of PNSC, as it provided an opportunity to express their love and reverence for the Prophet and celebrate the values of compassion, kindness, and unity that he epitomized.

- In August 2022, PNSC embarked on a momentous journey toward modernizing its fleet for oil transportation in Pakistan. With a visionary approach to enhancing the nation's maritime capabilities, PNSC introduced two state-of-the-art oil tanker vessels to its fleet, a move that would revolutionize the efficiency and safety of oil transportation operations in the country.

- To commemorate this significant milestone and share the joy of progress with its valued employees, PNSC organized a special celebration that echoed the spirit of accomplishment and unity. The induction of the new oil tanker vessels marked a landmark achievement in the organization's commitment to ensuring top-notch facilities and services for oil transportation, contributing significantly to Pakistan's economic growth and energy sector.

- In March 2023, PNSC reaffirmed its deep commitment to its employees' spiritual well-being and religious aspirations by generously sponsoring eight employees to perform the holy pilgrimage of Hajj. As one of the most significant religious obligations for Muslims, Hajj holds immense importance, and PNSC's noble initiative served as a profound demonstration of the organization's compassion and dedication to supporting its workforce in its sacred journey.

- In May 2023, PNSC demonstrated its unwavering commitment to its employees and their families during times of adversity by providing a compassionate gesture of financial assistance. The organization offered an ex-gratia to support the grieving family of a deceased employee, offering solace and much-needed relief during their difficult period.

- In June 2023, PNSC reaffirmed its commitment to the welfare and holistic development of its employees' families by making a thoughtful contribution towards arranging Personal Excellence Courses through the esteemed Pakistan Navy Finishing School.

- Recognizing the significance of investing in the personal growth and well-being of its employees' families, PNSC took the initiative to collaborate with the Pakistan Navy Finishing School to offer specialized courses designed to enhance essential life skills and promote personal excellence.

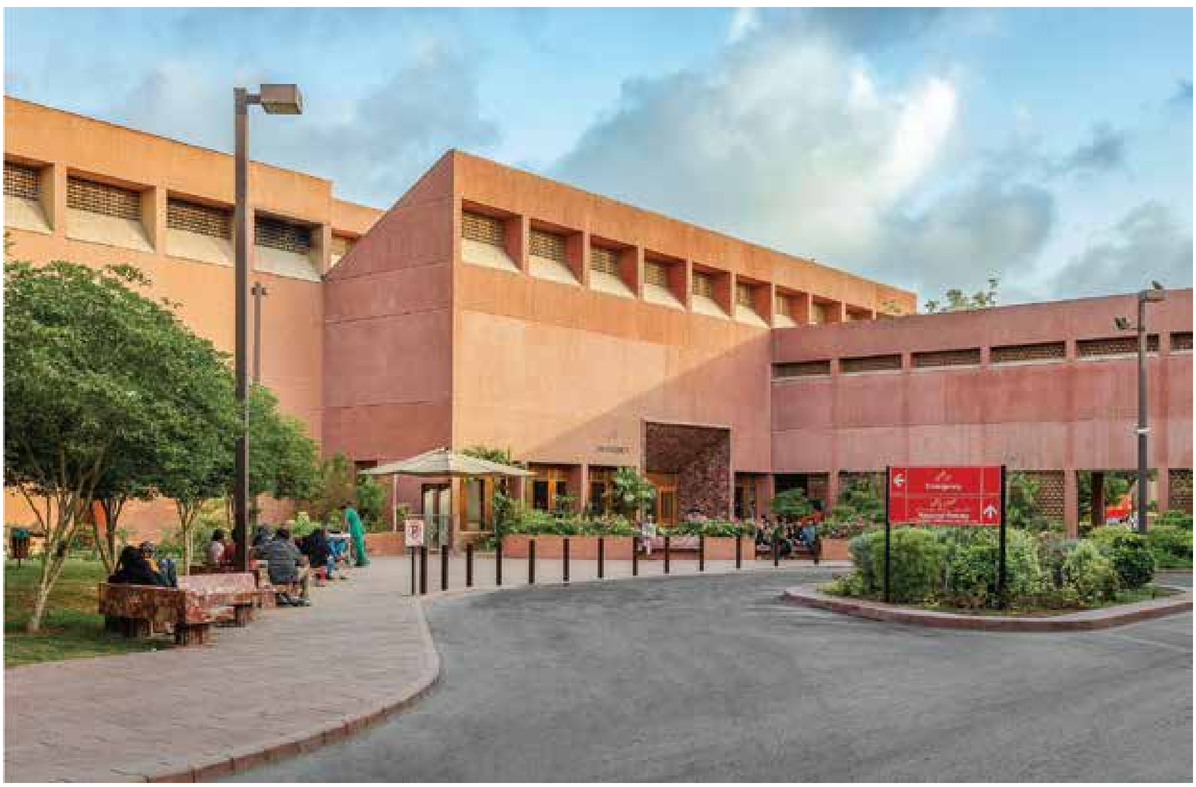
Health

Corporate Social Responsibilty

Health

Maintain your good health is the real earned wealth

- In the year 2022-2023, PNSC demonstrated an extraordinary display of compassion and care towards its employees and their families by undertaking a momentous act of kindness. Amidst a challenging and distressing situation, PNSC extended its unwavering support to an employee who faced the harrowing ordeal of having a child in need of critical medical intervention.



- The child of this devoted PNSC employee required a life-saving Bone Marrow Transplantation, a complex and expensive medical procedure that held the promise of restoring health and hope to the young patient. Recognizing the gravity of the situation and the urgency to take action, PNSC wholeheartedly stepped in to bear the substantial expenses associated with the treatment.

- The expenses incurred by PNSC, amounting to **Rs.8 Million** covered the medical costs involved in the transplantation process, including pre-transplant evaluations, surgery, post-operative care, medications, and hospitalization. Additionally, it provided the child with access to a highly skilled medical team and state-of-the-art facilities, ensuring the best possible chances for a successful recovery.

- In October 2022, PNSC took a proactive step towards promoting employee well-being and contributing to a global cause by conducting a crucial awareness session. Aligned with the worldwide campaign for Breast Cancer awareness, PNSC demonstrated its commitment to the health and welfare of its employees by organizing a yearly awareness session focused on raising awareness about breast cancer and its early detection.

- Recognizing the importance of employee health and the impact it has on both personal and professional lives, PNSC made it a priority to educate its workforce about the significance of early detection and preventive measures for breast cancer. The awareness session served as a platform to empower employees with the knowledge, dispel myths, and encourage them to take charge of their health through regular screenings and self-examinations.

- The session commenced with expert medical professionals providing comprehensive information about breast cancer, its prevalence, risk factors, and common signs and symptoms. Employees were sensitized about the importance of early detection, as timely identification of breast cancer significantly increases the chances of successful treatment and survival.

Environment

Corporate Social Responsibilty

Environment

Being Sustainable, Minimizing

- Tree plantation drives offer a unique opportunity for corporates to engage in meaningful CSR activities that promote environmental conservation and learning. Tree plantation drives organized by corporates offer numerous benefits, like improves the local environment by enhancing green cover, reducing air pollution, and mitigating the urban heat island effect. These drives also promote employee engagement, team building, and a sense of pride in contributing to a sustainable cause.

- Moreover, tree plantation drives create a positive image for corporates, showcasing their commitment to environmental stewardship and community engagement. Through tree plantation initiatives, corporates can foster a sense of environmental responsibility, teamwork, and community engagement while making a positive impact on the planet.

- The Chairman PNSC planting a tree, during the plantation drive, all the Executive Directors, General Managers, other Officers and Staff of PNSC were also present on this occasion.

- In November 2022, PNSC exhibited its unwavering commitment to social responsibility and community welfare by extending a generous Silver

Sponsorship for the prestigious Bahria Foundation Golf Cup -2022. The tournament's noble objective was to raise funds for the rehabilitation of those who had been severely affected by the devastating floods that had struck the region.

- Understanding the gravity of the situation and the pressing need to support the flood-affected communities, PNSC wholeheartedly embraced the opportunity to contribute to this worthy cause. By becoming a Silver Sponsor, the organization demonstrated its dedication to making a meaningful impact on the lives of those who had endured hardships due to natural disasters.

- The Bahria Foundation fund raising Golf Cup 2022 served as a beacon of hope and unity bringing together golf enthusiasts, businesses, and philanthropic individualswith a shared vision of alleviating the suffering of flood affectees.

- In March 2023, PNSC embraced the spirit of camaraderie, sportsmanship, and employee engagement by organizing a vibrant and exhilarating Cricket Tournament at the renowned Al-Burhani Cricket Ground. The tournament served as a delightful platform for employees to come together, bond, and showcase their cricketing prowess while fostering a sense of unity and team spirit within the organization.

- PNSC, recognizing the significance of sports in promoting a healthy work environment and building strong relationships among employees, thoughtfully arranged this engaging event. The expense incurred for the tournament was a valuable investment in the well-being and happiness of its workforce.

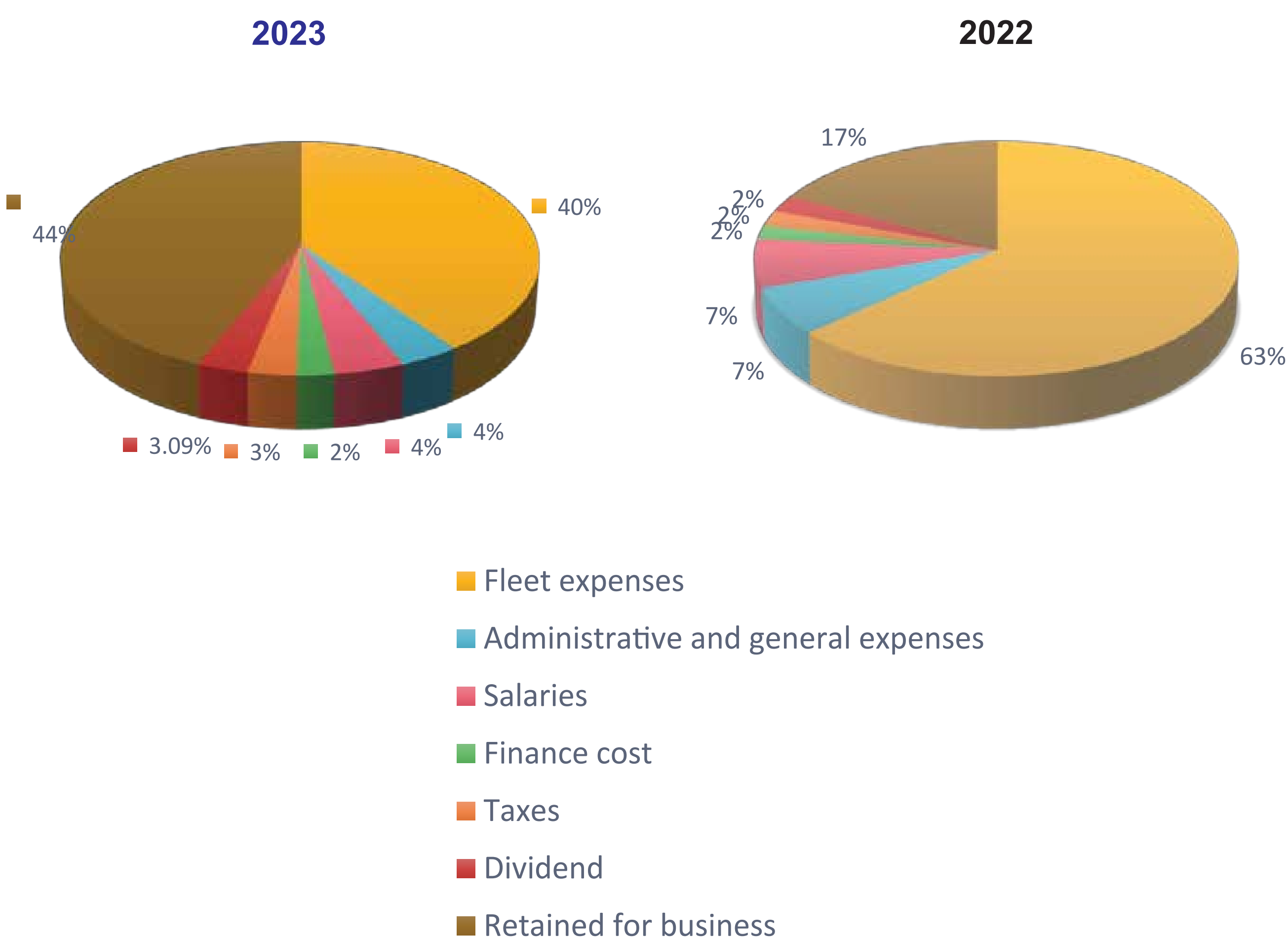
Value Added Statement

Wealth Generated

	2023		2022	
	Rs. in '000	%	Rs. in '000	%
Income from shipping business	47,230,453	73.74%	23,572,426	81.01%
Othe operating activities	7,063,145	11.03%	3,876,340	13.32%
Workshop income	182,664	0.29%	73,918	0.26%
Income from manning service	29,441	0.05%	21,762	0.07%
Other operating income	9,274,286	14.48%	1,314,157	4.52%
Rental income	265,457	0.41%	239,014	0.82%
	64,045,446	**100.0%**	**29,097,617**	**100.0%**

Wealth Distributed

	2023 Rs. in '000	2023 %	2022 Rs. in '000	2022 %
Fleet expenses	25,721,079	40.16%	18,405,125	63.25%
Administrative and general expenses	2,316,264	3.62%	1,919,005	6.60%
Salaries	2,720,526	4.25%	1,945,470	6.69%
Finance cost	1,411,030	2.20%	530,879	1.82%
Taxes	1,882,252	2.94%	647,248	2.22%
Dividend	1,980,951	3.09%	660,317	2.27%
Retained for business	28,013,344	43.74%	4,989,573	17.15%
	64,045,446	**100.0%**	**29,097,617**	**100.0%**

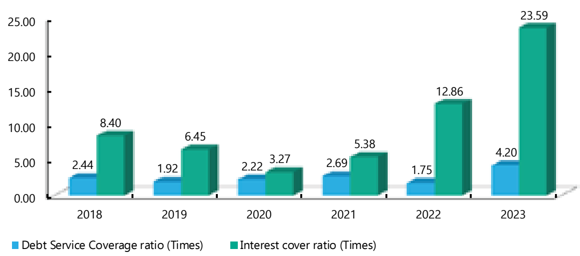


Financial Ratios

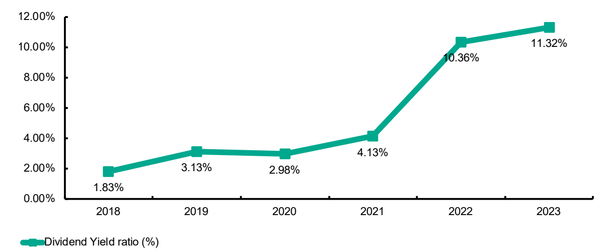
	UOM	2023	2022	2021	2020	2019	2018
Profitability ratios							
Profit before tax	%	58.20	22.67	19.10	18.70	21.55	17.74
GP ratio	%	49.65	29.15	22.45	33.10	27.33	22.69
Profit after tax	%	54.76	20.34	17.71	17.49	19.27	15.71
EBITDA margin to sale	%	66.38	33.42	39.86	39.76	37.13	34.09
Operating leverage ratio	%	398.94	108.84	262.46	131.97	422.53	160.91
Return on equity	%	42.20	13.33	6.10	6.96	6.73	5.24
Return on capital employed	%	40.14	12.09	5.32	5.81	5.40	4.87
Liquidity ratios							
Current ratio	%	4.07	3.38	3.71	3.16	2.68	3.12
Cash to current liabilities	Times	0.74	0.81	0.26	1.06	1.27	0.70
Cash flow from operations to sales	Times	0.44	0.27	0.25	0.19	0.18	0.12
Activity / turnover ratios							
Debtor turnover ratio	Times	9.71	6.67	4.15	4.80	4.15	3.87
Asset turnover ratio	Times	0.64	0.52	0.27	0.30	0.25	0.28
Fixed assets turnover ratio	Times	1.54	0.89	0.40	0.43	0.34	0.41
Market ratios							
Earnings per share	Rs.	227.11	42.75	17.14	18.27	16.62	12.43
Price Earning ratio	Times	0.58	1.13	4.24	4.14	3.84	6.59
Price to book ratio	Times	2.04	1.19	2.06	2.18	1.87	2.88
Dividend yield ratio	%	11.32	10.36	4.13	2.98	3.13	1.83
Dividend payout ratio	Times	0.07	0.12	0.18	0.12	0.12	0.12
Dividend cover ratio	Times	15.14	8.55	5.71	8.12	8.31	8.28
Cash dividend	Rs.	15.00	5.00	3.00	2.25	2.00	1.50
Breakup value/share	Rs.	538.23	320.93	281.06	262.71	246.91	237.32
Share price at year end	Rs.	132.53	48.26	72.70	75.56	63.85	81.94
Share price - High	Rs.	143.99	81.79	97.90	107.00	88.99	155.25
Low	Rs.	96.92	47.77	64.00	50.01	47.13	80.00
Capital Structure Ratio							
Financial leverage ratio	Times	0.10	0.11	0.16	0.21	0.28	0.09
Debt service coverage ratio	Times	4.20	1.75	2.69	2.22	1.92	2.44
Debt to equity ratio	Times	0.10	0.11	0.13	0.17	0.22	0.06
Interest cover ratio	Times	23.59	12.86	5.38	3.27	6.45	8.40

Graphical Analysis

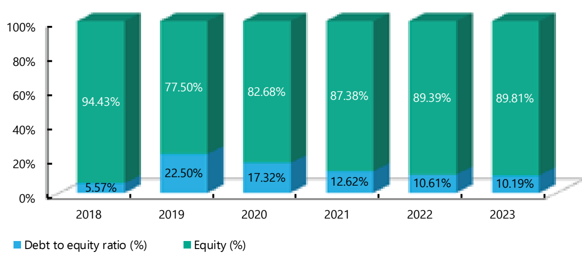
Debt Management



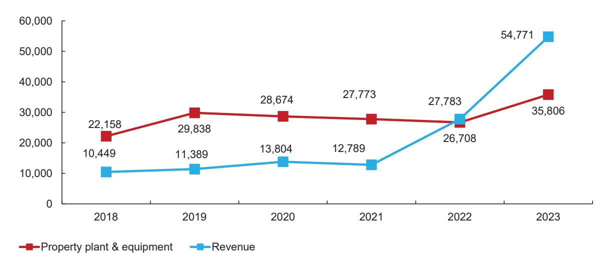
Dividend Yield Ratio



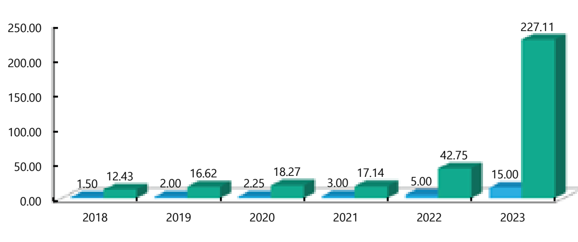
Debt to Equity



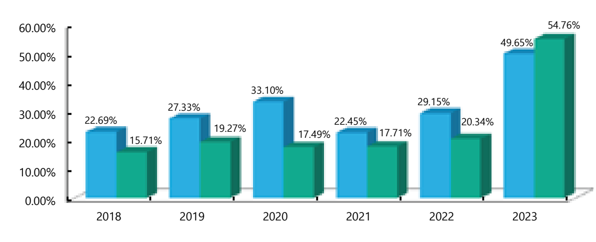
Fixed Assets & Revenue (Rs. in million)



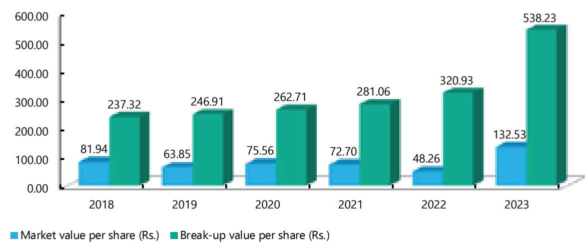
Dividend & earning per share



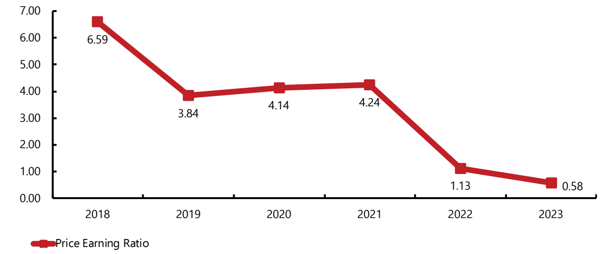
Gross & Net Profit



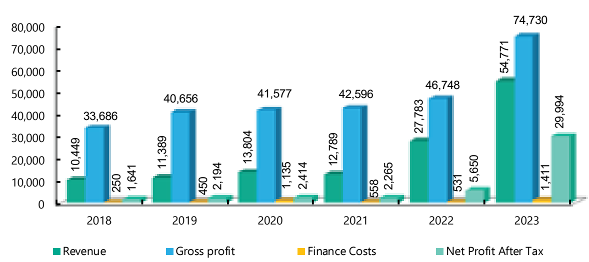
Market / Break-up value per share (Rs./share)



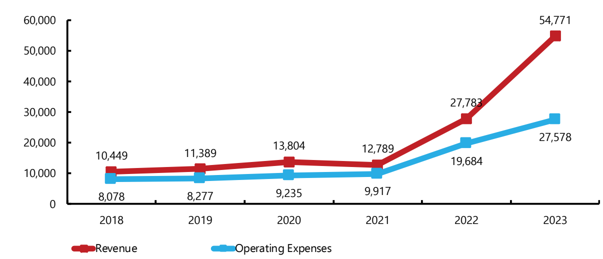
Price Earning Ratio (Times)



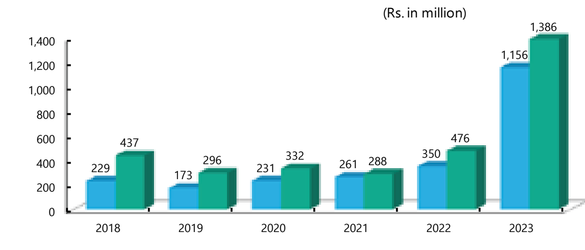
Turnover & Profitability (Rs. in million)



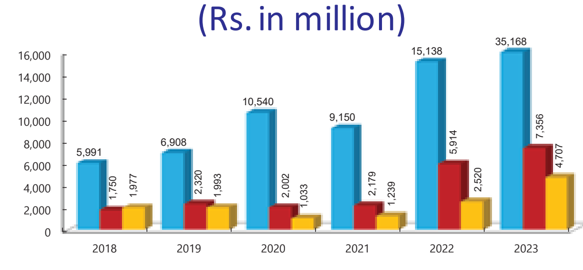
Revenue & Operating Expenses (Rs. in million)



Payments to Federal Government (Rs. in million)



Sector-wise Revenue (Rs. in million)



Horizontal Analysis (Group)

	2023		2022	
	'000	% change	'000	% change
Profit & Loss				
Revenues	54,771,160	97%	27,783,460	117%
Expenditure	(27,577,667)	40%	(19,684,247)	98%
Gross profit	**27,193,493**	**236%**	**8,099,213**	**182%**
Administrative expenses	(1,608,706)	31%	(1,232,701)	19%
Impairment loss	(1,122,941)	21%	(929,525)	-426%
Other expenses	(448,555)	6%	(423,127)	95%
Finance costs	(1,411,030)	166%	(530,879)	-5%
Other income	9,274,286	606%	1,314,157	20%
Profit before taxation	**31,876,547**	**406%**	**6,297,138**	**158%**
Taxation	(1,882,252)	191%	(647,248)	265%
Profit after taxation	**29,994,295**	**431%**	**5,649,890**	**149%**
Balance sheet				
Property, plant and equipment	35,806,011	34%	26,708,229	-4%
Other non-current assets	4,400,167	5%	4,201,180	5%
Trade debts	5,969,078	12%	5,311,573	76%
Cash and bank balances	8,383,959	55%	5,414,650	415%
Other current assets	31,430,973	167%	11,760,589	9%
Total assets	**85,990,188**	**61%**	**53,396,221**	**15%**
Shareholder's equity	71,079,894	68%	42,383,333	14%
Employee benefits	739,613	4%	713,135	5%
Long-term financing	2,822,020	-20%	3,547,219	-24%
Lease liabilities	88,547	-15%	104,746	-9%
Current portion of long-term financing	4,422,203	366%	949,793	-29%
Other current liabilities	6,837,911	20%	5,697,995	114%
Total equity and liabilities	**85,990,188**	**61%**	**53,396,221**	**15%**
Cash Flow Statement				
Cash flows from operating activities	23,922,826	220%	7,485,032	136%
Cash flows from investing activities	(8,353,975)	-321%	3,786,579	-188%
Cash flows from financing activities	1,441,645	-175%	(1,927,259)	18%
Net increase / (decrease) in cash and cash equivalents	**17,010,496**	**82%**	**9,344,352**	**-438%**
Others				
Profit before tax	31,876,547	406%	6,297,138	158%
Finance costs	1,411,030	166%	530,879	-5%
Depreciation	3,066,960	25%	2,457,794	17%
EBITDA	**36,354,537**	**292%**	**9,285,811**	**82%**
Profit before tax	31,876,547	406%	6,297,138	158%
Finance costs	1,411,030	166%	530,879	-5%
EBIT	**33,287,577**	**388%**	**6,828,017**	**128%**

2021		2020		2019		2018	
'000	% change	'000	% change	'000	% change	'000	% change
12,788,561	-7%	13,803,576	21%	11,389,059	9%	10,448,805	-24%
(9,917,093)	7%	(9,234,891)	12%	(8,276,828)	2%	(8,078,156)	-17%
2,871,468	**-37%**	**4,568,685**	**47%**	**3,112,231**	**31%**	**2,370,649**	**-41%**
(1,034,518)	-8%	(1,120,281)	1%	(1,113,280)	4%	(1,067,115)	6%
285,266	-169%	(411,138)	608%	(58,039)	10%	(52,963)	-85%
(216,557)	-19%	(268,440)	-8%	(291,396)	7%	(272,852)	25%
(557,607)	-51%	(1,135,464)	152%	(450,153)	80%	(250,402)	-24%
1,094,139	15%	948,384	-24%	1,255,068	11%	1,126,720	16%
2,442,191	**-5%**	**2,581,746**	**5%**	**2,454,431**	**32%**	**1,854,037**	**-40%**
(177,165)	6%	(167,868)	-35%	(260,057)	22%	(212,916)	-66%
2,265,026	**-6%**	**2,413,878**	**10%**	**2,194,374**	**34%**	**1,641,121**	**-34%**
27,772,552	-3%	28,674,222	-4%	29,837,872	35%	22,158,254	-4%
3,988,111	7%	3,724,070	8%	3,441,979	8%	3,195,784	15%
3,019,161	-4%	3,141,103	20%	2,615,138	-9%	2,868,460	13%
1,050,945	-77%	4,512,021	-19%	5,578,137	102%	2,764,179	-46%
10,760,215	86%	5,776,271	61%	3,582,304	-46%	6,629,193	66%
46,590,984	**2%**	**45,827,687**	**2%**	**45,055,430**	**20%**	**37,615,870**	**0%**
37,117,412	7%	34,693,967	6%	32,608,336	4%	31,340,940	5%
679,619	-11%	763,520	7%	711,259	18%	600,933	1%
4,684,138	-22%	6,010,153	-18%	7,335,925	321%	1,744,186	-41%
114,805	5%	109,204	-	-	-	-	-
1,334,965	0%	1,334,964	-24%	1,747,543	44%	1,210,172	0%
2,660,045	-9%	2,915,879	10%	2,652,367	-2%	2,719,639	-11%
46,590,984	**2%**	**45,827,687**	**2%**	**45,055,430**	**20%**	**37,615,870**	**0%**
3,169,002	18%	2,684,111	33%	2,017,662	59%	1,270,944	-49%
(4,299,152)	161%	(1,647,488)	-68%	(5,131,477)	132%	(2,207,660)	-211%
(1,630,926)	-22%	(2,102,739)	-135%	5,927,773	-506%	(1,460,877)	-1%
(2,761,076)	**159%**	**(1,066,116)**	**-138%**	**2,813,958**	**-217%**	**(2,397,593)**	**-179%**
2,442,191	-5%	2,581,746	5%	2,454,431	32%	1,854,037	-40%
557,607	-51%	1,135,464	152%	450,153	80%	250,402	-24%
2,098,099	18%	1,770,878	34%	1,324,249	-9%	1,457,896	5%
5,097,897	**-7%**	**5,488,088**	**30%**	**4,228,833**	**19%**	**3,562,335**	**-26%**
2,442,191	-5%	2,581,746	5%	2,454,431	32%	1,854,037	-40%
557,607	-51%	1,135,464	152%	450,153	80%	250,402	-24%
2,999,798	**-19%**	**3,717,210**	**28%**	**2,904,584**	**38%**	**2,104,439**	**-39%**

Vertical Analysis (Group)

	2023		2022	
	'000	%	'000	%
Profit & Loss				
Revenues	54,771,160	100%	27,783,460	100%
Expenditure	(27,577,667)	-50%	(19,684,247)	-71%
Gross profit	**27,193,493**	**50%**	**8,099,213**	**29%**
Administrative expenses	(1,608,706)	-3%	(1,232,701)	-4%
Impairment loss	(1,122,941)	-2%	(929,525)	-3%
Other expenses	(448,555)	-1%	(423,127)	-2%
Finance costs	(1,411,030)	-3%	(530,879)	-2%
Other income	9,274,286	17%	1,314,157	5%
Profit before taxation	**31,876,547**	**58%**	**6,297,138**	**23%**
Taxation	(1,882,252)	-3%	(647,248)	-2%
Profit after taxation	**29,994,295**	**55%**	**5,649,890**	**20%**
Balance Sheet				
Property, plant and equipment	35,806,011	42%	26,708,229	50%
Other non-current assets	4,400,167	5%	4,201,180	8%
Trade debts	5,969,078	7%	5,311,573	10%
Cash and bank balances	8,383,959	10%	5,414,650	10%
Other current assets	31,430,973	37%	11,760,589	22%
Total assets	**85,990,188**	**100%**	**53,396,221**	**100%**
Shareholder's equity	71,079,894	82.7%	42,383,333	79.4%
Employee benefits	739,613	0.9%	713,135	1.3%
Long-term financing	2,822,020	3.3%	3,547,219	6.6%
Lease liabilities	88,547	0.1%	104,746	0.2%
Current portion of long-term financing	4,422,203	5.1%	949,793	1.8%
Other current liabilities	6,837,911	8.0%	5,697,995	10.7%
Total equity and liabilities	**85,990,188**	**100%**	**53,396,221**	**100%**
Cash flow statement				
Cash flows from operating activities	23,922,826	141%	7,485,032	80%
Cash flows from investing activities	(8,353,975)	-49%	3,786,579	41%
Cash flows from financing activities	1,441,645	8%	(1,927,259)	-21%
Net increase / (decrease) in cash and cash equivalents	**17,010,496**	**100%**	**9,344,352**	**100%**
Others				
Profit before tax	31,876,547	88%	6,297,138	68%
Finance costs	1,411,030	4%	530,879	6%
Depreciation	3,066,960	8%	2,457,794	26%
EBITDA	**36,354,537**	**100%**	**9,285,811**	**100%**
Profit before tax	31,876,547	96%	6,297,138	92%
Finance costs	1,411,030	4%	530,879	8%
EBIT	**33,287,577**	**100%**	**6,828,017**	**100%**

2021 '000	2021 %	2020 '000	2020 %	2019 '000	2019 %	2018 '000	2018 %
12,788,561	100%	13,803,576	100%	11,389,059	100%	10,448,805	100%
(9,917,093)	-78%	(9,234,891)	-67%	(8,276,828)	-73%	(8,078,156)	-77%
2,871,468	**22%**	**4,568,685**	**33%**	**3,112,231**	**27%**	**2,370,649**	**23%**
(1,034,518)	-8%	(1,120,281)	-8%	(1,113,280)	-10%	(1,067,115)	-10%
285,266	2%	(411,138)	-3%	(58,039)	-1%	(52,963)	-1%
(216,557)	-2%	(268,440)	-2%	(291,396)	-3%	(272,852)	-3%
(557,607)	-4%	(1,135,464)	-8%	(450,153)	-4%	(250,402)	-2%
1,094,139	9%	948,384	7%	1,255,068	11%	1,126,720	11%
2,442,191	**19%**	**2,581,746**	**19%**	**2,454,431**	**22%**	**1,854,037**	**18%**
(177,165)	-1%	(167,868)	-1%	(260,057)	-2%	(212,916)	-2%
2,265,026	**18%**	**2,413,878**	**17%**	**2,194,374**	**19%**	**1,641,121**	**16%**
27,772,552	60%	28,674,222	63%	29,837,872	66%	22,158,254	59%
3,988,111	9%	3,724,070	8%	3,441,979	8%	3,195,784	8%
3,019,161	6%	3,141,103	7%	2,615,138	6%	2,868,460	8%
1,050,945	2%	4,512,021	10%	5,578,137	12%	2,764,179	7%
10,760,215	23%	5,776,271	13%	3,582,304	8%	6,629,193	18%
46,590,984	**100%**	**45,827,687**	**100%**	**45,055,430**	**100%**	**37,615,870**	**100%**
37,117,412	79.7%	34,693,967	76%	32,608,336	72%	31,340,940	83%
679,619	1.5%	763,520	2%	711,259	2%	600,933	2%
4,684,138	10.1%	6,010,153	13%	7,335,925	16%	1,744,186	5%
114,805	0.2%	109,204	0.2%	-	-	-	-
1,334,965	2.9%	1,334,964	3%	1,747,543	4%	1,210,172	3%
2,660,045	5.7%	2,915,879	6%	2,652,367	6%	2,719,639	7%
46,590,984	**100%**	**45,827,687**	**100%**	**45,055,430**	**100%**	**37,615,870**	**100%**
3,169,002	-115%	2,684,111	-252%	2,017,662	72%	1,270,944	-53%
(4,299,152)	156%	(1,647,488)	155%	(5,131,477)	-182%	(2,207,660)	92%
(1,630,926)	59%	(2,102,739)	197%	5,927,773	211%	(1,460,877)	61%
(2,761,076)	**100%**	**(1,066,116)**	**100%**	**2,813,958**	**100%**	**(2,397,593)**	**100%**
2,442,191	48%	2,581,746	47%	2,454,431	58%	1,854,037	52%
557,607	11%	1,135,464	21%	450,153	11%	250,402	7%
2,098,099	41%	1,770,878	32%	1,324,249	31%	1,457,896	41%
5,097,897	**100%**	**5,488,088**	**100%**	**4,228,833**	**100%**	**3,562,335**	**100%**
2,442,191	81%	2,581,746	69%	2,454,431	85%	1,854,037	88%
557,607	19%	1,135,464	31%	450,153	15%	250,402	12%
2,999,798	**100%**	**3,717,210**	**100%**	**2,904,584**	**100%**	**2,104,439**	**100%**

Six Years at a Glance (PNSC)

	UOM	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
		---(Rupees in '000)---					
Profit & loss							
Revenue		12,006,027	10,481,713	2,598,011	1,953,042	3,287,614	4,873,768
Expenditure		(8,421,593)	(8,618,673)	(2,151,442)	(1,752,593)	(2,823,489)	(3,484,147)
Gross profit		3,584,434	1,863,040	446,569	200,449	464,125	1,389,621
Administrative & other expenses		(788,126)	(698,014)	(418,713)	(408,772)	(545,417)	(614,048)
Impairment (loss) / reversal on financial assets - net		(706,399)	(585,498)	280,348	(302,617)	(37,264)	(27,852)
Other income		5,421,551	1,382,190	1,042,376	887,965	1,123,655	976,247
Finance costs		(1,402,093)	(525,794)	(551,417)	(1,129,661)	(445,490)	(247,210)
Profit / (loss) before taxation		6,109,367	1,435,924	799,163	(752,636)	559,609	1,476,758
Taxation		(1,275,289)	(565,922)	(104,345)	(88,206)	(205,585)	(173,119)
Profit / (loss) after taxation		4,834,078	870,002	694,818	(840,842)	354,024	1,303,639
Balance sheet							
Non-current assets		43,802,879	43,612,839	43,422,518	42,655,967	42,519,747	33,789,362
Current assets		47,274,542	16,815,794	11,309,154	9,693,058	9,317,055	10,413,386
Total assets		**91,077,421**	**60,428,633**	**54,731,672**	**52,349,025**	**51,836,802**	**44,202,748**
Paid-up capital		1,320,634	1,320,634	1,320,634	1,320,634	1,320,634	1,320,634
Reserves		12,773,405	9,226,223	8,739,441	8,276,295	9,363,611	9,767,740
Surplus on revaluation of fixed assets		1,612,524	1,623,362	1,624,111	1,231,193	1,234,901	1,242,161
Share-holders' equity		15,706,563	12,170,219	11,684,186	10,828,122	11,919,146	12,330,535
Non-current liabilities		3,650,180	4,365,100	5,478,562	6,882,876	8,047,184	2,345,119
Current liabilities		71,720,678	43,893,314	37,568,924	34,638,027	31,870,472	29,527,094
		91,077,421	**60,428,633**	**54,731,672**	**52,349,025**	**51,836,802**	**44,202,748**
RATIOS							
Profitablility ratios							
Gross profit / operating revenue	%	29.86	17.77	17.19	10.26	14.12	28.51
Profit / (loss) before tax / operating revenue	%	50.89	13.70	30.76	(38.54)	17.02	30.30
Profit / (loss) after tax / operating revenue	%	40.26	8.30	26.74	(43.05)	10.77	26.75
Return on capital employed	%	24.97	5.26	4.05	(4.75)	1.77	8.88
Liquidity / leverage ratios							
Current ratio	Times	0.66	0.38	0.30	0.28	0.29	0.35
Fixed assets turnover ratio	Times	0.27	0.24	0.06	0.05	0.09	0.15
Equity / Total assets	%	17.25	20.14	21.35	20.68	22.99	27.90
Return to shareholders							
Earnings / (loss) per share	Rs.	36.60	6.59	5.26	(6.37)	2.68	9.87
Price / (loss) earning ratio	Rs.	3.62	7.33	13.82	(11.87)	23.82	8.30
Cash dividend	Rs. / share	15.00	5.00	3.00	2.25	2.00	1.5
Break-up value per share	Rs.	118.93	92.15	88.47	81.99	90.25	93.37
Share prices in rupees							
High		143.99	81.79	97.90	107.00	88.99	155.25
Low		96.92	47.77	64.00	50.01	47.13	80.00

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INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Pakistan National Shipping Corporation

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of Pakistan National Shipping Corporation ("the Corporation") for the year ended June 30, 2023 in accordance with the requirements of Regulation No. 36 of the Regulations.

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

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

The Regulations require the Corporation to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance with this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to the attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Corporation's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Corporation for the year ended June 30, 2023.

Yousuf Adil
Chartered Accountants
Karachi
Date: October 04, 2023
UDIN: CR202310186KZJMf0gED

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi
Date: October 04, 2023
UDIN: CR202310093c4BOEJhHq

YOUSUF ADIL

Grant Thornton

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

PAKISTAN NATIONAL SHIPPING CORPORATION

Year ended June 30, 2023

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

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

    a) Male : 6
    b) Female : 1

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

Category*	Names
Chairman & Chief Executive	Rear Admiral Jawad Ahmed HI(M)
Non-Executive Directors (appointed by Federal Government under the PNSC Ordinance, 1979).	Mr. Qumar Sarwar Abbasi Additional Finance Secretary (Corporate Finance) Finance Division Islamabad Mr. Hassan Mehmood Yousufzai Additional Secretary Ministry of Maritime Affairs, Islamabad Ms. Alia Shahid The Director General (Ports & Shipping) Ministry of Maritime Affairs, Karachi. Mr. Muhammad Ali
Non-Executive Directors (elected by shareholders under the PNSC Ordinance, 1979).	Mr. Ahsan Ali Malik Captain Sarfaraz Inayatullah Qureshi
Female Director (appointed by Federal Government under the PNSC Ordinance, 1979).	Ms. Alia Shahid The Director General (Ports & Shipping) Ministry of Maritime Affairs, Karachi.

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

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

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

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

7. The meetings of the Board were presided over by the Chairman and in his absence any one of the director after reaching to a consensus presided the meeting. The Board has complied with the requirements of the PNSC Ordinance 1979, the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

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

9. As at June 30, 2023, all members of the Board have been appropriately certified under the Directors' Training Program from SECP approved institutions well ahead of the stipulated timeframe except for three, who are scheduled to acquire the certification within the current year as allowed by the Code of Corporate Governance.

10. No new appointment of Company Secretary, Chief Financial Officer (CFO) has been made during the year except their remuneration and terms and conditions of employment which was approved by the Board and the Board complied with relevant requirements of the Regulations. However, an acting CIA was appointed during the year.

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

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

(a) Audit and Finance Committee:

Names	Designation
Mr. Muhammad Ali	Chairman of Committee
Mr. Qumar Sarwar Abbasi	Member
Mr. Hassan Mehmood Yousufzai	Member
Ms. Alia Shahid	Member
Mr. Ahsan Ali Malik	Member
Chief Internal Auditor	Secretary of the Committee

(b) HR, Nomination and CSR Committee:

Names	Designation
Mr. Ahsan Ali Malik	Chairman
Rear Admiral Jawad Ahmed HI(M)	Member
Ms. Alia Shahid	Member
Captain Sarfaraz Inayatullah Qureshi	Member
Mr. Atique Sultan Raja	Secretary of the Committee

(c) Strategy and Risk Management Committee:

Names	Designation
Captain Sarfaraz Inayatullah Qureshi	Chairman
Mr. Qumar Sarwar Abbasi	Member
Mr. Hassan Mehmood Yousufzai	Member
Mr. Muhammad Ali	Member
Mr. S. Jarar Haider Kazmi	Secretary of the Committee

(d) Vessels Procurement Committee:

Names	Designation
Rear Admiral Jawad Ahmed HI(M)	Chairman
Mr. Muhammad Ali	Member
Mr. Qumar Sarwar Abbasi	Member
Captain Sarfaraz Inayatullah Qureshi	Member
Mr. Khurram Mirza	Secretary of the Committee

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

14. The frequency of meetings: Audit & Finance Committee is held at least once in every quarter and HR, Nomination and CSR Committee, Strategy and Risk Management Committee and Vessels Procurement Committee are held as and when needed.

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

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

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

18. We confirm that all requirements of regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 7, 8, 27, 32, 33 and 36 are below.

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

b) Section 14 of PNSC Ordinance, 1979 states that five directors are appointed by the Federal Government and two directors are elected by the Shareholders other than Federal Government.

c) Section 19 of PNSC Ordinance, 1979 inter alia, states that the Chairman shall direct and control, on behalf of the Board, the business and affairs of the Corporation, as its Chief Executive.

REAR ADMIRAL JAWAD AHMED HI(M)
CHAIRMAN / CHIEF EXECUTIVE

DIRECTOR

INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS OF PAKISTAN NATIONAL SHIPPING CORPORATION (GROUP)

FOR THE YEAR ENDED
JUNE 30, 2023

Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8,
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PAKISTAN NATIONAL SHIPPING CORPORATION

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Pakistan National Shipping Corporation** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	**Contingencies** The Group has various contingent liabilities in respect of income tax / sales tax matters and claims from employees and customers which are pending adjudication before the relevant regulatory authorities and the courts of law as disclosed in notes 33.1 to 33.21 the annexed consolidated financial statements.	Our key audit procedures amongst others included the following: • Obtained an understanding of the Group's processes and controls over litigations through meetings with the management, in-house legal department and review of the minutes of the Board of Directors and the Board Audit Committee.

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	Contingencies require management to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Group regarding disclosure, recognition and measurement of any provision that may be required against such contingencies. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of the matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingencies as a key audit matter.	• Reviewed correspondence of the Group with regulatory departments, tax authorities (including judgments and orders passed by competent authorities from time to time, where applicable) and the Group's external counsel. Where relevant, also assessed external legal / tax advices obtained by the Group. • Discussed open matters and developments with the in-house legal department of the Group. • Involved internal tax professionals to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of management and external tax advisors engaged by the Group. • Circularized confirmations to the Group's external legal and tax advisors for their views and assessment on the pending cases. • Assessed the adequacy and appropriateness of related disclosures in the annexed consolidated financial statements for compliance with the requirement of the applicable financial reporting framework.

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

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Yousuf Adil

Yousuf Adil
Chartered Accountants
Karachi
Date: October 04, 2023
UDIN: AR202310186IAzWu0yTD

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi
Date: October 04, 2023
UDIN: AR20231009385iItjrFB

YOUSUF ADIL

Grant Thornton

Consolidated Statement of Financial Position

As at June 30, 2023

	Note	June 30, 2023	June 30, 2022
		----------(Rupees in '000)----------	
ASSETS			
Non-current assets			
Property, plant and equipment	8	35,806,011	26,708,229
Right-of-use assets	9	80,971	93,312
Intangible assets	10	73,559	51,806
Investment properties	11	4,100,505	3,949,584
Long-term investments in:			
- Related party (an associate)	12	-	-
- Listed companies and an other entity	13	27,027	38,858
Long-term loans	14	29,454	20,374
Deferred taxation	15	88,651	47,246
		40,206,178	30,909,409
Current assets			
Stores and spares	16	2,507,673	1,767,463
Trade debts - unsecured	17	5,969,078	5,311,573
Agents' and owners' balances - unsecured	18	12,736	15,707
Loans and advances	19	441,890	365,002
Trade deposits and short-term prepayments	20	45,272	39,338
Interest accrued on bank deposits and short-term investments		138,645	114,970
Other receivables	21	493,859	441,580
Incomplete voyages	22	345,202	100,784
Taxation-net		940,023	1,488,254
Short-term investments	23	26,505,673	7,427,491
Cash and bank balances	24	8,383,959	5,414,650
		45,784,010	22,486,812
TOTAL ASSETS		85,990,188	53,396,221
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY			
Authorised share capital			
200,000,000 (2022: 200,000,000) ordinary shares of Rs 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up share capital	25	1,320,634	1,320,634
Reserves			
Capital reserve		131,344	131,344
Revenue reserves		68,197,618	39,518,993
Remeasurement of post retirement benefits obligation - net of tax		(194,034)	(221,783)
Surplus on revaluation of property, plant and equipment - net of tax	8.9	1,612,524	1,623,362
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY		69,747,452	41,051,916
NON-CONTROLLING INTEREST	26	11,808	10,783
TOTAL EQUITY		71,079,894	42,383,333
Non-current liabilities			
Long-term financing - secured	27	2,822,020	3,547,219
Lease liabilities	28	88,547	104,746
Employees' benefits	29	739,613	713,135
		3,650,180	4,365,100
Current liabilities			
Trade and other payables	30	5,891,228	5,306,228
Contract liabilities	31	632,021	240,253
Provision against damage claims	32	23,235	42,307
Current portion of long-term financing - secured	27	4,422,203	949,793
Current portion of lease liabilities	28	9,648	6,804
Unclaimed dividend		120,573	87,245
Accrued mark-up on long-term financing		161,206	15,158
		11,260,114	6,647,788
TOTAL LIABILITIES		14,910,294	11,012,888
TOTAL EQUITY AND LIABILITIES		85,990,188	53,396,221
CONTINGENCIES AND COMMITMENTS	33		

The annexed notes 1 to 60 form an integral part of these consolidated financial statements.

Syed Jarar Haider Kazmi
Chief Financial Officer

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

Mr. Ahsan Ali Malik
Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		------------------(Rupees in '000)---------	
REVENUE FROM CONTRACT WITH CUSTOMERS			
Income from shipping business	34	47,230,453	23,572,426
Other operating activities	35	7,063,145	3,876,340
Workshop income		182,664	73,918
Income from manning service		29,441	21,762
		54,505,703	27,544,446
REVENUE FROM OTHERS			
Rental income		265,457	239,014
		54,771,160	27,783,460
EXPENDITURE			
Fleet expenses	36	(27,469,004)	(19,566,833)
Real estate expenses	37	(108,663)	(117,414)
		(27,577,667)	(19,684,247)
GROSS PROFIT		27,193,493	8,099,213
Administrative expenses	38	(1,608,706)	(1,232,701)
Impairment loss on financial assets - net	39	(1,122,941)	(929,525)
Other expenses	40	(448,555)	(423,127)
Other income	41	9,274,286	1,314,157
		6,094,084	(1,271,196)
OPERATING PROFIT		33,287,577	6,828,017
Finance costs	42	(1,411,030)	(530,879)
PROFIT BEFORE TAXATION		31,876,547	6,297,138
Taxation	43	(1,882,252)	(647,248)
PROFIT FOR THE YEAR		29,994,295	5,649,890
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of post-retirement benefits obligation	29.1.8 & 29.2.5	33,095	7,232
- Related tax	15.1	(5,346)	(917)
		27,749	6,315
- Deferred tax - change in tax rate on Revaluation Surplus	15.1	(4,849)	5,906
		22,900	12,221
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		30,017,195	5,662,111
PROFIT FOR THE YEAR ATTRBUTABLE TO:			
Equity holders of the Holding Company		29,993,270	5,645,575
Non-controlling interest	26	1,025	4,315
		29,994,295	5,649,890
TOTAL COMREHENSIVE INCOME ATTRBUTABLE TO:			
Equity holders of the Holding Company		30,016,170	5,657,796
Non-controlling interest	26	1,025	4,315
		30,017,195	5,662,111
		---------------------(Rupees)--------------	
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY - basic and diluted	44	227.11	42.75

The annexed notes 1 to 60 form an integral part of these consolidated financial statements.

Syed Jarar Haider Kazmi
Chief Financial Officer

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

Mr. Ahsan Ali Malik
Director

Consolidated Statement of Changes in Equity

For the year ended June 30, 2023

	Attributable to the owners of the Holding Company									
	Issued, subscribed and paid-up share capital	Capital reserve*	Revenue reserves: General reserve	Revenue reserves: Unappropri-ated profit	Revenue reserves: Sub-total revenue reserves	Remeasurement of post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total reserves	Non-controlling interest (refer note 26)	Total equity
	(Rupees in '000)									
Balance as at July 1, 2021	1,320,634	131,344	129,307	34,133,646	34,262,953	(228,098)	1,624,111	35,790,310	6,468	37,117,412
Transactions with owners										
Final cash dividend for the year ended June 30, 2021 paid to shareholders of the Holding Company @ Rs 3.00 per ordinary share	-	-	-	(396,190)	(396,190)	-	-	(396,190)	-	(396,190)
Comprehensive income for the year										
Profit for the year	-	-	-	5,645,575	5,645,575	-	-	5,645,575	4,315	5,649,890
Other comprehensive income for the year	-	-	-	-	-	6,315	5,906	12,221	-	12,221
Total comprehensive income for the year	-	-	-	5,645,575	5,645,575	6,315	5,906	5,657,796	4,315	5,662,111
Transferred from surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	6,655	6,655	-	(6,655)	-	-	-
Balance as at June 30, 2022	**1,320,634**	**131,344**	**129,307**	**39,389,686**	**39,518,993**	**(221,783)**	**1,623,362**	**41,051,916**	**10,783**	**42,383,333**
Transactions with owners										
Final cash dividend for the year ended June 30, 2022 paid to shareholders of the Holding Company @ Rs 5.00 per ordinary share	-	-	-	(660,317)	(660,317)	-	-	(660,317)	-	(660,317)
Interim cash dividend for the year ended June 30, 2023 paid to shareholders of the Holding Company @ Rs. 5.00 per ordinary share	-	-	-	(660,317)	(660,317)	-	-	(660,317)	-	(660,317)
Comprehensive income for the year										
Profit for the year	-	-	-	29,993,270	29,993,270	-	-	29,993,270	1,025	29,994,295
Other comprehensive income for the year	-	-	-	-	-	27,749	(4,849)	22,900	-	22,900
Total comprehensive income for the year	-	-	-	29,993,270	29,993,270	27,749	(4,849)	30,016,170	1,025	30,017,195
Transferred from surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	5,989	5,989	-	(5,989)	-	-	-
Balance as at June 30, 2023	**1,320,634**	**131,344**	**129,307**	**68,068,311**	**68,197,618**	**(194,034)**	**1,612,524**	**69,747,452**	**11,808**	**71,079,894**

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

The annexed notes 1 to 60 form an integral part of these consolidated financial statements.

Syed Jarar Haider Kazmi
Chief Financial Officer

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

Mr. Ahsan Ali Malik
Director

Consolidated Statement of Cash Flows
For the year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	45	26,686,296	8,602,093
Employees' gratuity paid	29.1.4	(45,422)	(23,847)
Employees' compensated absences paid	29.2.4	(81,250)	(81,085)
Post-retirement medical benefits paid	29.1.4	(11,425)	(14,785)
Long term loans		(9,080)	(12,230)
Finance costs paid		(1,230,672)	(509,044)
Taxes paid		(1,385,621)	(476,070)
Net cash generated from operating activities		23,922,826	7,485,032
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(13,858,904)	(1,410,571)
Proceeds from disposal of property, plant and equipment	8.8	5,010,691	1,762
Addition to intangible assets	10	(21,753)	(12,370)
Additions to investment properties	11	(2,079)	(20,179)
Short-term investments - net		(2,000,468)	4,651,394
Interest received on short-term investments		2,348,870	565,735
Dividend received	41	169,668	10,808
Net cash (used in) / generated from investing activities		(8,353,975)	3,786,579
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing repaid	27.5	(1,601,393)	(1,527,550)
Long-term financing obtained	27.5	4,332,710	-
Lease rentals paid	55	(2,366)	(13,266)
Dividends paid	55	(1,287,306)	(386,443)
Net cash generated from / (used in) financing activities		1,441,645	(1,927,259)
Net increase in cash and cash equivalents		17,010,496	9,344,352
Cash and cash equivalents at the beginning of the year		11,587,351	1,750,945
Exchange gain on cash and cash equivalents		3,036,527	492,054
Cash and cash equivalents at the end of the year	46	31,634,374	11,587,351

The annexed notes 1 to 60 form an integral part of these consolidated financial statements.

Syed Jarar Haider Kazmi	**Rear Admiral Jawad Ahmed HI(M)**	**Mr. Ahsan Ali Malik**
Chief Financial Officer	Chairman & Chief Executive	Director

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

1. THE GROUP AND ITS OPERATIONS

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

The Group consists

Holding company

- Pakistan National Shipping Corporation

Subsidiary companies	Percentage of Shareholding
- Bolan Shipping (Private) Limited*	100
- Chitral Shipping (Private) Limited*	100
- Hyderabad Shipping (Private) Limited*	100
- Pakistan Marine and Shipping Services Company (Private) Limited**	100
- Johar Shipping (Private) Limited**	100
- National Ship Management and Crewing (Private) Limited**	100
- Karachi Shipping (Private) Limited*	100
- Khairpur Shipping (Private) Limited*	100
- Lahore Shipping (Private) Limited*	100
- Lalazar Shipping (Private) Limited*	100
- Makran Shipping (Private) Limited**	100
- Malakand Shipping (Private) Limited*	100
- Multan Shipping (Private) Limited*	100
- Quetta Shipping (Private) Limited*	100
- Sargodha Shipping (Private) Limited*	100
- Shalamar Shipping (Private) Limited*	100
- Sibi Shipping (Private) Limited*	100
- Swat Shipping (Private) Limited**	100
- Pakistan Co-operative Ship Stores (Private) Limited	73
Associate	
- Muhammadi Engineering Works (Private) Limited	49

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

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

2 STATEMENT OF COMPLIANCE

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

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

- Provisions of and directives issued under the Act.

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

Notes to and Forming Part of the Consolidated Financial Statements
For the year ended June 30, 2023

3 BASIS OF MEASUREMENT

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

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

4 BASIS OF CONSOLIDATION

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

4.1 Subsidiaries

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

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

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

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

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

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

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

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

4.2 Transactions with non-controlling interest

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

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

5 AMENDMENTS TO NEW ACCOUNTING STANDARDS

5.1 Amendments became effective during the current year

The following amendments are effective for the year ended June 30, 2023. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract
- Annual Improvements to IFRS 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 24)

5.2 Amendments to accounting standards that are not yet effective

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

	Effective from Accounting period beginning on or after
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments' disclosures - Supplier Finance Arrangements	January 01, 2024
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 - 'Investments in Associate and Joint Ventures' - Sale or contribution of Assets between an investor and its associate or Joint Venture	Deferred indefinitely

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

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

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

6.1 Property, plant and equipment

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

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

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

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

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

Depreciation in respect of equipment on board is charged to the statement of profit or loss applying the straight line method whereby the depreciable amount of an asset is written off over its estimated useful life. In case of the vessel, depreciation is charged on the basis of its remaining operating life with effect from the date the vessel is commissioned after taking into account the estimated residual value.

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

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

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

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

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

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

6.2 Capital work-in-progress

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

6.3 Right-of-use assets

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

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

6.4 Intangible assets

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

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

6.5 Investment properties

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

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

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

6.6 Impairment of non-financial assets

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

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

6.7 Financial instruments

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

6.7.1 Financial assets

a) Initial recognition and measurement

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

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

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

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

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

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

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

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

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

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

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

b) Subsequent measurement

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

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

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

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

6.7.2 Financial liabilities

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

Loans and borrowings

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

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

6.7.3 Impairment of financial assets

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

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

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

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

6.7.4 Off-setting of financial assets and financial liabilities

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

6.8 Stores and spares

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

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

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

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

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

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

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

6.10 Incomplete voyage

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

6.11 Taxation

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

6.11.1 Current tax

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

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

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

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

6.11.2 Deferred tax

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

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

6.12 Insurance claims

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

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

6.13 Lease liabilities

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

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

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

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

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

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

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

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

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

6.14 Trade and other payables

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

6.15 Provisions

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

6.16 Dividend and appropriations

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

6.17 Employee benefits

6.17.1 Defined contribution plan - Provident fund

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

6.17.2 Defined benefit plans - Gratuity fund

The Group operates a funded retirement gratuity scheme for its permanent employees other than those who joined the Group on or after October 16, 1984. Further, the Group also operates an unfunded retirement gratuity scheme for contractual employees. Provisions are made in the consolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually under the projected unit credit method. The latest valuation was carried out as at June 30, 2023. The remeasurement of defined benefit plan is recognised directly to equity through other comprehensive income net of tax.

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

The Group crew members are also entitled to gratuity in accordance with the Pakistan Maritime Board Regulations. These employee benefits are recognised on provisional basis as per actuarial report.

6.17.3 Defined benefit plan - Post-retirement medical benefits

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

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

Provisions are made in the consolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually using the projected unit credit method. The latest valuation was carried out as at June 30, 2023. The remeasurement of post-retirement benefit obligation is recognised directly to equity through OCI.

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

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

6.18 Employees' compensated absences

The Group accounts for the liability in respect of employees' compensated absences in the year in which these are earned.
Provisions are made in the consolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually using the projected unit credit method. The latest valuation was carried out as at June 30, 2023. The remeasurement of employees' compensated absences are charged to statement of profit or loss.

6.19 Cash and cash equivalents

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

6.20 Foreign currency transactions and translation

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

6.21 Revenue recognition

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

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

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

Performance obligations

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

Voyage charter revenue

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

Time charter revenue

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

Slot charter revenue

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

Others

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

6.22 Contingent liabilities

Contingent liability is disclosed when:

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

6.23 Benazir Employees' Stock Option Scheme

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

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

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

6.24 Share capital

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

6.25 Earnings per share

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

6.26 Associates

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

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

7 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

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

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

(a) Valuation of certain property, plant and equipment and investment properties (notes 6.1, 6.5, 8 and 11);
(b) Depreciation rate and determination of the residual values of property, plant and equipment (notes 6.1 and 8);
(c) Allowance for ECL of on trade debts, agents' and owners' balances, other receivables and other financial assets (notes 6.7.3, 17, 18, 21 and 39);
(d) Provision for current and deferred tax (notes 6.11, 15 and 43);
(e) Provision against damage claims (notes 6.15 and 32);
(f) Provision for employee benefits and compensated absences (notes 6.17 and 29);
(g) Recognition of demurrage income, income from heating and miscellaneous claims (notes 6.21 and 35);
(h) Contingencies and Commitments (notes 6.22 and 33); and
(i) Provision for slow moving stores and spares (notes 6.8 and 16).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

8 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		-----------------(Rupees in '000)---------	
- Operating fixed assets	8.1	**34,411,509**	25,799,614
- Major spare parts and stand-by equipment	8.8	**1,330,776**	781,917
- Capital work-in-progress - buildings on leasehold land	8.11	**63,726**	126,698
		35,806,011	26,708,229

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

8.1 Operating fixed assets

	Leasehold land (notes 8.2 - 8.4)	Buildings on leasehold land (notes 8.2 - 8.4)	Vessel fleet (note 8.5) Cost	Vessel fleet (note 8.5) Dry docking	Vessel fleet (note 8.5) Total	Vehicles	Office equipment	Furniture and fittings	Equipment on board	Beach huts (notes 8.2 - 8.4)	Workshop machinery and equipment (notes 8.3 & 8.4)	Computer equipment	Total
	(Rupees in '000)												
As at June 30, 2021													
Cost or revalued amount	1,086,960	780,429	35,654,220	3,005,925	38,660,145	42,393	75,819	40,613	113,933	16,251	21,528	109,689	40,947,760
Accumulated depreciation	-	(102,116)	(11,449,780)	(2,544,229)	(13,994,009)	(30,707)	(64,225)	(33,840)	(41,087)	(4,881)	(15,872)	(88,399)	(14,375,136)
Accumulated impairment loss	-	(15,019)	-	-	-	-	-	-	-	-	-	-	(15,019)
Revaluation surplus	312,820	90,432	-	-	-	-	-	-	-	6,872	2,697	-	412,821
Net book value	1,399,780	753,726	24,204,440	461,696	24,666,136	11,686	11,594	6,773	72,846	18,242	8,353	21,290	26,970,426
	-												
Year ended June 30, 2022													
Opening net book value	1,399,780	753,726	24,204,440	461,696	24,666,136	11,686	11,594	6,773	72,846	18,242	8,353	21,290	26,970,426
Additions including transfer	-	29,298	-	1,028,954	1,028,954	9,714	5,113	1,620	35,260	-	-	8,677	1,118,636
Disposals / Adjustments													
- Cost	-	-	-	(1,680,163)	(1,680,163)	-	(4,546)	(41)	-	-	-	(33,271)	(1,718,021)
- Accumulated Depreciation	-	-	-	1,680,163	1,680,163	-	4,546	41	-	-	-	33,271	1,718,021
	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year - note 8.7	-	(34,943)	(1,572,108)	(620,998)	(2,193,106)	(4,185)	(3,782)	(1,827)	(35,228)	(1,826)	(1,313)	(13,238)	(2,289,448)
Closing net book value	1,399,780	748,081	22,632,332	869,652	23,501,984	17,215	12,925	6,566	72,878	16,416	7,040	16,729	25,799,614
As at June 30, 2022													
Cost or revalued amount	1,399,780	900,159	35,654,220	2,354,716	38,008,936	52,107	76,386	42,192	149,193	23,123	24,225	85,095	40,761,196
Accumulated depreciation	-	(137,059)	(13,021,888)	(1,485,064)	(14,506,952)	(34,892)	(63,461)	(35,626)	(76,315)	(6,707)	(17,185)	(68,366)	(14,946,563)
Accumulated impairment loss	-	(15,019)	-	-	-	-	-	-	-	-	-	-	(15,019)
Net book value	1,399,780	748,081	22,632,332	869,652	23,501,984	17,215	12,925	6,566	72,878	16,416	7,040	16,729	25,799,614
Year ended June 30, 2023													
Opening net book value	1,399,780	748,081	22,632,332	869,652	23,501,984	17,215	12,925	6,566	72,878	16,416	7,040	16,729	25,799,614
Additions including transfer	-	1,015	11,761,011	1,268,821	13,029,832	10,067	4,306	3,277	6,643	-	-	51,696	13,106,836
Write-offs													
- Cost	-	-	-	(635,166)	(635,166)	(85)	(1,266)	(330)	-	-	-	(6,721)	(643,568)
- Accumulated Depreciation	-	-	-	635,166	635,166	85	1,266	330	-	-	-	6,455	643,302
	-	-	-	-	-	-	-	-	-	-	-	(266)	(266)
Disposals													
- Cost	-	-	(3,242,871)	(103,513)	(3,346,384)	-	-	-	(38,476)	-	-	(1,026)	(3,385,886)
- Accumulated Depreciation	-	-	1,581,325	98,928	1,680,253	-	-	-	36,383	-	-	1,005	1,717,641
	-	-	(1,661,546)	(4,585)	(1,666,131)	-	-	-	(2,093)	-	-	(21)	(1,668,245)
Depreciation charge for the year - note 8.7	-	(34,531)	(2,006,532)	(726,094)	(2,732,626)	(6,363)	(4,356)	(1,809)	(23,382)	(1,826)	(1,313)	(20,224)	(2,826,430)
Closing net book value	1,399,780	714,565	30,725,265	1,407,794	32,133,059	20,919	12,875	8,034	54,046	14,590	5,727	47,914	34,411,509
As at June 30, 2023													
Cost or revalued amount	1,399,780	901,174	44,172,360	2,884,858	47,057,218	62,089	79,426	45,139	117,360	23,123	24,225	129,044	49,838,578
Accumulated depreciation	-	(171,590)	(13,447,095)	(1,477,064)	(14,924,159)	(41,170)	(66,551)	(37,105)	(63,314)	(8,533)	(18,498)	(81,130)	(15,412,050)
Accumulated impairment loss	-	(15,019)	-	-	-	-	-	-	-	-	-	-	(15,019)
Net book value	1,399,780	714,565	30,725,265	1,407,794	32,133,059	20,919	12,875	8,034	54,046	14,590	5,727	47,914	34,411,509
Annual rate of depreciation (%) 2023	-	3 to 20	3.33 to 20	40		20	15	10 to 15	10 to 15	10	5 to 10	33	
Annual rate of depreciation (%) 2022	-	3 to 20	3.33 to 20	40		20	15	10 to 15	10 to 15	10	5 to 10	33	

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

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

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

S.No.	Class of asset	(Rupees in '000)
1	Leasehold land	1,189,813
2	Buildings on leasehold land	638,012
3	Beach huts	15,521
4	Workshop machinery and equipment	23,831

8.3.1 Valuation Techniques

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

Further, for workshop machinery and equipment the valuer commensurate for the condition of machinery and to arrive at present value, they have applied suitable depreciation factor. The age, make ,orgin, condition etc has been taken into account , while arriving at the present market value.

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

	June 30, 2023	June 30, 2022
	(Rupees in '000)	
Leasehold land, buildings on leasehold land and beach huts	474,554	502,622
Workshop machinery and equipment	148	1,461
	474,702	504,083

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

8.6 Major spare parts and stand-by equipment

	June 30, 2023	June 30, 2022
	(Rupees in '000)	
Opening net book value	781,917	736,178
Additions during the year	815,306	277,856
Transfer to operating fixed assets	-	(46,671)
Write-offs	(20,730)	(17,100)
Disposal	(5,187)	-
	1,571,306	950,263
Depreciation (rate 5% - 7%)	(240,530)	(168,346)
Closing net book value	1,330,776	781,917

		Note	June 30, 2023	June 30, 2022
			------------(Rupees in '000)------------	
8.7	The depreciation charge for the year has been allocated as follows:			
	Fleet expenses	36	2,998,980	2,398,386
	Real estate expenses	37	23,779	29,903
	Administrative expenses	38	44,201	29,505
			3,066,960	2,457,794

8.8 Disposals of fixed asset whose aggregating book value exceeds Rs. 5 million are as follows:

Particulars	Cost	Accumulated depreciation	Written down value
	----------------(Rupees in '000)---------------		
PNSC Managed Fleet - MT Karachi			
Vessel cost	3,242,871	(1,581,325)	1,661,546
Dry Docking	103,513	(98,928)	4,585
Equipment on board	38,476	(36,383)	2,093
Computer equipment	1,026	(1,005)	21
Major spare parts and stand-by equipment	118,268	(113,081)	5,187
Total	**3,504,154**	**(1,830,722)**	**1,673,432**
Less: Sale proceeds			5,010,691
Gain on disposal (note 41)			3,337,259

		June 30, 2023	June 30, 2022
		------------(Rupees in '000)------------	
8.9	**Surplus on revaluation of property, plant and equipment - net of tax**		
	As at July 01:	1,651,235	1,658,835
	Less: transferred to unappropriated profit on account of incremental depreciation	(7,143)	(7,600)
	As at June 30:	1,644,092	1,651,235
	Less: related deferred tax liability on:		
	Revaluation surplus as at July 1	27,873	34,724
	Adjustment due to change in tax rate	4,849	(5,906)
	Incremental depreciation charged during the year	(1,154)	(945)
		31,568	27,873
		1,612,524	1,623,362
8.10	**Capital work-in-progress - buildings on leasehold land and Subsidiares**		
	Balance at beginning of the year	126,698	65,948
	Additions during the year	-	72,628
	Transfers to operating fixed assets	(62,972)	(11,878)
	Balance at end of the year	63,726	126,698

8.11 Change in accounting estimate

Management has reassessed the useful life of the vessel and related equipment of the Lahore Shipping (Private) Limited. Accordingly, the useful life of vessel and related equipment has been increased from 20 years to 22.5 years due to which depreciation expense of the current period and future periods has been impacted. Had there been no change in useful life of vessel, depreciation expense would have been higher by Rs 27.103 millions in the current year.

		Note	June 30, 2023	June 30, 2022
9	**RIGHT-OF-USE ASSETS**		------------(Rupees in '000)------------	
	Rental Properties			
	Balance at beginning of the year		93,312	105,653
	Depreciation	9.1	(12,341)	(12,341)
	Balance at end of the year		80,971	93,312
	Lease term (in years)		10	10

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

10 INTANGIBLE ASSETS

	Note	June 30, 2023	June 30, 2022
		----------(Rupees in '000)----------	
Ship Management Expert System			
Cost		16,503	16,503
Accumulated depreciation		(16,503)	(16,503)
	10.1	-	-
Capital work in progress (CWIP)			
Computer Software - opening balance		51,806	39,436
Additions during the year		21,753	12,370
Closing balance	10.2	73,559	51,806

10.1 SES is still in use, however it is fully amortised during the year ended June 30, 2009.

10.2 It represents payments made for DANAOS software which is under development.

11 INVESTMENT PROPERTIES

	Note	Leasehold land	Buildings on leasehold land	Capital work in progress	Total
		--------------------------------(Rupees in '000)------------------------------			
At fair value					
Balance as at July 1, 2021		3,611,113	76,261	-	3,687,374
Additions during the year		-	20,179	-	20,179
Gain on revaluation	11.4 & 41	234,324	7,707	-	242,031
Balance as at June 30, 2022		3,845,437	104,147	-	3,949,584
Additions during the year	11.1	-	-	2,079	2,079
Gain on revaluation	11.4 & 41	143,614	5,228	-	148,842
Balance as at June 30, 2023		3,989,051	109,375	2,079	4,100,505

11.1 It represents payment for renovation of Muhammadi House and Old Ralli Building

11.2 Particulars of immovable investment properties are as follows:

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

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

S.No.	Class of asset	June 30, 2023	June 30, 2022
		----------(Rupees in '000)----------	
1	Leasehold land	3,191,240	3,076,878
2	Buildings on leasehold land	89,164	78,837

11.4 The revaluation of the Group's investment properties were carried out by an independent valuer as of June 30, 2023.

11.5 Valuation Techniques

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

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

Equity Method

No. of shares - ordinary June 30, 2023	No. of shares - ordinary June 30, 2022	Name of the company	Country of incorporation	Share of net assets June 30, 2023	Share of net assets June 30, 2022	Latest available audited financial statements for the year ended	Percentage holding %	Face value per share (Rupees)	June 30, 2023	June 30, 2022
				------(Rupees in '000)-----					--------(Rupees in '000)--------	
Associate - unquoted										
12,250	12,250	Muhammadi Engineering Works Limited	Pakistan	**1,600**	1,600	December 31, 1982	49	100	**1,600**	1,600
	Less:	Accumulated impairment losses							**1,600**	1,600
									-	-

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

	Note	June 30, 2023	June 30, 2022
		-------(Rupees in '000)-------	
Listed companies - At fair value through profit or loss			
Siemens (Pakistan) Engineering Company Limited 6,930 (2022: 6,930) fully paid ordinary shares of Rs. 10 each Market value per share as at June 30, 2023 Rs. 692.49 (2022: Rs. 649.93)	13.1	**4,799**	4,504
Pakistan State Oil Company Limited 199,336 (2022: 199,336) fully paid ordinary shares of Rs. 10 each. Market value per share as at June 30, 2023 Rs. 111.01 (2022: Rs. 117.84)	13.2	**22,128**	34,254
		26,927	38,758
Other entity - At cost			
Pakistan Tourism Development Corporation Limited 10,000 (2022: 10,000) fully paid ordinary shares of Rs. 10 each.		**100**	100
		27,027	38,858

13.1 The Group holds 0.084% (2022: 0.084%) of the investee's share capital.

	Note	June 30, 2023	June 30, 2022
Balance at beginning of the year		**4,504**	4,558
Gain / (loss) on revaluation	40	**295**	(54)
Balance at end of the year		**4,799**	4,504

13.2 The Group holds 0.04246% (2022: 0.04246%) of the investee's share capital.

	Note	June 30, 2023	June 30, 2022
Balance at beginning of the year		**34,254**	44,701
Loss on revaluation	40	**(12,126)**	(10,447)
Balance at end of the year		**22,128**	34,254

14 LONG-TERM LOANS

	Note	June 30, 2023	June 30, 2022
- due from executives	14.1 & 14.4	**24,150**	10,718
- due from other employees		**22,637**	20,376
		46,787	31,094
Less: Recoverable within one year	19	**17,333**	10,720
		29,454	20,374

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

		June 30, 2023	June 30, 2022
		-------(Rupees in '000)-------	
14.1	Reconciliation of carrying amount of loans to executives:		
	Balance at beginning of the year	10,718	10,524
	Disbursements	24,250	8,788
	Repayments	(10,818)	(8,594)
	Balance at end of the year	24,150	10,718

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

14.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 24.150 million (2022: Rs. 10.718 million).

14.4 The interest charged on the loan as per following criteria:
- Upto Rs. 1 million the rate is charged at 10%.
- More than Rs.1 million but less than Rs. 3 million the rate of Defence Saving Certificates (net of tax).
- More than Rs. 3 million but less than Rs. 5 million the rate of six months KIBOR.

		June 30, 2023	June 30, 2022
		-------(Rupees in '000)-------	
15	**DEFERRED TAXATION**		
	Deductible temporary differences arising in respect of:		
	- Provisions and deferred liabilities	160,094	108,017
	Taxable temporary differences arising in respect of:		
	- surplus on revaluation of property, plant and equipment	(31,568)	(27,873)
	- accelerated tax depreciation	(39,876)	(32,898)
		(71,443)	(60,771)
		88,651	47,246

15.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2021	For the year ended June 30, 2022: Recognised in profit or loss	For the year ended June 30, 2022: Recognised in other comprehensive income	Balance as at June 30, 2022	For the year ended June 30, 2023: Recognised in profit or loss	For the year ended June 30, 2023: Recognised in other comprehensive income	Balance as at June 30, 2023
	----------(Rupees in '000)----------						
Deductible temporary differences:							
- provisions and employee benefits	135,583	(26,649)	(917)	108,017	57,423	(5,346)	160,094
Taxable temporary differences:							
- surplus on revaluation of property, plant and equipment	(34,724)	945	5,906	(27,873)	1,154	(4,849)	(31,568)
- accelerated tax depreciation	(2,714)	(30,184)	-	(32,898)	(6,977)	-	(39,875)
	(37,438)	(29,239)	5,906	(60,771)	(5,824)	(4,849)	(71,443)
	98,145	(55,888)	4,989	47,246	51,600	(10,195)	88,651

		Note	June 30, 2023	June 30, 2022
			-------(Rupees in '000)-------	
16	**STORES AND SPARES**			
	Stores			
	- at depot		18,408	9,112
	- at buildings		472	472
	- on board		61,882	46,761
			80,762	56,345
	Spares			
	- at buildings		796	796
	- in transit		7,734	27,017
	- on board		825,997	672,753
			834,527	700,566
	Bunker on board		1,801,831	1,193,316
			2,717,120	1,950,227
	Provision for slow moving stores and spares	16.1	(209,447)	(182,764)
			2,507,673	1,767,463

		Note	June 30, 2023	June 30, 2022
			----------(Rupees in '000)----------	
16.1	**Provision for slow moving stores and spares**			
	Balance at beginning of the year		182,764	-
	Charged during the year	40	80,376	182,764
	Write-off made during the year		(53,693)	-
	Balance at end of the year		209,447	182,764
17	**TRADE DEBTS - unsecured**			
	- Due from related parties	17.1	6,055,105	4,559,312
	- Due from others		3,180,027	2,996,324
			9,235,132	7,555,636
	Expected credit loss	17.4	(3,266,054)	(2,244,063)
			5,969,078	5,311,573

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

	Upto 1 month	1 to 6 months	More than 6 months	As at June 30, 2023	As at June 30, 2022
	---------(Rupees in '000)---------				
Pakistan State Oil Company Limited	-	-	2,436,165	2,436,165	2,436,165
Pak Arab Refinery Limited	318,788	142,365	184,062	645,215	1,571,374
Pakistan Refinery Limited	1,575,236	135,419	399,215	2,109,870	236,457
Sui Northern Gas Pipelines Limited	5,182	199	-	5,381	950
District Controller of Stores	30,622	-	2,749	33,371	4,921
Embarkation Commandant	777	19,461	309,757	329,995	156,136
Officer Commanding PAF	12,378	133,875	152,499	298,752	56,690
Pakistan Ordinance Factory	19,436	47,663	748	67,847	11,300
Others	36,090	11,952	80,467	128,509	85,319
	1,998,509	490,934	3,565,662	6,055,105	4,559,312

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

	June 30, 2023	June 30, 2022
	-----------(Rupees in '000)-----------	
1 to 6 months	22,137	533,072
More than 6 months	2,851,460	1,264,088
	2,873,597	1,797,160

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

		Note	June 30, 2023	June 30, 2022
			-----------(Rupees in '000)-----------	
	1 to 6 months		21,350	17,976
	More than 6 months		267,961	299,608
			289,311	317,584
17.4	**Expected credit loss**			
	Balance at beginning of the year		2,244,063	1,338,813
	Charged during the year	39	1,021,991	905,250
	Balance at end of the year		3,266,054	2,244,063

17.5 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 6,055 million (2022: Rs. 4,559 million).

		Note	June 30, 2023	June 30, 2022
			------------(Rupees in '000)------------	
18	**AGENTS' AND OWNERS' BALANCES - unsecured**			
	Balances from agents' and owners		27,609	26,349
	Expected credit loss	18.1	(14,873)	(10,642)
		18.2	12,736	15,707
18.1	**Expected credit loss**			
	Balance at beginning of the year		10,642	8,157
	Charged during the year	39	4,231	2,485
	Balance at end of the year		14,873	10,642

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

	Note	June 30, 2023	June 30, 2022
		------------(Rupees in '000)------------	
Upto 1 month		4,246	5,236
1 to 6 months		3,520	4,341
More than 6 months		4,970	6,130
		12,736	15,707

		Note	June 30, 2023	June 30, 2022
19	**LOANS AND ADVANCES - considered good**			
	Current portion of long-term loans			
	- due from executives		10,813	4,824
	- due from other employees		6,520	5,896
		14	17,333	10,720
	Advances - unsecured			
	- employees		52,303	62,250
	- contractors and suppliers		372,174	271,032
	- Port Qasim Authority	19.1	80	21,000
			424,557	354,282
			441,890	365,002

19.1 The maximum aggregate amount of advance to a related party, at the end of any month during the year was Rs. 183 million (2022: Rs. 21 million).

		Note	June 30, 2023	June 30, 2022
20	**TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**		------------(Rupees in '000)------------	
	Trade deposits			
	Trade deposits	20.1	30,253	33,613
	Expected credit loss		(369)	(369)
			29,884	33,244
	Short-term prepayments		15,388	6,094
			45,272	39,338

20.1 This includes Rs. 1.694 million (2022: Rs. 2.102 million) amount deposited with Karachi Port Trust (KPT), a related party.

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For the year ended June 30, 2023

21 OTHER RECEIVABLES	Note	June 30, 2023	June 30, 2022
		-----------(Rupees in '000)-----------	
- Due from related parties	21.3	304,208	197,133
- Due from others		360,965	354,337
		665,173	551,470
Expected credit loss	21.4	(171,314)	(109,890)
		493,859	441,580

21.1 Ageing analysis of related parties, included in other receivables, that are past due and impaired are as follows:

	June 30, 2023	June 30, 2022
	----------(Rupees in '000)-----------	
Upto 1 month	2,782	1,124
1 to 6 months	3,215	1,299
More than 6 months	24,770	10,005
	30,767	12,428

21.2 Ageing analysis of others, included in other receivables, that are past due and impaired is as follows:

	Note	June 30, 2023	June 30, 2022
		------------(Rupees in '000)------------	
Upto 1 month		1,558	1,218
1 to 6 months		4,780	3,737
More than 6 months		134,209	104,935
		140,547	109,890

21.3 This includes an amount of Rs. 152.184 million (2022: Rs. 83.858 million) due from the Government of Pakistan, Rs. 149.046 million (2022: Rs. 95.072 million) from Port Qasim Authority, Rs. 2.978 million (2022: Rs. 4.535 million) from Karachi Port Trust and Rs. Nil (2022: Rs. 13.667 million) from Sindh Revenue Board.

21.4 Expected credit loss	Note	June 30, 2023	June 30, 2022
		------------(Rupees in '000)------------	
Balance at beginning of the year		109,890	88,100
Charged during the year	39	61,424	21,790
Balance at end of the year		171,314	109,890

21.5 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs 304.208 million (2022: Rs. 271.949 million).

22 INCOMPLETE VOYAGES	Note	June 30, 2023	June 30, 2022
		-----------(Rupees in '000)-----------	
Diesel, fuel and lubricants		323,518	51,027
Stores and spares consumed		13,308	2,657
Port, light, canal and customs dues		493	46,524
Victualling		7,883	576
		345,202	100,784

23 SHORT-TERM INVESTMENTS			
Amortised cost			
Treasury-bills having maturity of three months or less	23.1	15,376,043	-
Term deposits with banks:			
- more than three months		23,000	1,149,900
- three months or less		7,874,372	6,172,701
	23.2	7,897,372	7,322,601
Fair value through profit and loss			
Units of mutual funds	23.3	3,232,258	104,890
		26,505,673	7,427,491

23.1 These have effective interest rates ranging from 15.62% to 21.98% per annum.

23.2 Mark-up on term-deposits denominated in local currency ranges from 15.5% to 16.65% (2022: 7.45% to 15.50%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 3.% to 6.50% (2022: 3%) per annum.

23.3 Movement of mutual funds

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Opening		104,890	50,544
Purchased during the year		3,758,000	50,000
Dividend reinvested during the year		167,355	4,346
Redeemed during the year		(797,987)	-
Closing	23.4	3,232,258	104,890

23.4 Investment in units of mutual funds

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Number of units)		(Rupees in '000)	
Faysal Cash Fund	-	529,565	-	52,956
JS Cash Fund	2,443,161	-	252,208	-
Pakistan Cash Management Fund	-	514,985	-	25,990
Al Hamra Daily Dividend Fund	313	259,435	31	25,944
NBP Money Market Fund	25,173,445	-	251,223	-
NBP Government Securities Plan - IV	203,737,480	-	2,042,570	-
AlFalah GHP Money Market Fund B Growth Units	6,943,040	-	686,226	-
			3,232,258	104,890

24 CASH AND BANK BALANCES

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Cash in hand			
- local currency		100	515
- foreign currency		15,036	1,881
		15,136	2,396
Cash at bank			
- in current accounts			
- local currency	24.1	286,045	448,104
- foreign currency		3,112,232	4,511,914
		3,398,277	4,960,018
- in saving accounts			
- local currency	24.2	4,958,671	443,324
- foreign currency	24.3	11,875	8,912
		4,970,546	452,236
		8,383,959	5,414,650

24.1 This includes Rs. 2.142 million (2022: Rs. 2.142 million), Rs. 5 million (2022: Rs. 5 million) and Rs. 16.94 million (2022: Rs. 12.527 million) held as security by various banks respectively against guarantees issued on behalf of the Holding Company.

24.2 Mark-up on these savings accounts ranges from 17% to 21% (2022: 6.14% to 14%) per annum.

24.3 Mark-up on these savings accounts ranges from 0.15% to 5.75% (2022: 0.15% to 0.5%) per annum.

25 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

June 30, 2023	June 30, 2022		June 30, 2023	June 30, 2022
(No. of shares)			(Rupees in '000)	
24,130,789	24,130,789	Ordinary shares of Rs 10 each issued to shareholders of former National Shipping Corporation (NSC) and Pakistan Shipping Corporation (PSC) in consideration of their shareholdings in those companies	241,308	241,308
25,900,000	25,900,000	Ordinary shares of Rs. 10 each issued to GoP for cash received in the year 1985	259,000	259,000
64,309,800	64,309,800	Ordinary shares of Rs. 10 each issued to the GoP on the financial restructuring of the Corporation in the year 1989-90	643,098	643,098
17,722,791	17,722,791	Ordinary shares of Rs. 10 each issued as bonus shares	177,228	177,228
132,063,380	132,063,380		1,320,634	1,320,634

25.1 As at June 30, 2023, Government of Pakistan held 115,633,710 (2022: 115,633,710) ordinary shares, representing 87.56% (2022: 87.56%) shareholding of the Holding Company.

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

	Note	June 30, 2023	June 30, 2022
26 NON-CONTROLLING INTEREST		-----------(Rupees in '000)-----------	
Share of non-controlling interest in:			
- Share capital		59	59
- General reserve		10	10
- Opening unappropriated profit		10,714	6,399
- Profit for the year		1,025	4,315
		11,808	10,783

27 LONG-TERM FINANCING - secured

	Note	June 30, 2023	June 30, 2022
From banking companies			
Financing under syndicate term finance agreement	27.1 & 27.2	2,199,726	2,783,865
Financing under musharika agreement	27.3 & 27.4	5,044,497	1,713,147
		7,244,223	4,497,012
Less: Current portion of long-term financing shown in current liabilities	27.6	4,422,203	949,793
		2,822,020	3,547,219

27.1 Represents financing facility obtained during the year ended June 30, 2019, amounting to Rs. 6,500 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.35% per annum. The remaining loan, along with mark-up, amounting to Rs. 2,329.752 million will be paid in full on September 22, 2023 The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiary companies.

27.2 Mark-up under conventional mode of financing during the year amounted to Rs. 452.255 million (2022: Rs. 316.221 million)

27.3 Represents financing facility obtained during the year ended June 30, 2019, amounting to Rs. 4,000 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.35% per annum. The remaining loan, along with mark-up, amounting to Rs. 1,433.694 million will be paid in full on September 22, 2023. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiaries.

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

27.4 Mark-up under Islamic mode of financing during the year amounted to Rs. 940.358 million (2022: Rs. 192.202 million).

27.5 Following is the movement in long-term financing:

	June 30, 2023	June 30, 2022
	-----------(Rupees in '000)-----------	
Balance at beginning of the year	4,497,012	6,019,103
Additions	4,332,710	-
Repayments	(1,601,393)	(1,527,550)
Amortisation of arrangement fee	15,894	5,459
Balance at end of the year	7,244,223	4,497,012

27.6 Non current portion amounting to Rs. 3,561 million has been classifed as current portion based on the decision of the Board of Directors of the holding company pay on September 22, 2023 which is earlier than agreed schedule of payment relating to Bolan Shipping (Private) Limited and Khairpur Shipping (Private) Limited.

	Note	June 30, 2023	June 30, 2022
28 LEASE LIABILITIES		-----------(Rupees in '000)-----------	
Balance at the beginning of the year		111,550	116,608
Interest expense	42	7,588	8,208
Reclassified to other liabilities		(18,577)	-
Repayment during the year		(2,366)	(13,266)
Balance at the end of the year		98,195	111,550
Less: Current portion shown under current liabilities		9,648	6,804
		88,547	104,746

28.1 Lease liabilities are payable as follows:

	June 30, 2023			June 30, 2022		
	Minimum lease payment	Markup	Present value of minimum lease payment	Minimum lease payment	Markup	Present value of minimum lease payment
	(Rupees in '000)			(Rupees in '000)		
Less than one year	16,626	6,978	9,648	14,504	7,700	6,804
One to five years	108,014	19,467	88,547	72,966	21,229	51,737
More than five years	-	-	-	58,933	5,924	53,009
	124,640	26,445	98,195	146,403	34,853	111,550

29 EMPLOYEE BENEFITS	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Employees' gratuity	29.1.3	10,114	10,892
- funded	29.1.3	477,543	438,832
- unfunded		487,657	449,724
Post-retirement medical benefits	29.1.3	55,648	65,663
Employees' compensated absences	29.2.3	196,308	197,748
		739,613	713,135

29.1 Retirement benefit schemes

29.1.1 The disclosures made in notes 29.1.2 to 29.1.16 of these consolidated financial statements are based on the information included in the actuarial valuation report as of June 30, 2023.

29.1.2 As stated in notes 6.18.2 and 6.18.3 of these consolidated financial statements, the Group operates a funded retirement gratuity scheme for those permanent employees who joined the Group before October 16, 1984, an unfunded retirement gratuity scheme for contractual employees and an unfunded post-retirement medical benefit scheme for permanent and contractual employees. Liability is maintained against these schemes based on the actuarial recommendations. The following significant assumptions were used for the actuarial valuation of the defined benefit obligation schemes:

	June 30, 2023			June 30, 2022		
	Employees' gratuity		Post retirement medical benefits	Employees' gratuity		Post retirement medical benefits
	Funded	Unfunded		Funded	Unfunded	
Discount rate	16.25%	16.25%	16.25%	13.25%	13.25%	13.25%
Future salary increases - for permanent employees						
For the year 2022-23	N/A	-	-	13.25%	-	-
For the year 2023-24	-	-	-	13.25%	-	-
For the year 2024-25	16.25%	-	-	13.25%	-	-
For the year 2025-26	16.25%	-	-	13.25%	-	-
For the year 2026-27	16.25%	-	-	13.25%	-	-
For the year 2027-28	16.25%	-	-	13.25%	-	-
For the year 2028-29 and onwards	16.25%	-	-	13.25%	-	-
Future salary increases - for contractual employees						
For the year 2022-23	-	N/A	-	-	13.25%	-
For the year 2023-24	-	-	-	-	13.25%	-
For the year 2024-25	-	16.25%	-	-	13.25%	-
For the year 2025-26	-	16.25%	-	-	13.25%	-
For the year 2026-27	-	16.25%	-	-	13.25%	-
For the year 2027-28	-	16.25%	-	-	13.25%	-
For the year 2028-29 and onwards	-	16.25%	-	-	-	-
Medical escalation rate	-	-	13.25%	-	-	10.25%
Death rate	based on SLIC (2001-05) Ultimate mortality tables					

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	June 30, 2023			June 30, 2022		
	Employees' gratuity		Post retirement medical benefits	Employees' gratuity		Post retirement medical benefits
	Funded	Unfunded		Funded	Unfunded	
	(Rupees in '000)					
29.1.3 Reconciliation of statement of financial position						
Present value of defined benefit obligation	46,224	477,543	55,648	46,826	438,832	65,663
Fair value of plan assets	(36,110)	-	-	(35,934)	-	-
Net liability in the statement of of financial position	10,114	477,543	55,648	10,892	438,832	73,952
29.1.4 Movement in present value of defined benefit obligation						
Balance at beginning of the year	46,826	438,832	65,663	49,080	378,512	73,952
Current service cost	1,297	51,148	893	1,228	42,514	946
Interest cost	5,802	55,136	7,943	4,805	39,954	6,920
Benefits paid	(6,075)	(45,422)	(11,425)	(11,996)	(23,847)	(14,785)
Remeasurements on obligation	(1,626)	(22,151)	(7,426)	3,709	1,699	(1,370)
Balance at end of the year	46,224	477,543	55,648	46,826	438,832	65,663
29.1.5 Movement in fair value of plan assets						
Balance at beginning of the year	35,934	-	-	45,563	-	-
Expected return on plan assets	4,359	-	-	4,436	-	-
Benefits paid	(6,075)	-	-	(11,996)	-	-
Remeasurements on plan assets	1,892	-	-	(2,069)	-	-
Balance at end of the year	36,110	-	-	35,934	-	-
29.1.6 Movement in net liability in the statement of financial position						
Balance at beginning of the year	10,892	438,832	65,663	3,517	378,512	73,952
Expense / (income) recognised for the year	2,740	106,284	8,836	1,597	82,468	7,866
Contributions made by the Holding Company / benefits paid	-	(45,422)	(11,425)	-	(23,847)	(14,785)
Remeasurements recognised in other comprehensive income	(3,518)	(22,151)	(7,426)	5,778	1,699	(1,370)
Balance at end of the year	10,114	477,543	55,648	10,892	438,832	65,663
29.1.7 The amounts recognised in profit or loss						
Current service cost	1,297	51,148	893	1,228	42,514	946
Net interest amount	1,443	55,136	7,943	369	39,954	6,920
Expense	2,740	106,284	8,836	1,597	82,468	7,866
29.1.8 Remeasurements recognised in other comprehensive income						
(Gain) / loss from changes in financial assumptions	(4,679)	(71,659)	(972)	313	2,936	311
(Gain) / loss from changes in Demographic assumptions	-	3,391	-	-	-	-
Experience adjustment	3,053	46,117	(6,454)	3,396	(1,237)	(1,681)
Remeasurement of fair value of plan assets	(1,892)	-	-	2,069	-	-
	(3,518)	(22,151)	(7,426)	5,778	1,699	(1,370)

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		June 30, 2023		June 30, 2022	
		Rupees in '000	%	Rupees in '000	%
29.1.9	Categories / composition of plan assets				
	Cash and cash equivalents	36,110	100%	35,934	100%

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

29.1.11 Actual gain on plan assets during the year ended June 30, 2023 was Rs.6.251 million (2022: 2.153 million).

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

	Change in assumption	Increase / (decrease) in defined benefit obligation of`			
		Funded Gratuity Scheme		Unfunded Gratuity Scheme	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		----------------------------------(Rupees in '000)--			
Discount rate	1%	(391)	402	(40,545)	46,707
Salary increase rate	1%	441	(437)	47,507	(41,930)

29.1.13 The weighted average duration of the defined benefit obligations for funded and unfunded gratuity scheme is 1 years (2022: 1.76 years) and 9 years (2022: 10.21 years) respectively.

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

	Change in assumption	Increase / (decrease) in defined benefit obligation of`			
		Post Retirement Medical Benefits			
		Permanent Employees		Contractual Employees	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		----------------------------------(Rupees in '000)--			
Discount rate	1%	(1,179)	1,241	-	-

29.1.15 The weighted average duration of the defined benefit obligations post retirement medical benefit scheme for permanent employees is 2 years (2022: 3.43 years).

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

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

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

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

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

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

29.2 Employees' compensated absences

29.2.1 The disclosures made in notes 29.2.2 to 29.2.9 of these consolidated financial statements are based on the information included in the actuarial valuation as of June 30, 2023.

29.2.2 As stated in note 6.19 of these consolidated financial statements, the Group operates an employees' compensated absences scheme. Provision is maintained against this scheme based on the actuarial recommendations. The following significant assumptions were used for the actuarial valuation of the scheme:

	June 30, 2023	June 30, 2022
Discount rate	**16.25%**	13.25%
Future salary increases - for permanent employees		
For this year 2023-24 and onwards	**16.25%**	13.25%
Future salary increases - for contractual employees		
For this year 2023-24 and onwards	**16.25%**	13.25%

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
29.2.3 Reconciliation of statement of financial position			
Present value of defined benefit obligation (recognised)		**196,308**	197,748
29.2.4 Movement in present value of defined benefit obligation			
Balance at the beginning of the year		**197,748**	223,638
Current service cost		**53,701**	44,744
Interest cost		**20,783**	23,790
Remeasurements of obligation		**5,326**	-
Experience gain on defined benefit obligation		**-**	(13,339)
Benefits paid		**(81,250)**	(81,085)
Balance at the end of the year		**196,308**	197,748
29.2.5 Expense			
Current service cost		**53,701**	44,744
Gains and losses arising on PVDBO		**5,326**	-
Interest cost		**20,783**	23,790
	40	**79,810**	68,534
29.2.5.1 Other comprehensive income			
Remeasurements of obligation		**-**	(13,339)

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

	June 30, 2023	June 30, 2022
	(Rupees in '000)	
Present value of defined benefit obligation	**196,308**	197,748
Experience gain on defined benefit obligation	**-**	(13,339)

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

		Increase / (decrease) in defined benefit obligation of` Employees' Compensated Absences			
		Permanent Employees		Contractual Employees	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees in '000)			
Discount rate	1%	(14,333)	15,877	-	-
Salary growth rate	1%	14,748	(13,601)	-	-

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

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

29.3 Expected retirement benefits costs for the year ending June 30, 2024 are as follows:

	(Rupees in '000)
Gratuity	
- funded	2,961
- unfunded	127,183
Post-retirement medical benefits	9,925
Compensated absences	94,284

29.4 Maturity profile

	June 30, 2023			
	Employees' gratuity		Post retirement medical benefits	Employees Compensated Absences
	Funded	Unfunded		
Weighted average duration of the present value of defined benefit obligations (in years)	1.00	9.00	2.00	8.00
Distribution of timing of benefit payments (time in periods)				
	(Rupees in '000)			
1	17,801	42,099	11,134	-
2	18,400	57,481	16,879	-
3	12,456	30,805	15,491	-
4	7,188	44,994	12,798	-
5	-	39,547	10,981	-
6 - 11	-	12,507,738	22,471	-

29.5 During the year, the Group contributed Rs. 5.068 million (2022: Rs. 4.859 million) to the provident fund.

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
30 TRADE AND OTHER PAYABLES			
Creditors		481,697	458,569
Advance from charterers		45,557	-
Agents' and owners' balances		351,668	942,913
Accrued liabilities		4,850,246	3,741,164
Deposits	30.1	53,735	47,805
Withholding tax payable		49,187	25,990
Advance rent		51,082	81,733
Other liabilities		8,054	8,054
		5,891,226	5,306,228

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

31 CONTRACT LIABILITIES

Represents advance received from various related parties and customers. Revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to Rs. 240.253 million (2022: Rs. 83.903 million).

	June 30, 2023	June 30, 2022
	(Rupees in '000)	
32 PROVISION AGAINST DAMAGE CLAIMS		
Balance at beginning of the year	42,307	19,012
(Reversal) / charge during the year	(19,072)	23,295
Balance at end of the year	23,235	42,307

33 CONTINGENCIES AND COMMITMENTS

Contingencies

33.1 The contingent liability in respect of claims not acknowledged by theHolding Company aggregated to Rs. 536.999 million as of the period end (2022: Rs. 543.192 millions). These claims mainly relate to deficiencies in shipping documentation, delay in delivery of cargo and damages to cargo. A sum of Rs. 513.764 million (2022: Rs. 500.885 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. 23.235 million (2022: Rs. 17.858 million) against the aforementioned claims in these financial statements.

33.2 Chittagong Steamship Holding Company Limited and Trans Oceanic Steamship Company Limited had initiated litigation that involved the Government of Pakistan and the Holding Company. The litigation relates to the compensation to the former owners. The legal suits are pending in the Honourable High Court of Sindh. The amounts claimed are approximately Rs. 1.300 million (2022: Rs. 1.300 million) and Rs. 66.800 million (2022: Rs. 66.800 million) respectively. The Holding Company disclaims any liability in respect of the above mentioned amounts and any accretions to it upto final determination and settlement of the matters.

33.3 Certain other claims have been filed against the Holding Company in respect of employees' matters for an aggregate amount of approximately Rs. 82.597 million (2022: Rs. 82.597 million). These cases are pending and the management is confident that the outcome of these cases will be in the Holding Company's favour and accordingly no provision for these claims has been made in these consolidated financial statements.

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

33.5 'During the year ended June 30, 2012, the Officer Inland Revenue (OIR) issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2011. According to the orders, the OIR has made certain additions and determined additional tax demand of Rs. 251.092 million. OIR has disallowed a portion of administrative expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Holding Company on the contention that the same is equity specific and hence being capital in nature. The Holding Company had paid Rs. 160.513 million under protest. During the year ended June 30, 2015, the Commissioner of Inland Revenue (Appeals) in his order has upheld certain additions and has given decisions in favour of the Holding Company on certain matters, and has worked out refund of Rs 15.068 million. The Holding Company and the department had filed appeals with the ATIR in respect of aforementioned disallowances, which have been decided by the ATIR. The ATIR, in its order has interalia deleted certain additions made by the OIR which were upheld by the Commissioner (Appeals). However, while giving effect to the order of the ATIR, the taxation officer has disallowed the expenses allocated to dividend income. Accordingly, the Holding Company has filed an appeal before the Commissioner (Appeals) on July 20, 2018. Which has been decided on September 23, 2019 in favour of the Holding Company. The ACIR vide order dated June 27, 2022 issued appeal effect order under section 124 (2)/122(5A) of the ordinance to give effect to the appellate order of Commissioner (Appeals). Through appeal effect order, the ACIR has decided the issue of allocation of common expenses against dividend income in favour of the Holding Company whereby income taxable at corporate rates has been re-computed at Rs. 155.293 million, where as the tax liability and net amount of refund had been recomputed at Rs. 131.008 million and Rs. 243.247 million respectively.

33.6 During the year ended June 30, 2013, the OIR issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2012. According to the orders, the OIR has made certain additions and determined additional tax demand of Rs. 107.499 million. OIR has disallowed a portion of administrative expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Holding Company on the contention that the same is equity specific and hence being capital in nature. The Holding Company has paid Rs 65 million under protest and filed an appeal with the Commissioner of Inland Revenue (Appeals). During the year ended June 30, 2015, Commissioner of Inland Revenue (Appeals) in his order has upheld certain additions and has given decisions in favour of the Holding Company on certain matters, and has worked out refund of Rs. 24.022 million. The Holding Company and the department have filed appeals with the ATIR in respect of aforementioned disallowances. The ATIR vide appellate order dated August 7, 2018 has interalia deleted certain additions made by the taxation officer. Appeal effect proceeding in respect of appellate order was initiated through notice dated October 4, 2019. However, while giving effect to the order of the ATIR, the taxation officer has disallowed the expenses allocated to dividend income and setting off of business loss against property income. Accordingly, the Holding Company has filed an appeal before the Commissioner (Appeals) against the appeal effect order. During the year, the said appeal has been partially decided by the Commissioner Appeals through order dated March 15, 2023 in favor of Holding Company on allocation of expenses against dividend income and related disallowance and not setting off the business loss against property income and applying incorrect tax rate on property income. Appeal effect order in respect of remaining issues has not been passed till date.The management, in consultation with its tax advisor, is confident that the matter will eventually be decided in favour of the Holding Company.

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

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

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

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

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

33.12 During the year ended June 30, 2018, the ACIR vide order dated June 29, 2018 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2017. The taxable income had been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs. 318.212 million was raised, out of which the Holding Company had made a payment of Rs. 75.000 million under protest. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals) on July 23, 2018, which had been decided vide order dated July 11, 2019. The CIR(A) in its order has decided all the matters in favour of the Holding Company by deleting all the additions made by the ACIR. However, the appeal effect order is still pending. The management is confident that the subject matters in respect of tax year 2017 will eventually be decided in favour of the Holding Company. During the year, the Holding Company received a notice dated November 24, 2022 issued under section 221 wherein the Taxation Officer observed that the Holding Company has adjusted refunds amounting to Rs. 86.598 million available from previous tax years which have not been determined under section 170(4) of the Ordinance. Accordingly, the Taxation Officer proposed to disallow the said adjustment of refunds. A detailed response was submitted explaining the facts and legalities pertaining to the case. Based on the above, the letter concluded that the proceeding is unwarranted and therefore, shall be withdrawn. Thereafter, no further correspondence has been made in this regard till date.

33.13 During the year ended June 30, 2021, the Additional Commissioner-IR (ACIR) vide order dated May 24, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2015. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs. 1,279.035 million was raised. During the year ended June 30, 2022, the Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Holding Company on certain other matters. The ACIR vide order dated June 25, 2022 issued appeal effect order under section 124 of the Ordinance to give effect to the appellate order of the Commissioner (Appeals). The Holding Company filed appeal before Commissioner before Commissioner (Appeals) against the aforesaid appeal effect dated June 25, 2022.The said appeal has been partially decided by the Commissioner (Appeals) through order dated March 16, 2023, in favour of the Holding Company while also issuing necessary directions on disallowance of actuarial losses, super tax levy on dividend income and income from property while disregarding loss from business and computation of tax. Appeal effect order in respect of remaining issues has not been passed till date. The management, in consultation with its tax advisor, is confident that the matter will eventually be decided in favour of the Holding Company.

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

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

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

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

33.18 During the year ended June 30, 2015, the Sindh Revenue Board (SRB) issued show cause notice dated April 17, 2015 under the provisions of section 23 and 47 of the Sindh Sales Tax on Services Act, 2011. The SRB officer had selected the revenue from the unconsolidated financial statements and allegedly raised sales tax demand in respect of the revenue appearing in the audited unconsolidated financial statements for the years 2012-2014. The Holding Company had filed a suit before the Honourable Sindh High Court in respect of the aforesaid show cause notice and the Honourable Sindh High Court had granted an interim stay order restraining SRB from taking any coercive action. However, in light of the Supreme Court order dated June 27, 2018 the Holding Company had to withdraw from the suit and continued the proceedings of show cause notice. After, considering the submissions of the Holding Company, the SRB had passed an assessment order dated March 13, 2019 and raised Sales Tax demand of Rs. 2,935.797 million on the revenue of freight income and services fee for the financial years 2012-2014. The Holding Company had filed an appeal before the Commissioner (Appeals) SRB dated March 11, 2019 and obtained stay from Honourable Sindh High Court against the sales tax demand. The Honourable Sindh High Court made decision in favour of the Holding Company on December 14, 2020. However, during the year, Sindh Revenue Board filed a petition on October 18, 2022 in Supreme court against the judgement of High court and same is still pending at Supreme Court of Pakistan. The management, in consultation with its legal advisor, is confident that the subject matters will eventually be decided in favour of the Holding Company.

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

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

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

Commitments

33.22 Commitments in respect of capital expenditure amounted to Rs. 32.571 million (2022: Rs. 32.571 million).

33.23 Outstanding letters of guarantee amounted to Rs 19.669 million (2022: Rs. 19.669 million).

33.24 The Holding Company has provided an undertaking amounting to USD 11.6 million (Rs 3,321.553 million) to one of the vendor / supplier of another state owned entity. This undertaking has been provided due to arrest of two of its managed vessels operated by its subsidiaries which have been released subsequently. However, the Government of Pakistan has provided a counter guarantee to the Holding Company in relation to the aforesaid undertaking.

33.25 Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounts to USD 0.417 million (Rs. 119.404 million) and USD 0.192 million (Rs 54.977 million) respectively.

		Note	June 30, 2023	June 30, 2022
			------------(Rupees in '000)------------	
34	**INCOME FROM SHIPPING BUSINESS**			
	Bulk carriers			
	Freight revenue		5,591,612	5,163,672
	Oil tankers			
	Freight revenue		33,164,802	10,782,781
	Overage premium		(133,229)	(55,221)
	Ocean losses		(305,306)	(85,633)
			32,726,267	10,641,927
			38,317,879	15,805,599
	Chartered vessels - Foreign flag vessels			
	Freight revenue		4,208,652	5,270,351
	Overage premium		(3,141)	(9,481)
	Ocean losses		-	(14,311)
			4,205,511	5,246,559
	Slot charter revenue	34.1	4,707,063	2,520,268
			47,230,453	23,572,426

34.1 Sindh sales tax charged amounting to Rs. 0.506 million (2022: Rs. 0.605 million).

		Note	June 30, 2023	June 30, 2022
35	**OTHER OPERATING ACTIVITIES**			
	Demurrage income		5,717,245	3,102,717
	Income from miscellaneous claims		1,345,900	773,623
			7,063,145	3,876,340
36	**FLEET EXPENSES**			
	Charter hire and related expenses	36.1	6,432,524	6,256,677
	Diesel, fuel and lubricants consumed		9,604,501	4,735,751
	Port, light, canal and customs dues		2,765,071	1,625,948
	Salaries, benefits and allowances		1,747,925	1,161,708
	Demurrage expense		674,845	1,198,402
	Fleet communication expenses		79,542	33,375
	Agency commission and brokerage		858,132	516,132
	Victualling		257,126	168,411
	Insurance		836,948	519,879
	Claim charges		3,511	9,818
	Stores and spares consumed		460,251	577,541
	Repairs, maintenance and special surveys		180,131	102,831
	Depreciation on property, plant and equipment	8.7	2,998,980	2,398,386
	Services sales tax expense		108,327	10,054
	Travelling and conveyance		154,924	81,064
	Survey fee		137,779	77,959
	Sundries		168,487	92,897
			27,469,004	19,566,833

		Note	June 30, 2023	June 30, 2022
			------------(Rupees in '000)------------	
36.1	**Charter hire and related expenses**			
	Foreign flag vessels			
	- voyage charter expenses		3,716,600	4,479,488
	- slot charter expenses		2,715,924	1,777,189
			6,432,524	6,256,677
37	**REAL ESTATE EXPENSES**			
	Salaries, benefits and allowances	37.1	48,681	44,925
	General establishment expenses	37.2	19,619	29,236
	Rent, rates and taxes		13,633	10,742
	Insurance		2,816	2,145
	Depreciation on property, plant and equipment	8.7	23,779	29,903
	Legal and professional charges		135	463
			108,663	117,414

37.1 This includes Rs. 0.249 million (2022: Rs. 0.278 million) in respect of provident fund contribution. The investments out of provident fund have been made in accordance with the provisions of Section 2018 of the Act and conditions specified thereunder.

		Note	June 30, 2023	June 30, 2022
			------------(Rupees in '000)------------	
37.2	**General establishment expenses**			
	Repairs and maintenance		5,768	12,531
	Security charges		7,863	7,151
	Light, power and water		5,988	9,554
			19,619	29,236
38	**ADMINISTRATIVE EXPENSES**			
	Workshop management		123,929	90,194
	Salaries, benefits and allowances	38.1	923,920	738,837
	General establishment	38.2	343,931	260,565
	Rent, rates and taxes		24,392	22,742
	Scholarship and training		9,004	3,468
	Insurance		4,584	4,055
	Depreciation on property, plant and equipment	8.7	44,201	29,505
	Depreciation on right-of-use assets	9	12,341	12,341
	Directors' fee	47.1	9,799	5,853
	Legal and professional charges		104,879	39,253
	Sales tax expenses		7,131	25,888
	Events and gathering		595	-
			1,608,706	1,232,701

38.1 This includes Rs. 4.820 million (2022: Rs. 4.572 million) in respect of provident fund contribution. The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Act and conditions specified thereunder.

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For the year ended June 30, 2023

		Note	June 30, 2023	June 30, 2022
			----------(Rupees in '000)----------	
38.2	**General establishment**			
	Repairs and maintenance		33,851	29,559
	Medical		39,843	48,467
	Contribution to group term insurance		1,512	1,576
	Security charges		5,049	4,788
	Travelling and conveyance		17,458	5,059
	Entertainment and canteen subsidy		7,584	4,307
	Books, periodicals and subscription		12,626	14,012
	Uniform and liveries		2,157	1,637
	Hajj expenses		8,638	4,215
	Printing and stationery		7,855	6,809
	Telephone, telex and postage		18,496	13,280
	Light, power and water		54,690	39,009
	Computer expenses		21,520	13,808
	Advertisement and publicity		32,758	19,162
	Vehicle running, repairs and maintenance		14,537	8,781
	Ship inspection expenses		53,186	38,423
	Sundry expenses		12,171	7,673
			343,931	260,565
39	**IMPAIRMENT LOSS ON FINANCIAL ASSETS**			
	Allowance for ECL on:			
	Trade debts	17.4	1,021,991	905,250
	Other receivables	21.4	61,424	21,790
	Agents and owner's balance	18.1	4,231	2,485
			1,087,646	929,525
	Written off against trade debts and other receivables		35,295	-
			1,122,941	929,525
40	**OTHER EXPENSES**			
	Donations	40.1	33,758	15,963
	Auditors' remuneration	40.2	11,890	10,552
	Employees' gratuity			
	- funded	29.1.7	2,740	1,597
	- unfunded	29.1.7	106,284	82,468
			109,024	84,065
	Post-retirement medical benefits	29.1.7	8,836	7,866
	Employees' compensated absences	29.2.5	79,810	68,534
	Provision for slow moving stores and spares	16.1	80,376	182,764
	Loss on revaluation of long-term investments in listed companies	13.1 & 13.2	11,831	10,501
	Net increase in provision against damage claims	32	-	23,295
	Write-off against property, plant and equipment		20,996	17,100
	Sindh sales tax		-	1,226
	Workers' profit participation fund		85,657	-
	Others		6,377	1,261
			448,555	423,127

40.1 This includes donation made to Prime Minister Flood Relief Fund amounting to Rs. 10 million, Bone Marrow Transplantation of employee's child amounting to Rs. 8.5 million and Pakistan Marine Academy amounting to Rs.3 million. No director or his / her spouse had any interest in the donee.

40.2 Auditors' remuneration

	June 30, 2023			June 30, 2022		
	Grant Thornton Anjum Rahman	Yousuf Adil Chartered Accountants	Total	Grant Thornton Anjum Rahman	Yousuf Adil Chartered Accountants	Total
	--------(Rupees in '000)--------					
Statutory audit fee - the Holding Company	1,665	1,665	3,330	1,514	1,514	3,028
Audit fee - subsidiaries	2,367	2,367	4,734	2,153	2,153	4,306
Fee for review of half yearly financial statements	583	583	1,166	530	530	1,060
Fee for review report on Code of corporate governance	179	179	358	163	163	326
Fee for audit of the consolidated financial statements	211	211	422	191	191	382
Statutory certifications	-	-	-	-	66	66
Out of pocket expenses	500	500	1,000	301	301	602
Sales tax services on services	440	440	880	388	393	782
	5,945	5,945	11,890	5,240	5,311	10,552

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		Note	June 30, 2023	June 30, 2022
			------------(Rupees in '000)------------	
41	**OHTER INCOME**			
	Income from saving accounts and term deposits		2,372,545	578,407
	Income from long-term loans to employees		5,491	2,503
	Dividend income		169,668	10,808
	Exchange gain		3,039,553	276,499
	Gain on revaluation of investment properties	11	148,842	242,031
	Agency fee		31,084	34,662
	Liabilities no longer payable written back		50,304	12,476
	Insurance claim income	41.1	56,936	9,369
	Gain on disposal of vessel	8.8	3,337,259	-
	Gain on disposal of other fixed assets		-	1,762
	Reversal of provision against damage claims	32	19,072	-
	Gain on sale of bunker		3,226	106,633
	Others		40,306	39,007
			9,274,286	1,314,157

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

		Note	June 30, 2023	June 30, 2022
			------------(Rupees in '000)------------	
42	**FINANCE COSTS**			
	Mark-up on long-term financing		1,376,720	508,423
	Amortization of arrangement fees	27.5	15,894	5,459
	Mark-up on lease liabilities	28	7,588	8,208
	Bank charges		10,828	8,789
			1,411,030	530,879
43	**TAXATION**			
	Tax charge for:			
	- current year		2,094,163	615,581
	- prior year		(160,311)	(24,221)
			1,933,852	591,360
	- Deferred tax (income) / expense	15.1	(51,600)	55,888
		43.1	1,882,252	647,248

43.1 Relationship between tax expense and accounting profit

	June 30, 2023	June 30, 2022
Accounting profit before tax	31,876,547	6,297,138
Tax rate	29%	29%
Tax on accounting profit	9,244,199	1,826,170
Tax saving due to lower tax rates		
- Income under Section 7A	28,094	57,310
- Income under section 7A on subsidiaries profits	(6,383,590)	(1,325,077)
- Dividend income	(23,754)	1,513
Effect of super tax	483,084	58,733
Effect of capital gain	(606,398)	-
Effect on tax from income from property	11,395	16,703
Effect of tax on deemed income	18,519	-
Effect of inadmissible (income) / expenses	(828,323)	(134,273)
Minimum tax on Service income	150,937	114,501
Deferred tax	(51,600)	55,888
Effect of prior year	(160,311)	(24,221)
Tax expense for the year	1,882,252	647,248
	6%	10%

		June 30, 2023	June 30, 2022
44.	**EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY - basic and diluted**		
	Profit after taxation (Rupees in '000)	29,993,270	5,645,575
	Weighted average ordinary shares in issue during the year (Number)	132,063,380	132,063,380
	Earnings per share - basic and diluted (Rupees)	227.11	42.75

44.1 There were no dilutive potential ordinary shares outstanding as at June 30, 2023 and 2022.

		Note	June 30, 2023	June 30, 2022
			(Rupees in '000)	
45.	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		31,876,547	6,297,138
	Adjustments for non-cash and other items:			
	Depreciation on:			
	Property, plant and equipment	8.7	3,066,960	2,457,794
	Right-of-use assets	9	12,341	12,341
	Impairment loss	39	1,122,941	929,525
	Gain on revaluation of foreign currency balances	41	(3,039,553)	(276,499)
	Provision for employees' gratuity	29.1.7	109,024	84,065
	Provision for employees' compensated absences	29.2.5	79,810	68,534
	Provision for post retirement medical benefits	29.1.7	8,836	7,866
	Provision for slow moving stores and spares	16.1	80,376	182,764
	Dividend income	41	(169,668)	(10,808)
	Liabilities no longer payable written back	41	(50,304)	(12,476)
	Income from saving account and term deposit	41	(2,372,545)	(578,407)
	Finance cost on:			
	Long term financing	42	1,392,614	513,882
	Lease liabilities	42	7,588	8,208
	Loss on revaluation of long-term investments in listed companies	40	11,831	10,501
	Gain on disposal of vessel	41	(3,337,259)	-
	Loss / (gain) on disposal of other fixed assets		-	(1,762)
	Gain on revaluation of investment properties	41	(148,842)	(242,031)
	Working capital changes	45.1	(1,985,397)	(865,642)
			26,686,296	8,602,093
45.1	**Working capital changes**			
	(Increase) / decrease in current assets:			
	Stores and spares		(820,586)	(302,446)
	Trade debts		(1,674,892)	(3,413,217)
	Trade deposits and short-term prepayments		(5,934)	(20,125)
	Agents' and owners' balances		2,971	(10,575)
	Loans and advances		(76,888)	(270,465)
	Other receivables		(148,998)	42,067
	Incomplete voyages		(244,418)	72,481
			(2,968,745)	(3,902,280)
	Increase / (decrease) in current liabilities:			
	Trade and other payables		610,652	2,955,654
	Provision against damage claims	32	(19,072)	23,295
	Contract liabilities		391,768	57,689
			983,348	3,036,638
			(1,985,397)	(865,642)
46.	**CASH AND CASH EQUIVALENTS**			
	Short-term investments having maturity of three months or less	23	23,250,415	6,172,701
	Cash and bank balances	24	8,383,959	5,414,650
			31,634,374	11,587,351

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For the year ended June 30, 2023

47 REMUNERATION OF CHAIRMAN & CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

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

	Chairman & Chief Executive		Executive Directors*		Other Executives	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees in '000)					
Managerial remuneration and allowances	3,445	3,159	35,973	30,785	676,883	326,313
Retirement benefits - note 47.2	-	-	-	-	5,068	4,223
House rent	-	838	14,897	11,242	191,379	106,335
Conveyance	-	362	-	-	6,892	4,525
Medical	11	156	2,251	2,032	17,867	12,696
Utilities	-	443	2,149	2,055	87,203	37,422
Personal staff subsidy	-	-	45	-	468	387
Club membership fee and expenses	30	45	555	664	-	-
Bonus	1,117	1,552	6,638	3,807	61,508	33,486
Other allowances	13,540	6,749	13,234	1,145	602,617	296,901
	18,143	13,304	75,742	51,730	1,649,885	822,288
Number of persons	1	1	5	5	230	142

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

47.1 The aggregate amount charged in the consolidated financial statements for fee to 7 (2022: 7) non-executive directors was Rs. 9.799 million (2022: Rs. 5.853 million).

47.2 Retirement benefits represent amount contributed towards various retirement benefit plans. The Executives of the Corporation are entitled to retirement benefits as outlined in note 6.17 and 6.18 to these consolidated financial statements.

47.3 The Chairman & Chief Executive, Executive Directors and other Executives are provided with the car allowance in lieu of Group owned cars.

48 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
FINANCIAL ASSETS			
Fair value through profit or loss			
Long-term investments - listed companies	13	26,927	38,758
Short term investment - mutual funds	23	3,232,258	104,890
		3,259,185	143,648
Amortised cost			
Trade debts - unsecured	17	5,969,078	5,311,573
Agents' and owners' balances - unsecured	18	12,736	15,707
Loans - employees		46,787	31,094
Trade deposits	20	29,884	33,244
Interest accrued on bank deposits and short-term investments		138,645	114,970
Other receivables	21	493,859	441,580
Short-term investments	23	23,273,415	7,322,601
Cash and bank balances	24	8,383,959	5,414,650
Long-term investments - other entity	13	100	100
		38,348,463	18,685,519
		41,607,648	18,829,167
FINANCIAL LIABILITIES			
Amortised cost			
Trade and other payables		5,745,402	5,198,505
Unclaimed dividend		120,573	87,245
Provision against damage claims	32	23,235	42,307
Long-term financing - unsecured		7,244,223	4,497,012
Accrued mark-up on long-term financing		161,206	15,158
Lease liabilities	28	98,195	111,550
		13,392,834	9,951,777

49 FINANCIAL RISK MANAGEMENT

49.1 Financial risk factors

The Group finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk. Taken as a whole, the Group is exposed to credit risk, market risk (including interest rate risk, currency risk and other price risk) and liquidity risk. The Group's principle financial liabilities comprise trade and other payables and long term financing. The Group also has various financial assets such as trade debts, other receivables, bank balances and short-term investments which are directly related to its operations. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2023. The policies for managing each of these risks are summarised below:

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2023

49.1.1 Credit risk

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

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Trade debts - unsecured	17	**5,969,078**	5,311,573
Long-term investments	13	**26,927**	38,758
Agents' and owners' balances - unsecured	18	**12,736**	15,707
Trade deposits	20	**29,884**	33,244
Other receivables	21	**493,859**	441,580
Short-term investments	23	**7,897,372**	7,322,601
Bank balances	24	**8,368,823**	5,412,254
		22,798,679	18,575,717

Credit risk related to investments and cash deposits

The Company limits its exposure to credit risk of investments by only investing in term deposit receipts (TDRs) of banks with high credit rating.

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

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

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

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

	June 30, 2023	June 30, 2022
	(Rupees in '000)	
Public Sector	**6,359,313**	9,531,358
Private Sector	**3,739,915**	3,056,286
	10,099,228	12,587,644

Out of Rs.10,099.228 million (2022: 12,587.644 million), the Group has recognized an allowance of ECL amounting to Rs. 3,452.241 million (2022: Rs 2,364.595 million).

49.1.2 Market Risk

Foreign currency risk

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

The Group's explosure to foreign currency risk is as follows:

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(USD)		(Rupees in '000)	
Trade debts	11,096	12,352	3,177,111	2,530,817
Other receivables	2,131	3,518	610,275	720,704
Agents' and owners' balances - unsecured	96	129	27,609	26,349
Short-term investments	27,518	5,491	7,879,593	1,125,021
Bank Balances	10,963	22,074	3,139,143	4,522,707
Trade and other payables	(8,872)	(22,514)	(2,540,539)	(4,612,937)
	42,932	21,050	12,293,192	4,312,661

	June 30, 2023	June 30, 2022
	PKR / USD	
Average rate	251.99	179.27
Reporting date rate	286.34	204.89

As at June 30, 2023, if the currency had weakened / strengthened by 5% against the US dollar with all other variables held constant, profit before taxation for the year would have been higher / lower by Rs. 614.660 million (2022: Rs. 215.633 million), mainly as a result of foreign exchange gains / losses on translation of US dollar denominated assets and liabilities.

Cash flow and fair value interest rate risk

Interest rate risk represents the risk that the fair value or future cash flow of a financial insturment will fluctuate because of changes in market interest rates.
At the reporting date interest rate profile of the Group's interest-bearing financial instruments was:

	June 30, 2023	June 30, 2022
Exposure to interest rate risk	(Rupees in '000)	
Long-term financing - secured	7,244,223	4,497,012

The Group has interest bearing liabilities that have floating interest rates. At June 30, 2023, if interest rates on borrowings had been 100 basis points higher / lower with all other variables held constant, profit after taxation for the year would have been lower / higher by Rs. 72.442 million (2022: Rs. 44.978 million).

Price risk

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

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

49.1.3 Liquidity risk

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

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

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

	Total Contractual cash flows	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
June 30, 2023	---(Rupees in '000)---				
Long-term financing	8,641,404	5,049,942	1,374,432	2,172,030	-
Unclaimed dividend	120,573	120,573	-	-	-
Trade and other payables	5,745,402	5,745,402	-	-	-
Accrued mark-up on long-term financing	161,206	161,206	-	-	-
Provision against damage claims	23,235	23,235	-	-	-
Lease liabilities	124,640	16,626	27,004	81,011	-
	14,816,460	11,161,984	1,401,436	2,253,041	-

	Total Contractual cash flows	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
June 30, 2022	---(Rupees in '000)---				
Long-term financing	6,225,045	1,569,803	1,442,550	3,212,692	-
Unclaimed dividend	87,245	87,245	-	-	-
Trade and other payables	5,198,505	5,198,505	-	-	-
Accrued mark-up on long-term financing	15,158	15,158	-	-	-
Provision against damage claims	42,307	42,307	-	-	-
Lease liabilities	146,403	14,504	18,242	54,725	58,933
	11,714,663	6,927,522	1,460,792	3,267,417	58,933

49.1.4 Fair value estimation

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

Fair value hierarchy

As at June 30, 2023, the Group's all assets and liabilities are carried at amortised cost except for those mentioned below:

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

The Group classifies investment properties and long-term investments in listed companies measured at fair value in the statement of financial position. The latest fair valuation of the Group's investment properties was performed by an independent valuer as at June 30, 2023.

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

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

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

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

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

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

		June 30, 2023			
		Level 1	**Level 2**	**Level 3**	**Total**
	Note	**(Rupees in '000)**			
Assets carried at fair value					
Long-term investments in listed companies	13	**27,027**	**-**	**-**	**27,027**
Short-term investments - mutual funds	23	**3,232,258**	**-**	**-**	**3,232,258**
		3,259,285	**-**	**-**	**3,259,285**
Leasehold land	8.1	**-**	**-**	**1,399,780**	**1,399,780**
Buildings on leasehold land	8.1	**-**	**-**	**714,565**	**714,565**
Beach huts	8.1	**-**	**-**	**14,590**	**14,590**
Workshop machinery and equipment	8.1	**-**	**-**	**5,727**	**5,727**
Investment properties	11	**-**	**-**	**4,100,505**	**4,100,505**
		-	**-**	**6,235,167**	**6,235,167**

		June 30, 2022			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Assets carried at fair value					
Long-term investments in listed companies	13	38,858	-	-	38,858
Short-term investments - mutual funds	23	104,890	-	-	104,890
		143,748	-	-	143,748
Leasehold land	8.1	-	-	1,399,780	1,399,780
Buildings on leasehold land	8.1	-	-	748,081	748,081
Beach huts	8.1	-	-	16,416	16,416
Workshop machinery and equipment	8.1	-	-	7,040	7,040
Investment properties	11	-	-	3,949,584	3,949,584
		-	-	6,120,901	6,120,901

50 Capital risk management

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

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

The Group is in compliance with externally imposed capital requirements applicable at consolidated financial statements level. The debt equity ratios as at June 30, 2023 and 2022 were as follows:

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Long-term financing - secured	27	7,244,223	4,497,012
Total equity		71,068,086	42,372,550
Total		78,312,309	46,869,562
Debt-to-equity ratio		10:90	11:89

51 ENTITY WIDE INFORMATION

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

51.2 Information about services

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

	June 30, 2023	June 30, 2022
	(Rupees in '000)	
Transportation of dry cargo	10,298,675	7,683,940
Transportation of liquid cargo	36,931,778	15,888,486
Rental income	265,467	239,014
	47,495,910	23,811,440

51.3 Information about geographical areas

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

51.4 Information about major customers

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

	2023 Revenue		2022 Revenue	
	(Rupees in '000)	% of Total	(Rupees in '000)	% of Total
Client 1	15,481,331	32.78	6,426,971	27.26
Client 2	4,983,774	10.55	3,200,504	13.58
Client 3	4,044,811	8.56	2,531,663	10.74
	24,509,916	51.89	12,159,138	51.58

52 RELATED PARTY DISCLOSURES

Related parties comprise of companies affiliated to the Holding Company and the directors, chief executives of the Holding Company and employee funds maintained by the Holding Company. Particulars of remuneration to key personnel are disclosed in note 47 to these consolidated financial statements.

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

Name and particulars	Relationship with the Group	June 30, 2023	June 30, 2022
		-----------------(Rupees in '000)-----------------	
Transactions with state owned / controlled entities			
Freight income	State owned / controlled entities	**24,734,605**	10,736,320
Income from other operating activities	State owned / controlled entities	**1,256,578**	231,174
Rental income	State owned / controlled entities	**26,187**	14,426
Rental and other expense	State owned / controlled entities	**37,539**	3,300
Transactions with other related parties			
Directors' fee and travelling allowance	Key management personnel	**9,799**	5,853
Compensation to key management personnel	Key management personnel	**93,885**	65,034
Contributions to provident fund	Employees benefit plan	**5,068**	4,859
Dividend paid to Government of Pakistan	Government holding	**1,156,337**	349,556

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

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

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

53 LISTING OF SUBSIDIARY COMPANIES AND AN ASSOCIATE

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

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

	June 30, 2023	June 30, 2022
	----------- (Percentage) ----------	
Non-controlling	27%	27%
	------------(Rupees in '000)-----------	
Non-current assets	12,689	13,283
Current assets	31,759	26,967
Current liabilities	1,153	1,795
Net assets attributable to NCI	11,808	10,488
Revenue	7,712	3,803
Expenses	(3,952)	(12,020)
Profit after tax for the year	3,760	15,823
Profit attributable to NCI	1,025	4,315
Other comprehensive income for the year	-	-
Other comprehensive income attributable to NCI	-	-
Total comprehensive income attributable to NCI	1,025	4,315
Net cash flows from operating activities	1,337	1,978
Net cash flows from investing activities	-	(1,402)
Net cash flows from financing activities	-	-

54 NUMBER OF EMPLOYEES

The average and total number of employees during the year and as at June 30, 2023 and 2022 respectively are as

	June 30, 2023	June 30, 2022
Average number of employees during the year	661	635
Number of employees as at end of the year	680	642

55 RECONCILIATION OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2023			2022		
	Long-term financing	Unclaimed dividend	Lease liability	Long-term financing	Unclaimed dividend	Lease liability
	--(Rupees in '000)--					
Balance at beginning of the year	4,497,012	87,245	111,550	6,019,103	77,498	116,608
Changes from financing cash flows						
Repayment	(1,601,393)	-	(2,366)	(1,527,550)	-	(13,266)
Obtained	4,332,710	-	-	-	-	-
Dividend paid	-	(1,287,306)	-	-	(386,443)	-
Total changes from financing activities	2,731,317	(1,287,306)	(2,336)	(1,527,550)	(386,443)	(13,266)
Other non cash changes						
Amortisation of arrangement fee	15,894	-	-	5,459	-	-
Reclassified to other liabilities	-	-	(18,577)	-	-	-
Accretion of interest	-	-	7,588	-	-	8,208
Final dividend	-	660,317	-	-	-	-
Interim dividend	-	660,317	-	-	396,190	-
Total other changes	15,894	1,320,634	(10,989)	5,459	396,190	8,208
Balance at end of the year	7,244,223	120,573	98,195	4,497,012	87,245	111,550

56 PROVIDENT FUND RELATED DISCLOSURE

The following information is based on un-audited financial statement of the fund as at June 30:

	June 30, 2023	June 30, 2022
	---------(Rupees in '000)--------	
Size of the fund - Total assets	**3,313,994**	306,620
Fair value of investments	**306,092**	297,940
Percentage of investment made	**97.48**	97.17

56.1 The cost of above investments amounted to Rs. 278.823 million (2022: Rs. 289.270 million).

56.2 The break-up of fair value of investments is as follows:

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	-----------(Percentage)-----------		---------(Rupees in '000)--------	
Mutual funds	41.31	4.10	126,436	12,196
Treasury bills	55.92	89.13	171,173	265,566
Bank balances	2.77	6.77	8,483	20,178
	100	100	**306,092**	297,940

56.3 The investment out of provident fund have been made in accordance with the provision of Section 2018 of the Companies Act 2017 and the rules formulated for this purpose.

57 SUBSEQUENT EVENTS

57.1 The Board of Directors in their meeting held on September 27, 2023 have proposed for the year ended June 30, 2023 cash dividend of Rs 15 per share amounting to Rs 1,981 million subject to the approval of the members at the annual general meeting to be held on October 26, 2023 These consolidated financial statements for the year ended June 30, 2023 do not include the effect of this appropriation which will be accounted for subsequent to the year end.

58 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation in these consolidated financial statements.

59 GENERAL

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

60 DATE OF AUTHORISATION

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

Syed Jarar Haider Kazmi	Rear Admiral Jawad Ahmed HI(M)	Mr. Ahsan Ali Malik
Chief Financial Officer	Chairman & Chief Executive	Director

INDEPENDENT AUDITOR'S REPORT AND UNCONSOLIDATED FINANCIAL STATEMENTS OF PAKISTAN NATIONAL SHIPPING CORPORATION (HOLDING COMPANY)

FOR THE YEAR ENDED
JUNE 30, 2023

Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8,
KCHSU, Shahrah-e-Faisal,
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Grant Thornton Anjum Rahman
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN NATIONAL SHIPPING CORPORATION

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Pakistan National Shipping Corporation** (the Corporation), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Corporation's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

YOUSUF ADIL

Grant Thornton

Yousuf Adil
Chartered Accountants
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Karachi - 75350, Pakistan

Grant Thornton Anjum Rahman
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Karachi - 75530, Pakistan

Following is the Key audit matter.

S. No.	Key audit matter	How the matter was addressed in our audit
1.	**Contingencies** The Corporation has various contingent liabilities in respect of income tax / sales tax matters and claims from employees and customers which are pending adjudication before the relevant regulatory authorities and the courts of law as disclosed in notes 29.1 to 29.18 to the annexed unconsolidated financial statements. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Corporation regarding disclosure, recognition and measurement of any provision that may be required against such contingencies. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of the matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingencies as a key audit matter.	Our key audit procedures amongst others included the following: • Obtained an understanding of the Corporation's processes and controls over litigations through meetings with the management, in-house legal department and review of the minutes of the Board of Directors and the Board Audit Committee. • Reviewed correspondence of the Corporation with regulatory departments, tax authorities (including judgements and orders passed by competent authorities from time to time, where applicable) and the Corporation's external counsel. Where relevant, also assessed external legal / tax advices obtained by the Corporation. • Discussed open matters and developments with the in-house legal department of the Corporation. • Involved internal tax professionals to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of management and external tax advisors engaged by the Corporation. • Circularized confirmations to the Corporation's external legal and tax advisors for their views and assessment on the pending cases. • Assessed the adequacy and appropriateness of related disclosures in the annexed unconsolidated financial statements for compliance with the requirement of the applicable financial reporting framework.

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

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

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

YOUSUF ADIL

Grant Thornton

Yousuf Adil
Chartered Accountants
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KCHSU, Shahrah-e-Faisal,
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Grant Thornton Anjum Rahman
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Karachi - 75530, Pakistan

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

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

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

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

Board of Directors are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

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

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

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

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

YOUSUF ADIL

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Yousuf Adil
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Chartered Accountants
1st & 3rd Floor, Modern Motors House,
Beaumont Road,
Karachi - 75530, Pakistan

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

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Corporation as required by the Companies Act, 2017 (XIXof 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of accountand returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose ofthe Corporation's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Corporation and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Yousuf Adil
Chartered Accountants
Karachi
Date: October 04, 2023
UDIN: AR202310186ZJ0N1kbeG

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi
Date: October 04, 2023
UDIN: AR202310093wlseiJ0QI

YOUSUF ADIL

Grant Thornton

Unconsolidated Statement of Financial Position

As at June 30, 2023

	Note	June 30, 2023	June 30, 2022
ASSETS		--------(Rupees in '000)--------	
Non-current assets			
Property, plant and equipment	7	2,262,334	2,271,281
Right-of-use assets	8	80,971	93,312
Intangible assets	9	73,559	51,806
Investment properties	10	4,100,505	3,949,584
Long-term investments in:			
- Related parties (subsidiaries and an associate)	11	37,140,378	37,140,378
- Listed companies and an other entity	12	27,027	38,858
		37,167,405	37,179,236
Long-term loans	13	29,454	20,374
Deferred taxation	14	88,651	47,246
		43,802,879	43,612,839
Current assets			
Stores and spares	15	9,296	-
Trade debts - unsecured	16	1,287,505	1,986,270
Agents' and owners' balances - unsecured	17	12,736	15,707
Loans and advances	18	9,211,271	113,750
Trade deposits and short-term prepayments	19	39,300	35,643
Interest accrued on bank deposits and short-term investments		135,116	114,970
Other receivables	20	306,905	222,150
Incomplete voyages		-	46,524
Taxation - net		1,411,725	1,466,246
Short-term investments	21	26,482,673	7,404,491
Cash and bank balances	22	8,378,015	5,410,043
		47,274,542	16,815,794
TOTAL ASSETS		91,077,421	60,428,633
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
200,000,000 (2022: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up share capital	23	1,320,634	1,320,634
Reserves			
Capital reserve		126,843	126,843
Revenue reserve - unappropriated profit		12,840,594	9,321,161
Remeasurement of post retirement benefits obligation - net of tax		(194,032)	(221,781)
Surplus on revaluation of property, plant and equipment - net of tax	7.7	1,612,524	1,623,362
		14,385,929	10,849,585
		15,706,563	12,170,219
Non-current liabilities			
Long-term financing - secured	24	2,822,020	3,547,219
Lease liabilities	25	88,547	104,746
Employees' benefits	26	739,613	713,135
		3,650,180	4,365,100
Current liabilities			
Trade and other payables	27	66,391,982	42,717,103
Contract liabilities		591,831	99,353
Provision against damage claims	28	23,235	17,858
Current portion of long-term financing - secured	24	4,422,203	949,793
Current portion of lease liabilities	25	9,648	6,804
Unclaimed dividend		120,573	87,245
Accrued markup on long-term financing		161,206	15,158
		71,720,678	43,893,314
TOTAL LIABILITIES		75,370,858	48,258,414
TOTAL EQUITY AND LIABILITIES		91,077,421	60,428,633
CONTINGENCIES AND COMMITMENTS	29		

The annexed notes 1 to 57 form an integral part of these unconsolidated financial statements.

Syed Jarar Haider Kazmi	Rear Admiral Jawad Ahmed HI(M)	Mr. Ahsan Ali Malik
Chief Financial Officer	Chairman & Chief Executive	Director

Unconsolidated Statement of Profit or Loss and Other Compreensive Income

For the year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		--------------(Rupees in '000)--------------	
REVENUE FROM CONTRACT WITH CUSTOMERS			
Freight income - foreign flag vessels	30	8,912,574	7,766,827
Service fees	31	1,550,256	637,859
Other operating activities	32	1,069,818	1,746,136
Workshop income		182,664	73,918
Income from manning service		29,441	21,762
		11,744,753	10,246,502
REVENUE FROM OTHERS			
Rental income		261,274	235,211
		12,006,027	10,481,713
EXPENDITURE			
Fleet expenses	33	(7,269,014)	(7,795,645)
Vessel management expenses	34	(1,043,916)	(705,614)
Real estate expenses	35	(108,663)	(117,414)
		(8,421,593)	(8,618,673)
GROSS PROFIT		3,584,434	1,863,040
Administrative expenses	36	(441,415)	(495,481)
Impairment loss on financial assets	37	(706,399)	(585,498)
Other expenses	38	(346,711)	(202,533)
Other income	39	5,421,551	1,382,190
		3,927,026	98,678
OPERATING PROFIT		7,511,460	1,961,718
Finance costs	40	(1,402,093)	(525,794)
PROFIT BEFORE TAXATION		6,109,367	1,435,924
Taxation	41	(1,275,289)	(565,922)
PROFIT FOR THE YEAR		4,834,078	870,002
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of post-retirement benefits obligation	26.1.8 & 26.2.5.1	33,095	7,232
- Related tax	14.1	(5,346)	(917)
		27,749	6,315
- Deferred tax - change in tax rate on Revaluation Surplus	14.1	(4,849)	5,906
		22,900	12,221
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,856,978	882,223
		--------------------(Rupees)--------------------	
EARNINGS PER SHARE - basic and diluted	42	36.60	6.59

The annexed notes 1 to 57 form an integral part of these unconsolidated financial statements.

Syed Jarar Haider Kazmi	**Rear Admiral Jawad Ahmed HI(M)**	**Mr. Ahsan Ali Malik**
Chief Financial Officer	Chairman & Chief Executive	Director

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2023

	Issued, subscribed and paid-up share capital	Capital reserve*	Revenue reserve - unappropriated profit	Remeasurement of post-retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total equity
	---(Rupees in '000)---					
Balance as at July 1, 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)	-	-	(396,190)	-	-	(396,190)
Profit for the year	-	-	870,002	-	-	870,002
Other comprehensive income	-	-	-	6,315	5,906	12,221
Total comprehensive income for the year	-	-	870,002	6,315	5,906	882,223
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	6,655	-	(6,655)	-
Balance as at June 30, 2022	1,320,634	126,843	9,321,161	(221,781)	1,623,362	12,170,219
Transaction with owners	-					
Final cash dividend for the year ended June 30, 2022 (Rs 5 per ordinary share of Rs. 10 each)	-	-	**(660,317)**	-	-	**(660,317)**
Interim dividend for the year ended June 30, 2023 (Rs. 5 per ordinary share of Rs.10 each)	-	-	**(660,317)**	-	-	**(660,317)**
Profit for the year	-	-	**4,834,078**	-	-	**4,834,078**
Other comprehensive income	-	-	-		**(4,849)**	**22,900**
Total comprehensive income for the year	-	-	**4,834,078**	**27,749**	**(4,849)**	**4,856,978**
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	**5,989**	-	**(5,989)**	-
Balance as at June 30, 2023	**1,320,634**	**126,843**	**12,840,594**	**(194,032)**	**1,612,524**	**15,706,563**

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

The annexed notes 1 to 57 form an integral part of these unconsolidated financial statements.

Syed Jarar Haider Kazmi	**Rear Admiral Jawad Ahmed HI(M)**	**Mr. Ahsan Ali Malik**
Chief Financial Officer	Chairman & Chief Executive	Director

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	43	17,791,174	7,131,519
Employees' gratuity paid	26.1.4	(45,422)	(23,847)
Employees' compensated absences paid	26.2.4	(81,250)	(81,085)
Post-retirement medical benefits paid	26.1.4	(11,425)	(14,785)
Long-term loans		(9,080)	(12,230)
Finance costs paid		(1,231,216)	(509,383)
Taxes paid		(1,272,402)	(381,341)
Net cash generated from operating activities		15,140,379	6,108,848
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7.1 & 7.9	(67,103)	(36,634)
Proceeds from disposal of property, plant and equipment		-	1,762
Acquisition of intangible assets	9	(21,753)	(12,370)
Additions to investment properties	10	(2,079)	(20,179)
Short-term investments made		(2,000,468)	4,674,394
Interest received on short-term investments		2,348,870	564,137
Dividend received	39	169,668	10,808
Net cash generated from investing activities		427,135	5,181,918
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing repaid	24.5	(1,601,393)	(1,527,550)
Long-term financing obtained	24.5	4,332,710	-
Lease rentals paid	52	(2,366)	(13,266)
Dividend paid	52	(1,287,306)	(386,441)
Net cash generated from / (used in) financing activities		1,441,645	(1,927,257)
Net increase in cash and cash equivalents		17,009,159	9,363,509
Cash and cash equivalents at the beginning of the year		11,582,744	1,727,181
Exchange gain on cash and cash equivalents		3,036,527	492,054
Cash and cash equivalents at the end of the year	44	31,628,430	11,582,744

The annexed notes 1 to 57 form an integral part of these unconsolidated financial statements.

Syed Jarar Haider Kazmi	Rear Admiral Jawad Ahmed HI(M)	Mr. Ahsan Ali Malik
Chief Financial Officer	Chairman & Chief Executive	Director

Notes to and Forming Part of the Unconsolidated Financial Statements
For the year ended June 30, 2023

1 THE CORPORATION AND ITS OPERATIONS

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

Details of the Corporation's investment in subsidiaries and associated company are stated in note 11 to these unconsolidated financial statements.

2 STATEMENT OF COMPLIANCE

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

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

- Provisions of and directives issued under the Act.

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

2.2 These are separate financial statements wherein subsidiaries and an associated company are measured at cost less impairment loss, if any.

3 BASIS OF MEASUREMENT

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

3.2 These unconsolidated financial statements are presented in Pakistan Rupee, which is the Corporation’s functional and presentation currency.

4 AMENDMENTS TO ACCOUNTING STANDARDS

4.1 Amendments became effective during the current year

The following amendments are effective for the year ended June 30, 2023. These amendments are either not relevant to the Corporation's operations or are not expected to have significant impact on the Corporation's financial statements other than certain additional disclosures.

- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract

- Annual Improvements to IFRS 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 24)

4.2 Amendments to accounting standards that are not yet effective

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

	Effective from Accounting period beginning on or after
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments' disclosures - Supplier Finance Arrangements	January 01, 2024
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 - 'Investments in Associate and Joint Ventures' - Sale or contribution of Assets between an investor and its associate or Joint Venture	Deferred indefinitely

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

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATED AND JUDGEMENTS

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

5.1 Property, plant and equipment

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

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

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

Depreciation is charged to statement of profit or loss applying the straight line method at the rates specified in note 7.1. No depreciation is charged if the asset's residual value exceeds its carrying amount. Full month's depreciation is charged from the month the asset is available for intended use and no depreciation is charged in the month of disposal.

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

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

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

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

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

5.2 Capital work-in-progress

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

5.3 Right-of-use assets

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

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

5.4 Intangible assets

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

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

5.5 Investment properties

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

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

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

5.6 Impairment of non-financial assets

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

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

5.7 Investments in subsidiaries and associate

Investments in subsidiaries and associate are stated at cost less provision for impairment, if any. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the statement of profit or loss.

5.8 Financial instruments

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

5.8.1 Financial assets

a) Initial recognition and measurement

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

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

b) Subsequent measurement

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

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

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

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

5.8.2 Financial liabilities

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

Loans and borrowings

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

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

5.8.3 Impairment of financial assets

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

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

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

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

5.8.4 Off-setting of financial assets and financial liabilities

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

5.9 Stores and spares

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

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

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

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

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

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

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

5.11 Incomplete voyage

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

5.12 Taxation

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

5.12.1 Current tax

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

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

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

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

5.12.2 Deferred tax

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

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

5.13 Insurance claims

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

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

5.14 Lease liabilities

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

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

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

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

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

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

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

5.15 Trade and other payables

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

5.16 Provisions

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

5.17 Dividend and appropriations

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

5.18 Employee benefits

5.18.1 Defined contribution plan - Provident fund

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

5.18.2 Defined benefit plans - Gratuity fund

The Corporation operates a funded retirement gratuity scheme for its permanent employees other than those who joined the Corporation on or after October 16, 1984. Further, the Corporation also operates an unfunded retirement gratuity scheme for contractual employees. Provisions are made in the unconsolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually under the projected unit credit method. The latest valuation was carried out as at June 30, 2023. The remeasurement of defined benefit plan is recognised directly to equity through other comprehensive income net of tax.

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

The Corporation crew members are also entitled to gratuity in accordance with the Pakistan Maritime Board Regulations. These employee benefits are recognised on provisional basis as per actuarial report.

5.18.3 Defined benefit plan - Post-retirement medical benefits

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

Provisions are made in the unconsolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually using the projected unit credit method. The latest valuation was carried out as at June 30, 2023. The remeasurement of post-retirement benefit obligation is recognised directly to equity through OCI.

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

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

5.19 Employees' compensated absences

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

Provisions are made in the unconsolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually using the projected unit credit method. The latest valuation was carried out as at June 30, 2023. The remeasurement of employees' compensated absences are charged to statement of Profit & Loss.

5.20 Cash and cash equivalents

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

5.21 Foreign currency transactions and translation

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

5.22 Revenue recognition

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

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

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

Performance obligations

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

Voyage charter revenue

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

Time charter revenue

Revenue in respect of voyages chartered for a period of time i.e., on time charter basis are recognised over time on per day basis for the period for which the vessel is under the control of the customer.

Slot charter revenue

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

Others

- Fee for technical, commercial, administrative and financial services are recognised as revenue as and when the services are rendered in accordance with the terms of the agreement.

- Rental income is recognised as revenue on a straight line basis over the term of the respective lease arrangements.

- Dividend income is recognised when the Corporation's right to receive the dividend is established.

- Markup on bank accounts, return on short term investments and other income is recognised on accrual basis.

- Demurrage income due as per contractual terms is recognised on estimated basis, based on past experience of settlements and recent recovery trends.

5.23 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.24 Benazir Employees' Stock Option Scheme

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

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

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

5.25 Share capital

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

5.26 Earnings per share

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

6 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

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

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

(a) Valuation of certain property, plant and equipment and investment properties (notes 5.1, 5.5, 7 and 10);

(b) Depreciation rate and determination of the residual values and useful lives of property, plant and equipment (notes 5.1 and 7.1);

(c) Recoverable amount of long-term investment in related parties - subsidiaries (notes 5.7 and 11);

(d) Expected credit loss on trade debts, agents' and owners' balances, other receivables and other financial assets (notes 5.8.3 16, 17, 19 and 20);

(e) Provision for current and deferred tax (notes 5.12, 14 and 41);

(f) Provision against damage claims (notes 5.16 and 28);

(g) Provision for employee benefits (notes 5.18, 5.19 and 26);

(h) Recognition of demurrage income (notes 5.22 and 32);

(i) Contingencies and commitments (notes 5.23 and 29); and

(j) Provision for slow moving stores and spares (note 5.9).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Notes to and Forming Part of the Unconsolidated Financial Statements
For the year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		----(Rupees in '000)----	
7. PROPERTY, PLANT AND EQUIPMENT			
- Operating fixed assets	7.1	**2,208,264**	2,209,276
- Capital work-in-progress (CWIP) - buildings on leasehold land	7.9	**54,070**	62,005
		2,262,334	2,271,281

7.1 Operating fixed assets

	Leasehold land (notes 7.2 - 7.4)	Buildings on leasehold land (notes 7.2 - 7.4)	Vessel (note 7.5)	Vehicles	Office equipment	Furniture and fittings	Equipment on board	Beach huts (notes 7.2 - 7.4)	Workshop machinery and equipment (note 7.3 & 7.4)	Computer equipment	Total
	----(Rupees in '000)----										
As at June 30, 2021											
Cost or revalued amount	1,086,960	776,243	1,440	42,125	75,786	40,601	1,736	16,251	21,530	109,689	2,172,361
Revaluation surplus	312,820	90,432	-	-	-	-	-	6,872	2,697	-	412,821
Accumulated depreciation	-	(101,346)	(1,440)	(30,439)	(64,147)	(33,819)	(1,736)	(4,881)	(15,874)	(88,399)	(342,081)
Accumulated impairment	-	(15,019)	-	-	-	-	-	-	-	-	(15,019)
Net book value	1,399,780	750,310	-	11,686	11,639	6,782	-	18,242	8,353	21,290	2,228,082
Year ended June 30, 2022											
Opening net book value	1,399,780	750,310	-	11,686	11,639	6,782	-	18,242	8,353	21,290	2,228,082
Additions	-	4,811	-	9,714	5,113	1,620	-	-	-	7,441	28,699
Transfers from CWIP	-	11,877	-	-	-	-	-	-	-	-	11,877
Disposals:											
Cost or revalued amount	-	-	-	-	(4,546)	(41)	-	-	-	(31,154)	(35,741)
Accumulated depreciation	-	-	-	-	4,546	41	-	-	-	31,154	35,741
	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year - note 7.6	-	(34,916)	-	(4,185)	(3,782)	(1,827)	-	(1,826)	(1,313)	(11,533)	(59,382)
Closing net book value	1,399,780	732,082	-	17,215	12,970	6,575	-	16,416	7,040	17,198	2,209,276
As at June 30, 2022											
Cost or revalued amount	1,399,780	883,363	1,440	51,839	80,899	42,221	1,736	23,123	24,227	117,130	2,625,758
Accumulated depreciation	-	(136,262)	(1,440)	(34,624)	(67,929)	(35,646)	(1,736)	(6,707)	(17,187)	(99,932)	(401,463)
Accumulated impairment	-	(15,019)	-	-	-	-	-	-	-	-	(15,019)
Net book value	1,399,780	732,082	-	17,215	12,970	6,575	-	16,416	7,040	17,198	2,209,276
Year ended June 30, 2023											
Opening net book value	1,399,780	732,082	-	17,215	12,970	6,575	-	16,416	7,040	17,198	2,209,276
Additions	-	1,015	-	10,068	3,744	3,277	-	-	-	41,064	59,168
Transfers from CWIP					562					7,373	7,935
Write-offs:											
Cost or revalued amount	-	-	-	(85)	(1,266)	(330)	-	-	-	(6,721)	(8,402)
Accumulated depreciation	-	-	-	85	1,266	330	-	-	-	6,455	8,136
	-	-	-	-	-	-	-	-	-	(266)	(266)
Depreciation charge for the year - note 7.6	-	(34,400)	-	(6,363)	(4,356)	(1,809)	-	(1,826)	(1,313)	(17,782)	(67,849)
Closing net book value	1,399,780	698,697	-	20,920	12,920	8,043	-	14,590	5,727	47,587	2,208,264
As at June 30, 2023											
Cost or revalued amount	1,399,780	884,378	1,440	61,822	83,939	45,168	1,736	23,123	24,227	158,846	2,684,459
Accumulated depreciation	-	(170,662)	(1,440)	(40,902)	(71,019)	(37,125)	(1,736)	(8,533)	(18,500)	(111,259)	(461,176)
Accumulated impairment	-	(15,019)	-	-	-	-	-	-	-	-	(15,019)
Net book value	1,399,780	698,697	-	20,920	12,920	8,043	-	14,590	5,727	47,587	2,208,264
Annual rate of depreciation (%)											
2023		**3 to 20**	**3 to 4**	**20**	**15**	**10 to 15**	**10 to 15**	**10**	**5 to 10**	**33**	
2022		3 to 20	3 to 4	20	15	10 to 15	10 to 15	10	5 to 10	33	

Notes to and Forming Part of the Unconsolidated Financial Statements
For the year ended June 30, 2023

7.2 Particulars of immovable property (i.e. leasehold land, buildings on lease hold land and beach huts) are as follows:

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

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

S.No.	Class of asset	(Rupees in '000)
1	Leasehold land	1,189,813
2	Buildings on leasehold land	638,012
3	Beach huts	15,521
4	Workshop machinery and equipment	23,831

7.3.1 Valuation Techniques

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

Further, for workshop machinery and equipment the valuer commensurate for the condition of machinery and to arrive at present value, they have applied suitable depreciation factor. The age, make ,orgin, condition etc has been taken into account , while arriving at the present market value.

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

	June 30, 2023	June 30, 2022
	--------------(Rupees in '000)--------------	
Leasehold land, buildings on leasehold land and beach huts	474,554	502,622
Workshop machinery and equipment	148	1,461
	474,702	504,083

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

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

	Note	June 30, 2023	June 30, 2022
		---------(Rupees in '000)---------	
Vessel management expenses	34	40,922	27,012
Real estate expenses	35	23,779	29,903
Administrative expenses	36	3,148	2,467
		67,849	59,382

7.7 Surplus on revaluation property, plant and equipment - net of tax	Note	June 30, 2023	June 30, 2022
		---------(Rupees in '000)---------	
As at July 01:		1,651,235	1,658,835
Less: transferred to unappropriated profit on account of incremental depreciation - net of tax		(7,143)	(7,600)
		1,644,092	1,651,235
As at June 30:			
Less: related deferred tax liability on:			
Revaluation surplus as at July 1		27,873	34,724
Adjustment due to change in tax rate		4,849	(5,906)
Incremental depreciation charged during the year		(1,154)	(945)
		31,568	27,873
		1,612,524	1,623,362

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

7.9 Capital work-in-progress (CWIP) - Building on leasehold land	Note	June 30, 2023	June 30, 2022
		---------(Rupees in '000)---------	
Balance at beginning of the year		62,005	65,947
Additions during the year		-	7,935
Transfers to operating fixed assets		(7,935)	(11,877)
Balance at end of the year		54,070	62,005

8. RIGHT-OF-USE ASSETS

Rental properties	Note	June 30, 2023	June 30, 2022
Balance at beginning of the year		93,312	105,653
Depreciation	8.1	(12,341)	(12,341)
Balance at end of the year		80,971	93,312
Lease term (in years)		10	10

8.1 Depreciation has been charged amounting to Rs. 12.341 million in administrative expenses (note 36).

9. INTANGIBLE ASSETS

	Note	June 30, 2023	June 30, 2022
		---------(Rupees in '000)---------	
Ship Management Expert System (SES)			
Cost		16,503	16,503
Accumulated depreciation		(16,503)	(16,503)
	9.1	-	-
Capital work-in-progress (CWIP)			
Computer Software - opening balance		51,806	39,436
Additions during the year		21,753	12,370
Closing balance as at June 30, 2023	9.2	73,559	51,806

9.1 SES is still in use, however, it was fully amortized during the year ended June 30, 2009.

9.2 It represents payments made for DANAOS software which is under development.

10 INVESTMENT PROPERTIES

	Note	Leasehold land	Buildings on leasehold land	Capital work in progress	Total
		(Rupees in '000)			
At fair value					
Balance as at July 1, 2021		3,611,113	76,261	-	3,687,374
Additions during the year		-	20,179	-	20,179
Gain on revaluation	10.4 & 39	234,324	7,707	-	242,031
Balance as at June 30, 2022		3,845,437	104,147	-	3,949,584
Additions during the year	10.1	**-**	**-**	**2,079**	**2,079**
Gain on revaluation	10.4 & 39	**143,614**	**5,228**	**-**	**148,842**
Balance as at June 30, 2023		**3,989,051**	**109,375**	**2,079**	**4,100,505**

10.1 It represents payment for renovation of Muhammadi House and Old Ralli Building.

10.2 Particulars of immovable investment properties are as follows:

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

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

S.No.	Class of asset	June 30, 2023	June 30, 2022
		(Rupees in '000)	
1	Leasehold land	**3,191,240**	3,076,878
2	Buildings on leasehold land	**89,164**	78,837

10.4 The revaluation of the Corporation's investment properties was carried out by an independent valuer as of June 30, 2023.

10.5 Valuation Techniques

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

11 LONG-TERM INVESTMENTS IN RELATED PARTIES (SUBSIDIARIES AND AN ASSOCIATE)

No. of shares - ordinary		Name of the company	Country of incorporation	Latest available audited financial statements for the year ended	Percentage holding		Face value per share	June 30, 2023	June 30, 2022
June 30, 2023	June 30, 2022				June 30, 2023	June 30, 2022			
							(Rupees)	-----(Rupees in '000)-----	
(i) Subsidiary companies - unquoted									
439,599,957	439,599,957	Bolan Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	4,396,000	4,396,000
275,344,100	275,344,100	Chitral Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	2,753,441	2,753,441
226,825,500	226,825,500	Hyderabad Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	2,268,255	2,268,255
15,686,000	15,686,000	Pakistan Marine and Shipping Services Company (Private) Limited	Pakistan	June 30, 2023	100	100	10	156,860	156,860
36,000	36,000	Johar Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	360	360
7,286,000	7,286,000	National Ship Management and Crew (Private) Limited	Pakistan	June 30, 2023	100	100	10	72,860	72,860
330,000,000	330,000,000	Karachi Shipping (Private) Limited (Note 11.1)	Pakistan	June 30, 2023	100	100	10	3,451,994	3,451,994
441,997,735	441,997,735	Khairpur Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	4,419,977	4,419,977
340,000,000	340,000,000	Lahore Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	3,400,000	3,400,000
14,686,000	14,686,000	Lalazar Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	146,860	146,860
9,486,000	9,486,000	Makran Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	94,860	94,860
336,016,700	336,016,700	Malakand Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	3,360,167	3,360,167
140,547,500	140,547,500	Multan Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	1,405,475	1,405,475
1,600	1,600	Pakistan Co-operative Ship Stores (Private) Limited	Pakistan	June 30, 2023	73	73	100	868	868
500,000,000	500,000,000	Quetta Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	5,000,000	5,000,000
6,936,000	6,936,000	Sargodha Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	69,360	69,360
347,055,800	347,055,800	Shalamar Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	3,470,558	3,470,558
254,012,300	254,012,300	Sibi Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	2,540,123	2,540,123
13,236,000	13,236,000	Swat Shipping (Private) Limited	Pakistan	June 30, 2023	100	100	10	132,360	132,360
								37,140,378	37,140,378
(ii) Associate - unquoted									
12,250	12,250	Muhammadi Engineering Works Limited	Pakistan	December 31, 1982	49	49	100	1,600	1,600
		Less: Accumulated impairment losses		(unaudited)				1,600	1,600
								-	-
								37,140,378	37,140,378

11.1 The Board of Directors of the Corporation in their meeting held on June 06, 2022 resolved to priortize the sale of Karachi vessel at / before completion of its useful life on January 22, 2023. During the year, Karachi vessel was sold on January 03, 2023. Therefore, the financial statements of Karachi Shipping (Private) Limited have been prepared on basis other than going concern.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2023

12 LONG-TERM INVESTMENTS IN LISTED COMPANIES AND AN OTHER ENTITY

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Listed companies - At fair value through profit or loss			
Siemens (Pakistan) Engineering Company Limited 6,930 (2022: 6,930) fully paid ordinary shares of Rs. 10 each. Market value per share as at June 30, 2023 Rs. 692.49 (2022: Rs. 649.93)	12.1	4,799	4,504
Pakistan State Oil Company Limited (related party due to Government holding) 199,336 (2022: 199,336) fully paid ordinary shares of Rs. 10 each. Market value per share as at June 30, 2023 Rs. 111.01 (2022: Rs. 171.84)	12.2	22,128	34,254
		26,927	38,758
Other entity - At cost			
Pakistan Tourism Development Corporation Limited 10,000 (2022: 10,000) fully paid ordinary shares of Rs. 10 each.		100	100
		27,027	38,858

12.1 The Corporation holds 0.084% (2022: 0.084%) of the investee's share capital

	Note	June 30, 2023	June 30, 2022
Balance at beginning of the year		4,504	4,558
Gain / (loss) on revaluation	38	295	(54)
Balance at end of the year		4,799	4,504

12.2 The Corporation holds 0.04246% (2022: 0.04246%) of the investee's share capital

	Note	June 30, 2023	June 30, 2022
Balance at beginning of the year		34,254	44,701
Loss on revaluation	38	(12,126)	(10,447)
Balance at end of the year		22,128	34,254

13 LONG-TERM LOANS

	Note	June 30, 2023	June 30, 2022
- Due from executives	13.1 to 13.4	24,150	10,718
- Due from other employees	13.4	22,637	20,376
		46,787	31,094
Less: Recoverable within one year	18	17,333	10,720
		29,454	20,374

13.1 Reconciliation of carrying amount of loans to executives:

	June 30, 2023	June 30, 2022
Balance at beginning of the year	10,718	10,524
Disbursements	24,250	8,788
Repayments	(10,818)	(8,594)
Balance at end of the year	24,150	10,718

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

13.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 9.5 million (2022: Rs. 10.718 million).

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2023

13.4 The interest charged on the loan as per following criteria:

- Upto Rs. 1 million the rate is charged at 10%.
- More than Rs.1 million but less than Rs. 3 million the rate of Defence Saving Certificates (net of tax).
- More than Rs. 3 million but less than Rs. 5 million the rate of six months KIBOR.

14. DEFERRED TAXATION

	Note	June 30, 2023	June 30, 2022
		-----------(Rupees in '000)-----------	
Deductible temporary differences arising in respect of:			
- provisions against employee benefits		**160,094**	108,017
Taxable temporary differences arising in respect of:			
- surplus on revaluation of property, plant and equipment	7.7	**(31,568)**	(27,873)
- accelerated tax depreciation		**(39,875)**	(32,898)
		(71,443)	(60,771)
		88,651	47,246

14.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2021	For the year ended June 30, 2022 — Recognised in profit or loss	For the year ended June 30, 2022 — Recognised in other comprehensive income	Balance as at June 30, 2022	For the year ended June 30, 2023 — Recognised in profit or loss	For the year ended June 30, 2023 — Recognised in other comprehensive income	Balance as at June 30, 2023
	-----(Rupees in '000)-----						
Deductible temporary differences							
- provision against employee benefits	135,583	(26,649)	(917)	108,017	**57,423**	**(5,346)**	**160,094**
Taxable temporary differences							
- surplus on revaluation of property, plant and equipment	(34,724)	945	5,906	(27,873)	**1,154**	**(4,849)**	**(31,568)**
- accelerated tax depreciation	(2,714)	(30,184)	-	(32,898)	**(6,977)**	**-**	**(39,875)**
	(37,438)	(29,239)	5,906	(60,771)	**(5,823)**	**(4,849)**	**(71,443)**
	98,145	(55,888)	4,989	47,246	**51,600**	**(10,195)**	**88,651**

15. STORES AND SPARES

	Note	June 30, 2023	June 30, 2022
		-----------(Rupees in '000)-----------	
Stores			
- at depot		**18,408**	9,112
- at buildings		**472**	472
		18,880	9,584
Spares			
- at buildings		**796**	796
Provision for slow moving stores and spares		**(10,380)**	(10,380)
		9,296	-

16. TRADE DEBTS - unsecured

	Note	June 30, 2023	June 30, 2022
- Due from related parties	16.1	**2,789,168**	2,267,165
- Due from others	16.3	**427,720**	1,015,680
		3,216,888	3,282,845
Allowance for expected credit loss on trade debts	16.4	**(1,929,383)**	(1,296,575)
		1,287,505	1,986,270

16.1 Ageing analysis of related parties, included in trade debts, is as follows:

	Upto 1 month	1 to 6 months	More than 6 months	As at June 30, 2023	As at June 30, 2022
	(Rupees in '000)				
Pakistan State Oil Company Limited	-	-	1,849,833	1,849,833	1,849,833
Pak Arab Refinery Limited	-	-	64,260	64,260	88,359
Pakistan Refinery Limited	-	-	11,219	11,219	13,657
Sui Northern Gas Pipelines Limited	5,182	199	-	5,381	950
District Controller of Stores	30,622	-	2,750	33,372	4,921
Embarkation Commandant	777	19,461	309,757	329,995	156,136
Officer Commanding PAF	12,378	133,875	152,499	298,752	56,690
Pakistan Ordinance Factory	19,436	47,663	748	67,847	11,300
Others	36,090	11,952	80,467	128,509	85,319
	104,485	213,150	2,471,533	2,789,168	2,267,165

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

	June 30, 2023	June 30, 2022
	(Rupees in '000)	
Upto 1 month	-	-
1 to 6 months	378	137,348
More than 6 months	1,865,716	1,115,069
	1,866,094	1,252,417

16.3 Ageing analysis of others, included in trade debts, that are past due and impaired is as follows:

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Upto 1 month		-	-
1 to 6 months		-	-
More than 6 months		62,519	41,703
		62,519	41,703

16.4 Allowance for expected credit loss

	Note	June 30, 2023	June 30, 2022
Balance at beginning of the year		1,296,575	725,989
Charged during the year	37	632,808	570,586
Balance at end of the year		1,929,383	1,296,575

16.5 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 2,789.168 million (2022: Rs. 2,267.165 million).

17 AGENTS' AND OWNERS' BALANCES - unsecured

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Balances from agents' and owners	17.1	27,609	26,349
Allowance for expected credit loss	17.2	(14,873)	(10,642)
		12,736	15,707

17.1 Allowance for expected credit loss

	Note	June 30, 2023	June 30, 2022
Balance at beginning of the year		10,642	8,157
Charged during the year	37	4,231	2,485
Balance at end of the year		14,873	10,642

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

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Upto 1 month		4,246	5,236
1 to 6 months		3,520	4,341
More than 6 months		4,970	6,130
		12,736	15,707

18 LOANS AND ADVANCES - considered good

	Note	June 30, 2023	June 30, 2022
Current portion of long-term loans			
- due from executives		10,813	4,824
- due from other employees		6,520	5,896
Advances - unsecured	13	17,333	10,720
- employees		52,303	62,250
- contractors and suppliers		165,945	19,780
- others	18.1	80	21,000
		218,328	103,030
Advance against issue of share capital	18.2	8,975,610	-
		9,211,271	113,750

18.1 The maximum aggregate amount of advance to a related party, at the end of any month during the year was Rs. 108 million (2022: Rs. 21 million).

18.2 Breakup for the advance against issue of share capital is as follows:

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Sargodha Shipping (Private) Limited	18.2.1	4,712,930	-
Lalazar Shipping (Private) Limited	18.2.2	4,262,680	-
		8,975,610	-

18.2.1 During the year, Sargodha Shipping (Private) Limited has acquired the vessel for which the Corporation has paid an advance against issue of shares after adjusting current account amounting to Rs. 195.066 million as at June 30, 2022.

18.2.2 During the year, Lalazar Shipping (Private) Limited has acquired the vessel for which the Corporation has paid an advance against issue of shares after adjusting current account amounting to Rs.742.581 million as at June 30, 2022.

19 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Trade deposits	19.1	24,281	33,605
Allowance for expected credit loss		(369)	(369)
		23,912	33,236
Short-term prepayments		15,388	2,407
		39,300	35,643

19.1 This includes Rs. 1.694 million (2022: Rs. 2.102 million) amount deposited with Karachi Port Trust (KPT), a related party.

20 OTHER RECEIVABLES

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
- Due from related parties	20.3	304,208	197,133
- Due from others		83,334	71,589
		387,542	268,722
Allowance for expected credit loss	20.4	(80,637)	(46,572)
		306,905	222,150

20.1 The ageing analysis of related parties, included in other receivables, that are past due and imaired are as follows:

	June 30, 2023	June 30, 2022
	(Rupees in '000)	
Upto 1 month	2,783	1,124
1 to 6 months	3,215	1,299
More than 6 months	24,770	10,005
	30,768	12,428

20.2 The ageing analysis of others, included in othre receivables, that are past due and impaired is as follows:

	June 30, 2023	June 30, 2022
	(Rupees in '000)	
Upto 1 month	-	-
1 to 6 months	1,759	-
More than 6 months	48,110	34,145
	49,869	34,145

20.3 This includes an amount of Rs. 152.184 million (2022: Rs. 83.858 million) due from the Government of Pakistan, Rs. 149.046 million (2022: Rs. 95.072 million) from Port Qasim Authority, Rs. 2.978 million (2022: Rs. 4.535 million) from Karachi Port Trust and Rs. Nil (2022: Rs. 13.667 million) from Sindh Revenue Board.

	Note	June 30, 2023	June 30, 2022
20.4 Allowance for expected credit loss		(Rupees in '000)	
Balance at beginning of the year		46,572	34,145
Charged for the year	37	34,065	12,427
Balance at end of the year		80,637	46,572

20.5 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 304.208 million (2022: Rs. 271.949 million).

	Note	June 30, 2023	June 30, 2022
21 SHORT-TERM INVESTMENTS		(Rupees in '000)	
Amortised cost			
Treasury-bills having maturity of three months or less	21.1	15,376,043	-
Term-deposits with banks having maturity of:			
- more than three months		-	1,126,900
- three months or less		7,874,372	6,172,701
	21.2	7,874,372	7,299,601
Fair value through profit or loss			
Units of mutual funds	21.3	3,232,258	104,890
		26,482,673	7,404,491

21.1 These have effective interest rates ranging from 15.62% to 21.99% per annum.

21.2 Mark-up on term-deposits denominated in local currency ranges from 15.5% to 16.65% (2022: 7.45% to 15.50%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 3% to 6.50% (2022: 3%) per annum.

	Note	June 30, 2023	June 30, 2022
21.3 Movement of mutual funds		(Rupees in '000)	
Opening		104,890	50,544
Purchased during the year		3,758,000	50,000
Dividend reinvested during the year		167,355	4,346
Redeemed during the year		(797,987)	-
Closing	21.4	3,232,258	104,890

21.4 Investment in units of mutual funds	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Number of units)		(Rupees in '000)	
Faysal Cash Fund	-	529,565	-	52,956
JS Cash Fund	2,443,161	-	252,208	-
Pakistan Cash Management Fund	-	514,985	-	25,990
Al Hamra Daily Dividend Fund	313	259,435	31	25,944
NBP Money Market Fund	25,173,445	-	251,223	-
NBP Govt Security Plan - IV	203,737,480	-	2,042,570	-
AlFalah GHP Money Market Fund B Growth Units	6,943,040	-	686,226	-
			3,232,258	104,890

22 CASH AND BANK BALANCES

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Cash in hand			
- local currency		100	515
- foreign currency		15,036	1,881
		15,136	2,396
Cash at bank			
- in current accounts			
- local currency	22.1	280,101	443,497
- foreign currency		3,112,232	4,511,914
		3,392,333	4,955,411
- in savings accounts			
- local currency	22.2	4,958,671	443,324
- foreign currency	22.3	11,875	8,912
		4,970,546	452,236
		8,378,015	5,410,043

22.1 This includes Rs. 2.142 million (2022: Rs. 2.142 million), Rs. 5 million (2022: Rs. 5 million) and Rs. 16.94 million (2022: Rs. 12.527 million) held as security by various banks respectively against guarantees issued on behalf of the Corporation.

22.2 Mark-up on these savings accounts ranges from 17% to 21% (2022: 6.14% to 14%) per annum.

22.3 Mark-up on these savings accounts ranges from 0.15% to 5.75% (2022: 0.15% to 0.5%) per annum.

23 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

June 30, 2023	June 30, 2022		June 30, 2023	June 30, 2022
(No. of shares)			(Rupees in '000)	
24,130,789	24,130,789	Ordinary shares of Rs. 10 each issued to shareholders of former National Shipping Corporation (NSC) and Pakistan Shipping Corporation (PSC) in consideration of their shareholdings in those companies	241,308	241,308
25,900,000	25,900,000	Ordinary shares of Rs. 10 each issued to GoP for cash received in the year 1985	259,000	259,000
64,309,800	64,309,800	Ordinary shares of Rs. 10 each issued to the GoP on the financial restructuring of the Corporation in the year 1989-90	643,098	643,098
17,722,791	17,722,791	Ordinary shares of Rs. 10 each issued as bonus shares	177,228	177,228
132,063,380	132,063,380		1,320,634	1,320,634

23.1 As at June 30, 2023, Government of Pakistan held 115,633,710 (2022: 115,633,710) ordinary shares, representing 87.56% (2022: 87.56%) shareholding of the Corporation.

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

24 LONG-TERM FINANCING - secured

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Financing under syndicate term finance agreement	24.1	2,199,726	2,783,865
Financing under musharika agreement	24.3	5,044,497	1,713,147
		7,244,223	4,497,012
Less: Current portion of long-term financing shown in current liabilities	24.6	4,422,203	949,793
		2,822,020	3,547,219

24.1 Represents financing facility obtained during the year ended June 30, 2019, amounting to Rs. 6,500 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.35% per annum. The remaining loan, along with mark-up, amounting to Rs. 2,329.752 million will be paid in full on September 22, 2023 The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiary companies.

24.2 Mark-up under conventional mode of financing during the year amounted to Rs. 452.255 million (2022: Rs. 316.221 million).

24.3 Represents financing facility obtained during the year ended June 30, 2019, amounting to Rs. 4,000 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.35% per annum. The remaining loan, along with mark-up, amounting to Rs. 1,433.694 million will be paid in full on September 22, 2023. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiaries.

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

24.4 Mark-up under Islamic mode of financing during the year amounted to Rs. 940.358 million (2022: Rs. 192.202 million).

24.5 Following is the movement in long-term financing:

	June 30, 2023	June 30, 2022
	-----------(Rupees in '000)-----------	
Balance at beginning of the year	4,497,012	6,019,103
Additions	4,332,710	-
Repayments	(1,601,393)	(1,527,550)
Amortisation of arrangement fee	15,894	5,459
Balance at end of the year	7,244,223	4,497,012

24.6 Non current portion amounting to Rs. 3,561 million has been classifed as current portion based on the decision of the Board of Directors to pay on September 22, 2023 which is earlier than agreed schedule of payment relating to Bolan Shipping (Private) Limited and Khairpur Shipping (Private) Limited.

25 LEASE LIA BILITIES

	Note	June 30, 2023	June 30, 2022
		-----------(Rupees in '000)-----------	
Balance at the beginning of the year		111,550	116,608
Interest expense	40	7,588	8,208
Reclassified to other liabilities		(18,577)	-
Repayments during the year		(2,366)	(13,266)
Balance at the end of the year		98,195	111,550
Less: current portion shown under current liabilities		9,648	6,804
		88,547	104,746

25.1 Lease liabilities are payable as follows:

	2023			2022		
	Minimum lease payments	Mark-up	Present value of minimum lease payments	Minimum lease payments	Mark-up	Present value of minimum lease payments
	----------------------Rupees in '000----------------------			----------------------Rupees in '000----------------------		
Less than one year	16,626	6,978	9,648	14,504	7,700	6,804
One to five years	108,014	19,467	88,547	72,966	21,229	51,737
More than five years	-	-	-	58,933	5,924	53,009
	124,640	26,445	98,195	146,403	34,853	111,550

		Note	June 30, 2023	June 30, 2022
			--------(Rupees in '000)--------	
26	**EMPLOYEES' BENEFITS**			
	Employees' gratuity			
	- funded	26.1.3	10,114	10,892
	- unfunded	26.1.3	477,543	438,832
			487,657	449,724
	Post-retirement medical benefits	26.1.3	55,648	65,663
	Employees' compensated absences	26.2.4	196,308	197,748
			739,613	713,135

26.1 Retirement benefit schemes

26.1.1 The disclosures made in notes 26.1.2 to 26.1.16 of these unconsolidated financial statements are based on the information included in the actuarial valuation reports as of June 30, 2023.

26.1.2 As stated in notes 5.18.2 and 5.18.3 of these unconsolidated financial statements, the Corporation operates a funded retirement gratuity scheme for those permanent employees who joined the Corporation before October 16, 1984, an unfunded retirement gratuity scheme for contractual employees and an unfunded post-retirement medical benefit scheme for permanent and contractual employees. Liability is maintained against these schemes based on the actuarial recommendations. The following significant assumptions were used for the actuarial valuation of the defined benefit obligation schemes:

	June 30, 2023			June 30, 2022		
	Employees' gratuity		Post retirement medical benefits	Employees' gratuity		Post retirement medical benefits
	Funded	Unfunded		Funded	Unfunded	
Discount rate	16.25%	16.25%	16.25%	13.25%	13.25%	13.25%
Future salary increases - for permanent employees						
For the year 2022-23	N/A	N/A	N/A	13.25%	-	-
For the year 2023-24	-	-	-	13.25%	-	-
For the year 2024-25	16.25%	-	-	13.25%	-	-
For the year 2025-26	16.25%	-	-	13.25%	-	-
For the year 2026-27	16.25%	-	-	13.25%	-	-
For the year 2027-28	16.25%	-	-	13.25%	-	-
For the year 2028-29 and onwards	16.25%	-	-	-	-	-
Future salary increases - for contractual employees						
For the year 2022-23	-	N/A	-	-	13.25%	-
For the year 2023-24	-	-	-	-	13.25%	-
For the year 2024-25	-	16.25%	-	-	13.25%	-
For the year 2025-26	-	16.25%	-	-	13.25%	-
For the year 2026-27	-	16.25%	-	-	13.25%	-
For the year 2027-28	-	16.25%	-	-	13.25%	-
For the year 2028-29 and onwards	-	16.25%	-	-	-	-
Medical escalation rate	-	-	13.25%			10.25%

Death rate based on SLIC (2001-05) Ultimate mortality tables.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2023

		June 30, 2023			June 30, 2022		
		Employees' gratuity		Post retirement medical benefits	Employees' gratuity		Post retirement medical benefits
		Funded	Unfunded		Funded	Unfunded	
		(Rupees in '000)					
26.1.3	Reconciliation of statement of financial position						
	Present value of defined benefit obligation	46,224	477,543	55,648	46,826	438,832	65,663
	Fair value of plan assets	(36,110)	-	-	(35,934)	-	-
	Net liability in the statement of financial position	10,114	477,543	55,648	10,892	438,832	65,663
26.1.4	**Movement in present value of defined benefit obligation**						
	Balance at beginning of the year	46,826	438,832	65,663	49,080	378,512	73,952
	Current service cost	1,297	51,148	893	1,228	42,514	946
	Past service cost	-	-	-	-	-	-
	Interest cost	5,802	55,136	7,943	4,805	39,954	6,920
	Benefits paid	(6,075)	(45,422)	(11,425)	(11,996)	(23,847)	(14,785)
	Remeasurement on obligation	(1,626)	(22,151)	(7,426)	3,709	1,699	(1,370)
	Balance at end of the year	46,224	477,543	55,648	46,826	438,832	65,663
26.1.5	**Movement in fair value of plan assets**						
	Balance at beginning of the year	35,934	-	-	45,563	-	-
	Expected return on plan assets	4,359	-	-	4,436	-	-
	Benefits paid	(6,075)	-	-	(11,996)	-	-
	Remeasurement on plan assets	1,892	-	-	(2,069)	-	-
	Balance at end of the year	36,110	-	-	35,934	-	-
26.1.6	Movement in net liability in the statement of financial position						
	Balance at beginning of the year	10,892	438,832	65,663	3,517	378,512	73,952
	Expense recognised for the year	2,740	106,284	8,836	1,597	82,468	7,866
	Contributions made by the Corporation / benefits paid	-	(45,422)	(11,425)	-	(23,847)	(14,785)
	Remeasurements recognised in other comprehensive income	(3,518)	(22,151)	(7,426)	5,778	1,699	(1,370)
		10,114	477,543	55,648	10,892	438,832	65,663
26.1.7	The amounts recognised in profit or loss						
	Current service cost	1,297	51,148	893	1,228	42,514	946
	Net interest amount	1,443	55,136	7,943	369	39,954	6,920
		2,740	106,284	8,836	1,597	82,468	7,866
	Less: charged to subsidiaries	-	1,003	-	-	537	-
	Expense / (Income)	2,740	105,281	8,836	1,597	81,931	7,866
26.1.8	Remeasurements recognised in other comprehensive income						
	Gain / (loss) arising from Financial assumptions	(4,679)	(71,659)	(972)	313	2,936	311
	Gain / (loss) arising from Demographic assumptions	-	3,391	-	-	-	-
	Experience adjustment	3,053	46,117	(6,454)	3,396	(1,237)	(1,681)
	Remeasurement of fair value of plan assets	(1,892)	-	-	2,069	-	-
		(3,518)	(22,151)	(7,426)	5,778	1,699	(1,370)

		June 30, 2023		June 30, 2022	
		(Rupees in '000)	%	(Rupees in '000)	%
26.1.9	Categories / composition of plan assets				
	Cash and cash equivalents	36,110	100%	35,934	100%

26.1.10 The expenses in respect of employees' gratuity and post-retirement medical benefits have been charged on the basis of actuarial recommendations and are in accordance with the Administrative and Financial Services Agreement of the Corporation with the subsidiary companies.

26.1.11 Actual gain on plan assets during the year ended June 30, 2023 was Rs. 6.251 million (2022: Rs. 2.153 million).

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

		Increase / (decrease) in defined benefit obligation of`			
		Funded Gratuity Scheme		Unfunded Gratuity Scheme	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees in '000)			
Discount rate	1%	(391)	402	(40,545)	46,707
Salary increase rate	1%	441	(437)	47,507	(41,930)

26.1.13 The weighted average duration of the defined benefit obligations for funded and unfunded gratuity scheme is 1 years (2022: 1.76 years) and 9 years (2022: 10.21 years) respectively.

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

		Increase / (decrease) in defined benefit obligation of`			
		Post Retirement Medical Benefits			
		Permanent Employees		Contractual Employees	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees in '000)			
Discount rate	1%	(1,179)	1,241	-	-

26.1.15 The weighted average duration of the defined benefit obligations post retirement medical benefit scheme for permanent employees is 2 years (2022: 3.43 years).

26.1.16 The employee's gratuity funded and unfunded scheme and post retirement medical benefit plans exposes the Corporation to the following risks:

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

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

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

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

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

26.2 Employees' compensated absences

26.2.1 The disclosures made in notes 26.2.2 to 26.2.3 of these unconsolidated financial statements are based on the information included in the actuarial valuation as of June 30, 2023.

26.2.2 As stated in note 5.18 to these unconsolidated financial statements the Corporation operates an employees' compensated absences scheme. Provision is maintained against this scheme based on the actuarial recommendations. The following significant assumptions were used for the actuarial valuation of the scheme:

	June 30, 2023	June 30, 2022
Discount rate	16.25%	13.25%
Future salary increases - for permanent employees For this year 2023-24 / 2022 - 23 and onwards	16.25%	13.25%
Future salary increases - for contractual employees For this year 2024-25 / 2022 - 23 and onwards	16.25%	13.25%

	Note	June 30, 2023	June 30, 2022
		--------------(Rupees in '000)--------------	
26.2.3 Reconciliation of statement of financial position			
Present value of employees compensated absences (recognised)		196,308	197,748
26.2.4 Movement in present value of employees compensated absences			
Balance at the beginning of the year		197,748	223,638
Current service cost		53,701	44,744
Interest cost		20,783	23,790
Remeasurements of obligation		5,326	(13,339)
Benefits paid		(81,250)	(81,085)
Balance at the end of the year		196,308	197,748
26.2.5 Expense			
Current service cost		53,701	44,744
Gains and losses arising on PVDBO		5,326	-
Interest cost		20,783	23,790
	38	79,810	68,534
26.2.5.1 Other comprehensive income			
Remeasurements of obligation		-	(13,339)

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

	June 30, 2023	June 30, 2022
	--------------(Rupees in '000)--------------	
Present value of defined benefit obligation	196,308	197,748
Experience gain on defined benefit obligation	5,326	(13,339)

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

	Change in assumption	Increase / (decrease) in defined benefit obligation of Employees Compensated Absences			
		Permanent Employees		Contractual Employees	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees in '000)			
Discount rate	1%	(14,333)	15,877	-	-
Salary growth rate	1%	14,748	(13,601)	-	-

26.2.8 The risks to which the scheme exposes the Corporation are disclosed in note 26.1.16 of these unconsolidated financial statements.

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

26.3 Expected retirement benefits costs for the year ending June 30, 2024 are as follows:

	(Rupees in '000)
Gratuity	
-funded	2,961
-unfunded	127,183
Post-retirement medical benefits	9,925
Compensated absences	94,284

26.4 Maturity Profile

	June 30, 2023			
	Employees' gratuity		Post retirement medical benefits	Employees Compensated Absences
	Funded	Unfunded		
Weighted average duration of the present value of defined benefit obligations (in years)	1.00	9.00	2.00	8.00
Distribution of timing of benefit payments (time in periods)				
	(Rupees in '000)			
1	17,801	42,099	11,134	-
2	18,400	57,481	16,879	-
3	12,456	30,805	15,491	-
4	7,188	44,994	12,798	-
5	-	39,547	10,981	-
6 - 11	-	12,507,738	22,471	-

26.5 During the year, the Corporation contributed Rs. 5.068 million (2022: Rs. 4.859 million) to the provident fund.

27 TRADE AND OTHER PAYABLES

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Creditors		**104,621**	116,362
Current account balances with subsidiary companies	27.1	**64,483,208**	39,576,712
Agents' and owners' balances		**351,668**	942,913
Accrued liabilities		**1,290,704**	1,917,806
Deposits	27.2	**53,735**	47,805
Withholding tax payable		**48,910**	25,718
Advance rent		**51,082**	81,733
Other liabilities		**8,054**	8,054
		66,391,982	42,717,103

27.1 The break-up of current account balances with subsidiary companies is as follows:

	June 30, 2023	June 30, 2022
	(Rupees in '000)	
Bolan Shipping (Private) Limited	**4,968,655**	1,977,007
Chitral Shipping (Private) Limited	**3,056,253**	2,438,120
Hyderabad Shipping (Private) Limited	**2,496,682**	1,905,549
Pakistan Marine and Shipping Services Company (Private) Limited	**646,148**	646,428
National Ship Management and Crewing (Private) Limited	**1,323,199**	1,323,479
Khairpur Shipping (Private) Limited	**4,070,529**	2,219,414
Makran Shipping (Private) Limited	**312,518**	313,212
Malakand Shipping (Private) Limited	**2,274,487**	2,035,003
Multan Shipping (Private) Limited	**1,762,659**	1,524,948
Sargodha Shipping (Private) Limited	**1,516,191**	195,066
Sibi Shipping (Private) Limited	**1,527,051**	1,344,391
Shalamar Shipping (Private) Limited	**8,301,891**	4,515,609
Swat Shipping (Private) Limited	**1,169,237**	1,169,566
Lalazar Shipping (Private) Limited	**1,760,469**	742,581
Johar Shipping (Private) Limited	**1,225,431**	1,225,761
Lahore Shipping (Private) Limited	**8,209,570**	5,154,159
Karachi Shipping (Private) Limited	**11,661,257**	5,050,264
Quetta Shipping (Private) Limited	**8,201,119**	5,796,812
Pakistan Cooperative Ship Stores (Private) Limited	**(138)**	(657)
	64,483,208	39,576,712

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

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
28 PROVISION AGAINST DAMAGE CLAIMS			
Balance at beginning of the year		**17,858**	19,012
Charge / (reversal) during the year	38	**5,377**	(1,154)
Balance at end of the year		**23,235**	17,858

29 CONTINGENCIES AND COMMITMENTS

Contingencies

29.1 The contingent liability in respect of claims not acknowledged by the Corporation aggregated to Rs. 536.999 million as of the period end (2022: Rs. 543.192 millions). These claims mainly relate to deficiencies in shipping documentation, delay in delivery of cargo and damages to cargo. A sum of Rs. 513.764 million (2022: Rs. 500.885 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. 23.235 million (2022: Rs. 17.858 million) against the aforementioned claims in these financial statements.

29.2 Chittagong Steamship Corporation Limited and Trans Oceanic Steamship Company Limited had initiated litigation that involved the Government of Pakistan and the Corporation. The litigation relates to the compensation to the former owners. The legal suits are pending in the Honourable High Court of Sindh. The amounts claimed are approximately Rs. 1.3 million (2022: Rs. 1.3 million) and Rs. 66.8 million (2022: Rs. 66.8 million) respectively. The Corporation disclaims any liability in respect of the above mentioned amounts and any accretions to it upto final determination and settlement of the matters.

29.3 Certain other claims have been filed against the Corporation in respect of employees' matters for an aggregate amount of approximately Rs. 82.597 million (2022: Rs. 82.597 million). These cases are pending and the management is confident that the outcome of these cases will be in the Corporation's favour and accordingly no provision for these claims has been made in these unconsolidated financial statements.

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

29.5 During the year ended June 30, 2012, the Officer Inland Revenue (OIR) issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2011. According to the orders, the OIR had made certain additions and determined additional tax demand of Rs. 251.092 million. OIR has disallowed a portion of administrative expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Corporation on the contention that the same is equity specific and hence being capital in nature. The Corporation had paid Rs. 160.513 million under protest. During the year ended June 30, 2015, the Commissioner of Inland Revenue (Appeals) in his order has upheld certain additions and has given decisions in favour of the Corporation on certain matters, and has worked out refund of Rs 15.068 million. The Corporation and the department had filed appeals with the ATIR in respect of aforementioned disallowances, which have been decided by the ATIR. The ATIR, in its order has interalia deleted certain additions made by the OIR which were upheld by the Commissioner (Appeals). However, while giving effect to the order of the ATIR, the taxation officer has disallowed the expenses allocated to dividend income. Accordingly, the Corporation has filed an appeal before the Commissioner (Appeals) on July 20, 2018. Which has been decided on September 23, 2019 in favour of the Corporation. The ACIR vide order dated June 27, 2022 issued appeal effect order under section 124 (2)/122(5A) of the ordinance to give effect to the appellate order of Commissioner (Appeals). Through appeal effect order, the ACIR has decided the issue of allocation of common expenses against dividend income in favour of the Corporation whereby income taxable at corporate rates has been re-computed at Rs. 155.293 million, where as the tax liability and net amount of refund had been recomputed at Rs. 131.008 million and Rs. 243.247 million respectively.

29.6 During the year ended June 30, 2013, the OIR issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2012. According to the orders, the OIR has made certain additions and determined additional tax demand of Rs. 107.449 million. OIR has disallowed a portion of administrative expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Corporation on the contention that the same is equity specific and hence being capital in nature. The Corporation had paid Rs. 65 million under protest and filed an appeal with the Commissioner of Inland Revenue (Appeals). During the year ended June 30, 2015, the Commissioner of Inland Revenue (Appeals) in his order has upheld certain additions and had given decisions in favour of the Corporation on certain matters, and has worked out refund of Rs. 24.022 million. The Corporation and the department had filed appeals with the ATIR in respect of aforementioned disallowances. The ATIR vide appellate order dated August 7, 2018 has interalia deleted certain additions made by the taxation officer. Appeal effect proceeding in respect of appellate order was initiated through notice dated October 4, 2019. However, while giving effect to the order of the ATIR, the taxation officer has disallowed the expenses allocated to dividend income and setting off of business loss against property income. Accordingly, the Corporation has filed an appeal before the Commissioner (Appeals) against the appeal effect order. During the year, the said appeal has been partially decided by the Commissioner Appeals through order dated March 15, 2023 in favour of the Corporation on allocation of expenses against dividend income and related disallowance and not setting off the business loss against property income and applying incorrect tax rate on property income. Appeal effect order in respect of these issues has not been passed till date. The management, in consultation with its tax advisor, is confident that the matter will eventually be decided in favour of the Corporation.

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

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

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

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

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

29.12 During the year ended June 30, 2018, the ACIR vide order dated June 29, 2018 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2017. The taxable income had been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs. 318.212 million was raised, out of which the Corporation had made a payment of Rs. 75 million under protest. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals) on July 23, 2018, which had been decided vide order dated July 11, 2019. The CIR(A) in its order has decided all the matters in favour of the Corporation by deleting all the additions made by the ACIR. However, the appeal effect order is still pending. The management is confident that the subject matters in respect of tax year 2017 will eventually be decided in favour of the Corporation. During the year, the Corporation received a notice dated November 24, 2022 issued under section 221 wherein the Taxation Officer observed that the Corporation has adjusted refunds amounting to Rs. 86.598 million available from previous tax years which have not been determined under section 170(4) of the Ordinance. Accordingly, the Taxation Officer proposed to disallow the said adjustment of refunds. A detailed response was submitted explaining the facts and legalities pertaining to the case. Based on the above, the letter concluded that the proceeding is unwarranted and therefore, shall be withdrawn. Thereafter, no further correspondence has been made in this regard till date.

29.13 During the year ended June 30, 2021, the Additional Commissioner-IR (ACIR) vide order dated May 24, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2015. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs. 1,279.035 million was raised. During the year ended June 30, 2022, the Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. The ACIR vide order dated June 25, 2022 issued appeal effect order under section 124 of the Ordinance to give effect to the appellate order of the Commissioner (Appeals). The Corporation filed appeal before Commissioner (Appeals) against the aforesaid appeal effect order dated June 25, 2022. The said appeal has been partially decided by the Commissioner (Appeals) through order dated March 16, 2023, in favour of the Corporation while also issuing necessary directions on disallowance of actuarial losses, super tax levy on dividend income and income from property while disregarding loss from business and computation of tax. Appeal effect order in respect of remaining issues has not been passed till date. The management, in consultation with its tax advisor, is confident that the matter will eventually be decided in favour of the Corporation.

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

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

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

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

29.18 During the year ended June 30, 2015, the Sindh Revenue Board (SRB) issued show cause notice dated April 17, 2015 under the provisions of section 23 and 47 of the Sindh Sales Tax on Services Act, 2011. The SRB officer had selected the revenue from the unconsolidated financial statements and allegedly raised sales tax demand in respect of the revenue appearing in the audited unconsolidated financial statements for the years 2012-2014. The Corporation had filed a suit before the Honourable Sindh High Court in respect of the aforesaid show cause notice and the Honourable Sindh High Court had granted an interim stay order restraining SRB from taking any coercive action. However, in light of the Supreme Court order dated June 27, 2018 the Corporation had to withdraw from the suit and continued the proceedings of show cause notice. After, considering the submissions of the Corporation, the SRB had passed an assessment order dated March 13, 2019 and raised Sales Tax demand of Rs. 2,935.797 million on the revenue of freight income and services fee for the financial years 2012-2014. The Corporation had filed an appeal before the Commissioner (Appeals) SRB dated March 11, 2019 and obtained stay from Honourable Sindh High Court against the sales tax demand. The Honourable Sindh High Court made decision in favour of the Corporation on December 14, 2020. However, during the year, Sindh Revenue Board filed a petition on October 18, 2022 in Supreme court against the judgement of High court and same is still pending at Supreme Court of Pakistan. The management, in consultation with its legal advisor, is confident that the subject matters will eventually be decided in favour of the Corporation.

Commitments

29.19 Commitments in respect of capital expenditure amounted to Rs. 32.571 million (2022: Rs. 32.571 million).

29.20 Outstanding letters of guarantee amounted to Rs. 19.669 million (2022: Rs. 19.669 million).

29.21 The Corporation has provided an undertaking amounting to USD 11.6 million (Rs. 3,321.553 million) to one of the vendor / supplier of another state owned entity. This undertaking has been provided due to arrest of two of its managed vessels operated by its subsidiaries which have been released subsequently. However, the Government of Pakistan has provided a counter guarantee to the Corporation in relation to the aforesaid undertaking.

29.22 Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounts to USD 0.417 million (Rs. 119.404 million) and USD 0.192 million (Rs. 54.977 million) respectively.

		Note	June 30, 2023	June 30, 2022
			(Rupees in '000)	
30	**FREIGHT INCOME - foreign flag vessels**			
	Voyage charter revenue		4,208,652	5,270,351
	Overage premium		(3,141)	(9,481)
	Ocean losses		-	(14,311)
			4,205,511	5,246,559
	Slot charter revenue	30.1	4,707,063	2,520,268
			8,912,574	7,766,827

30.1 Sindh sales tax charged amounting to Rs. 0.506 milli on (2022: Rs. 0.605 million).

		Note	June 30, 2023	June 30, 2022
31	**SERVICE FEES**			
	Technical and commercial services fee		1,162,692	478,394
	Administrative and financial services fee		387,564	159,465
		31.1	1,550,256	637,859

31.1 Sindh sales tax charged amounting to Rs. 28.976 million (2022: Rs. 9.760 million).

		Note	June 30, 2023	June 30, 2022
32	**OTHER OPERATING ACTIVITIES**			
	Demurrage income		1,029,592	1,689,114
	Income from miscellaneous claims		40,226	57,022
			1,069,818	1,746,136
33	**FLEET EXPENSES**			
	Charter, hire and related expenses	33.1	6,432,524	6,256,677
	Demurrage expense		674,845	1,198,402
	Agency commission and brokerage		65,465	62,913
	Insurance		38,535	46,392
	Repairs and maintenance		55,043	13,658
	Exchange loss		-	215,301
	Sundries		2,602	2,302
			7,269,014	7,795,645

33.1 Charter, hire and related expenses - foreign flag vessels

- voyage charter expenses	3,716,600	4,479,488
- slot charter expenses	2,715,924	1,777,189
	6,432,524	6,256,677

Notes to and Forming Part of the Unconsolidated Financial Statements
For the year ended June 30, 2023

		Note	June 30, 2023	June 30, 2022
			(Rupees in '000)	
34	**VESSEL MANAGEMENT EXPENSES**			
	Workshop management		123,929	90,194
	Salaries, benefits and allowances	34.1	690,621	456,037
	General establishment expenses	34.2	161,791	108,497
	Rent, rates and taxes		22,396	20,157
	Insurance		4,257	3,717
	Depreciation on property, plant and equipment	7.6	40,922	27,012
			1,043,916	705,614

34.1 This includes Rs. 3.645 million (2022: Rs. 2.842 million) in respect of provident fund contribution. The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Act and conditions specified thereunder.

		Note	June 30, 2023	June 30, 2022
			(Rupees in '000)	
34.2	**General establishment expenses**			
	Repairs and maintenance		22,939	18,245
	Medical		29,280	28,292
	Security		4,688	4,389
	Travelling and conveyance		11,426	3,297
	Entertainment and canteen subsidy		5,671	2,658
	Uniform and liveries		2,003	1,501
	Printing and stationery		5,107	3,707
	Telephone, telex and postage		13,765	8,984
	Light, power and water		40,895	24,076
	Computer expenses		15,146	7,931
	Vehicle running, repairs and maintenance		10,871	5,417
			161,791	108,497
35	**REAL ESTATE EXPENSES**			
	Salaries, benefits and allowances	35.1	48,681	44,925
	General establishment expenses	35.2	19,619	29,236
	Rent, rates and taxes		13,633	10,742
	Insurance		2,816	2,145
	Depreciation on property, plant and equipment	7.6	23,779	29,903
	Legal and professional charges		135	463
			108,663	117,414

35.1 This includes Rs 0.249 million (2022: Rs. 0.278 million) in respect of provident fund contribution.

		June 30, 2023	June 30, 2022
		(Rupees in '000)	
35.2	**General establishment expenses**		
	Repairs and maintenance	5,768	12,531
	Security charges	7,863	7,151
	Light, power and water	5,988	9,554
		19,619	29,236

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2023

		Note	June 30, 2023	June 30, 2022
			-----------(Rupees in '000)-----------	
36	**ADMINISTRATIVE EXPENSES**			
	Salaries, benefits and allowances	36.1	233,299	282,800
	General establishment expenses	36.2	134,851	133,697
	Rent, rates and taxes		1,723	1,832
	Scholarship and training expenses		9,004	3,468
	Insurance		327	338
	Depreciation on property, plant and equipment	7.6	3,148	2,467
	Depreciation on right-of-use-assets	8	12,341	12,341
	Directors' fee		9,799	5,853
	Legal and professional charges		29,197	26,797
	Sales tax expenses		7,131	25,888
	Events and gathering		595	-
			441,415	495,481

36.1 This includes Rs 1.175 million (2022: Rs. 1.730 million) in respect of provident fund contribution.

		Note	June 30, 2023	June 30, 2022
			-----------(Rupees in '000)-----------	
36.2	**General establishment expenses**			
	Repairs and maintenance		10,912	11,314
	Medical expenses		9,875	17,544
	Contribution to group term insurance		1,512	1,576
	Hajj expenses		8,638	4,215
	Security charges		361	399
	Travelling and conveyance		4,014	1,602
	Entertainment and canteen subsidy		1,913	1,649
	Books, periodicals and subscription		12,626	13,292
	Uniform and liveries		154	136
	Printing and stationery		1,722	2,298
	Telephone, telex and postage		4,481	4,259
	Light, power and water		13,792	14,930
	Computer expenses		5,108	4,919
	Advertisement and publicity		31,524	18,284
	Vehicle running, repairs and maintenance		3,666	3,360
	Ship inspection charges		12,757	26,386
	Sundry expenses		11,796	7,533
			134,851	133,697
37	**IMPAIRMENT LOSS ON FINANCIAL ASSETS**			
	Allowance for ECL on:			
	Trade debts	16.4	632,808	570,586
	Other receivables	20.4	34,065	12,427
	Agents' and owners' balances	17.1	4,231	2,485
			671,104	585,498
	Written off against trade debts and other receivables		35,295	-
			706,399	585,498

		Note	June 30, 2023	June 30, 2022
			--------------(Rupees in '000)--------------	
38	**OTHER EXPENSES**			
	Donations	38.1	33,758	15,963
	Auditors' remuneration	38.2	6,778	5,901
	Employees' gratuity			
	- funded	26.1.7	2,740	1,597
	- unfunded	26.1.7	105,281	81,930
			108,021	83,527
	Post-retirement medical benefits	26.1.7	8,836	7,866
	Employees' compensated absences	26.2.5	79,810	68,534
	Loss on revaluation of long-term investments in listed companies	12.1 & 12.2	11,831	10,501
	Provision / (reversal) against damage claims	28	5,377	(1,154)
	Provision on slow moving stores and spares		-	10,380
	Workers' profit participation fund		85,657	-
	Write off against property, plant and equipment		266	-
	Others		6,377	1,015
			346,711	202,533

38.1 This includes donation made to Prime Minister Flood Relief Fund amounting to Rs. 10 million, Bone Marrow Transplantation of employee's child amounting to Rs. 8.5 million and Pakistan Marine Academy amounting to Rs.3 million. No director or his / her spouse had any interest in the donee.

38.2 Auditors' remuneration

	June 30, 2023			June 30, 2022		
	Grant Thornton Anjum Rahman	Yousuf Adil Chartered Accountants	Total	Grant Thornton Anjum Rahman	Yousuf Adil Chartered Accountants	Total
	----------(Rupees in '000)----------					
Statutory audit fee	1,665	1,665	3,330	1,514	1,514	3,028
Fee for review of half yearly financial statements	583	583	1,166	530	530	1,060
Fee for review report on Code of corporate governance	179	179	358	163	163	326
Fee for audit of consolidated financial statements	211	211	422	191	191	382
Statutory certifications	-	-	-	-	66	66
Out of pocket expenses	500	500	1,000	301	301	602
Sales tax services on services	251	251	502	216	221	437
	3,389	3,389	6,778	2,915	2,986	5,901

		Note	June 30, 2023	June 30, 2022
			--------------(Rupees in '000)--------------	
39	**OTHER INCOME**			
	Income from saving accounts and term deposits		2,369,016	576,990
	Dividend income			
	- Mutual funds		167,356	8,496
	- Listed Companies		2,312	2,312
	Exchange gain		2,669,385	494,087
	Income from long-tern loans to employees		5,491	2,503
	Gain on revaluation of investment properties	10	148,842	242,031
	Liabilities no longer payable written back		2,024	4,388
	Agency fee		31,084	34,662
	Gain on disposal of property, plant and equipment		-	1,762
	Commission income		11,063	-
	Others		14,978	14,959
			5,421,551	1,382,190

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2023

		Note	June 30, 2023	June 30, 2022
			--------------(Rupees in '000)--------------	
40	**FINANCE COSTS**			
	Mark-up on long-term financing		1,376,720	508,423
	Amortization of arrangement fees	24.5	15,894	5,459
	Mark-up on lease liabilities	25	7,588	8,208
	Bank charges		1,891	3,704
			1,402,093	525,794
41	**TAXATION**			
	Tax charge for:			
	- current year		1,487,200	534,255
	- prior year		(160,311)	(24,221)
			1,326,889	510,034
	- Deferred tax (income) /expense	14.1	(51,600)	55,888
		41.1	1,275,289	565,922

41.1 Relationship between tax expense and accounting profit

	June 30, 2023	June 30, 2022
Accounting profit before tax	6,109,367	1,435,924
Tax rate	29%	29%
Tax on accounting profit	1,771,717	416,418
Tax saving due to lower tax rates		
- Income under Section 7A	28,094	57,310
- Dividend income	(23,754)	1,513
Effect of prior year	(160,311)	(24,221)
Effect of super tax	358,461	58,733
Effect on tax from income from property	11,549	16,703
Effect of minimum tax on services	150,937	114,501
Effect of tax on deemed income	18,519	-
Deferred tax	(51,600)	55,888
Effect of inadmissible income	(828,323)	(130,923)
	(496,428)	149,504
	1,275,289	565,922
Effective tax rate	21%	39%

42 EARNINGS PER SHARE - basic and diluted

	June 30, 2023	June 30, 2022
Profit after taxation (Rupees in '000)	4,834,078	870,002
Weighted average ordinary shares in issue during the year (Number)	132,063,380	132,063,380
Earnings per share - basic and diluted (Rupees)	36.60	6.59

42.1 There are no dilutive potential ordinary shares outstanding as at June 30, 2023 and 2022.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		--------------(Rupees in '000)--------------	
43 CASH GENERATED FROM OPERATIONS			
Profit before taxation		6,109,367	1,435,924
Adjustments for non-cash and other items:			
Depreciation on:			
Property, plant and equipment	7.6	67,849	59,382
Right-of-use assets	8	12,341	12,341
Loss / (gain) on disposal of property, plant and equipment	38 & 39	266	(1,762)
Gain on revaluation of foreign currency	39	(2,669,385)	(492,054)
Provision for employees' gratuity	26.1.7	108,021	83,527
Provision for post-retirement medical benefits	26.1.7	8,836	7,866
Provision for employees' compensated absences	26.2.5	79,810	68,534
Provision for slow moving stores and spares	38	-	10,380
Dividend income	39	(169,668)	(10,808)
Impairment loss on :			
Trade debts	37	632,808	570,586
Other receivables	37	34,065	12,427
Agents' and owners' balances	37	4,231	2,485
		671,104	585,498
Trade debts and other receivables written off	37	35,295	-
Liabilities no longer required to pay	39	(2,024)	(4,388)
Income from saving accounts and term deposits	39	(2,369,016)	(576,990)
Finance cost:			
Long term liability	40	1,392,614	513,882
Lease liabilities	40	7,588	8,208
		1,400,202	522,090
Gain on revaluation of investment properties	39	(148,842)	(242,031)
Loss on revaluation of long-term investments in listed companies	38	11,831	10,501
Working capital changes	43.1	14,645,187	5,663,508
		17,791,174	7,131,519

43.1 Working capital changes

	Note	June 30, 2023	June 30, 2022
(Increase) / decrease in current assets			
Trade debts		(300,090)	(1,020,241)
Agents' and owners' balances		2,971	(10,575)
Loans and advances		(9,097,521)	(15,215)
Trade deposits and short-term prepayments		(3,657)	(18,564)
Other receivables		(153,146)	62,606
Incomplete voyages		46,524	(34,663)
		(9,504,919)	(1,036,652)
Increase / (decrease) in current liabilities			
Trade and other payables		23,652,251	6,700,621
Contract liabilities		492,478	693
Provision against damage claims	28	5,377	(1,154)
		24,150,106	6,700,160
		14,645,187	5,663,508

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2023

		Note	June 30, 2023	June 30, 2022
			---------(Rupees in '000)---------	
44	**CASH AND CASH EQUIVALENTS**			
	Short-term investments having maturity of three months or less	21	23,250,415	6,172,701
	Cash and bank balances	22	8,378,015	5,410,043
			31,628,430	11,582,744

45 REMUNERATION OF CHAIRMAN & CHIEF EXECUTIVE, EXECUTIVE DIRECTORS AND OTHER EXECUTIVES

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

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	Chairman & Chief Executive		Executive Directors*		Other Executives	
	(Rupees in '000)					
Managerial remuneration and allowances	3,445	3,159	35,973	30,785	183,594	134,033
Retirement benefits - note 45.2	-	-	-	-	5,068	4,223
House rent	-	838	14,897	11,242	107,699	75,033
Conveyance	-	362	-	-	6,892	4,525
Medical	11	156	2,251	2,032	17,867	12,696
Utilities	-	443	2,149	2,055	11,966	9,409
Personal staff subsidy	-	-	45	-	468	387
Club membership fee and expenses	30	45	555	664	-	-
Bonus	1,117	1,552	6,638	3,807	34,904	16,690
Other allowances	13,540	6,749	13,234	1,145	49,597	46,923
	18,143	13,304	75,742	51,730	418,055	303,919
Number of persons	1	1	5	5	87	65

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

45.1 The aggregate amount charged in the unconsolidated financial statements for fee to 7 (2022: 7) non-executive directors was Rs 9.799 million (2022: Rs 5.853 million).

45.2 Retirement benefits represent amount contributed towards various retirement benefit plans. The Executives of the Corporation are entitled to retirement benefits as outlined in note 5.18 to these unconsolidated financial statements.

45.3 The Chairman & Chief Executive, Executive Directors and other Executives are provided with the car allowance in lieu of Corporation owned cars.

		Note	June 30, 2023	June 30, 2022
			---------(Rupees in '000)---------	
46	**FINANCIAL INSTRUMENTS BY CATEGORY**			
	Fair value through profit or loss			
	Long term investments	12	26,927	38,758
	Short term investment - mutual funds	21	3,232,258	104,890
			3,259,185	143,648

	Note	June 30, 2023	June 30, 2022
		--------------(Rupees in '000)--------------	
Amortised cost			
Trade debts - unsecured	16	1,287,505	1,986,270
Agents' and owners' balances - unsecured	17	12,736	15,707
Loans - employees		46,787	31,094
Trade deposits	19	23,912	33,236
Interest accrued on bank deposits and short-term investments		135,116	114,970
Other receivables	20	306,905	222,150
Short-term investments	21	23,250,415	7,299,601
Cash and bank balances	22	8,378,015	5,410,043
		33,441,391	15,113,071
		36,700,576	15,256,719
FINANCIAL LIABILITIES			
Amortised cost			
Trade and other payables	27	66,291,990	42,609,652
Unclaimed dividend		120,573	87,245
Long-term financing		7,244,223	4,497,012
Provision against damage claims	28	23,235	17,858
Lease liabilities	25	98,195	111,550
Accrued mark-up on long-term financing		161,206	15,158
		73,939,422	47,338,475

47 FINANCIAL RISK MANAGEMENT

47.1 Financial risk factors

The Corporation finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk. Taken as a whole, the Corporation is exposed to credit risk, market risk (including interest rate risk, currency risk and other price risk) and liquidity risk. The Corporation's principle financial liabilities comprise trade and other payables and long term financing. The Corporation also has various financial assets such as trade debts, other receivables, bank balances and short-term investments which are directly related to its operations. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2023. The policies for managing each of these risks are summarised below:

47.1.1 Credit risk

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

As at June 30, 2023, out of the total financial assets of Rs. 36,700.562 million (2022: Rs. 15,230.312 million) the financial assets which are subject to credit risk amounted to Rs. 18,003.425 million (2022: Rs. 15,079.518 million). The management continuously monitors the credit exposure towards the customers and recognize an allowance for ECL on balances considered doubtful of recovery.

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

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

	June 30, 2023	June 30, 2022
	--------------(Rupees in '000)--------------	
Public Sector	3,093,376	7,239,211
Private Sector	536,886	1,075,634
	3,630,262	8,314,845

Out of Rs. 3,632.039 million (2022: Rs. 8,314.845 million), the Corporation has recognized an allowance of ECL amounting to Rs. 2,024.893 million (2022: Rs. 1,354.158 million).

47.1.2 Market risk

Foreign currency risk

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

The Corporation's explosure to foreign currency risk is as follows:

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	---------------(USD)-------------		---------(Rupees in '000)---------	
Trade debts	1,623	4,469	464,635	915,618
Other receivables	665	511	190,334	104,644
Agents' and owners' balances - unsecured	96	129	27,609	26,349
Short-term investments	27,518	5,491	7,879,593	1,125,021
Bank Balances	10,963	22,074	3,139,143	4,522,707
Trade and other payables	(3,903)	(11,939)	(1,117,597)	(2,446,086)
	36,962	20,735	10,583,717	4,248,253

	June 30, 2023	June 30, 2022
	PKR / USD	
Average rate	251.99	179.27
Reporting date rate	286.34	204.89

As at June 30, 2023, if the currency had weakened / strengthened by 5% against the US dollar with all other variables held constant, profit before taxation for the year would have been higher / lower by Rs. 529.186 million (2022: Rs. 212.413 million), mainly as a result of foreign exchange gains / losses on translation of US dollar denominated assets and liabilities.

Cash flow and fair value interest rate risk

Interest rate risk represents the risk that the fair value or future cash flow of a financial insturment will fluctuate because of changes in market interest rates.
At the reporting date interest rate profile of the Corporation interest-bearing financial instruments was:

	June 30, 2023	June 30, 2022
	---------(Rupees in '000)---------	
Exposure to interest rate risk		
Long-term financing - secured	7,244,223	4,497,012

The Corporation has interest bearing liabilities that have floating interest rates. At June 30, 2023, if interest rates on borrowings had been 100 basis points higher / lower with all other variables held constant, profit after taxation for the year would have been lower / higher by Rs. 72.442 million (2022: Rs. 44.978 million).

Price risk

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

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

47.1.3 Liquidity risk

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

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

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

	Total contractual cash flows	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
	(Rupees in '000)				
June 30, 2023					
Long-term financing	8,641,404	5,094,942	1,374,432	2,172,030	-
Unclaimed dividend	120,573	120,573	-	-	-
Trade and other payables	66,291,990	66,291,990	-	-	-
Accrued mark-up on long-term financing	161,206	161,206	-	-	-
Provision against damage claims	23,235	23,235	-	-	-
Lease liabilities	124,640	16,626	27,004	81,010	-
	75,363,048	71,708,572	1,401,436	2,253,040	-
June 30, 2022					
Long-term financing	6,225,045	1,569,803	1,442,550	3,212,692	-
Unclaimed dividend	87,245	87,245	-	-	-
Trade and other payables	42,609,652	42,609,652	-	-	-
Accrued mark-up on long-term financing	15,158	15,158	-	-	-
Provision against damage claims	17,858	17,858	-	-	-
Lease liabilities	146,403	14,504	18,242	54,725	58,933
	49,101,361	44,314,220	1,460,792	3,267,417	58,933

47.1.4 Fair value estimation

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

Fair value hierarchy

As at June 30, 2023, the Corporation's all assets and liabilities are carried at amortised cost except for those mentioned below:

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

The Corporation classifies Investment properties and long-term investments in listed companies measured at fair value in the statement of financial position. The latest fair valuation of the Corporation's investment properties was performed by an independent valuer as at June 30, 2023.

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

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

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

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

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

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

		June 30, 2023			
		Level 1	Level 2	Level 3	Total
	Note	(Rupees in '000)			
Assets carried at fair value					
Long-term investments in listed companies and an other entity	12	26,927	-	-	26,927
Short-term investments - mutual funds	21	3,232,258	-	-	3,232,258
		3,259,185	-	-	3,259,185
Leasehold land	7.1	-	-	1,399,780	1,399,780
Buildings on leasehold land	7.1	-	-	698,697	698,697
Beach huts	7.1	-	-	14,590	14,590
Workshop machinery and equipment	7.1	-	-	5,727	5,727
Investment properties	10	-	-	4,100,505	4,100,505
		-	-	6,219,299	6,219,299

		June 30, 2022			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Assets carried at fair value					
Long-term investments in listed companies and an other entity	12	38,758	-	-	38,758
Short-term investments - mutual funds	21	104,890	-	-	104,890
		143,648	-	-	143,648
Leasehold land	7.1	-	-	1,399,780	1,399,780
Buildings on leasehold land	7.1	-	-	732,082	732,082
Beach huts	7.1	-	-	16,416	16,416
Workshop machinery and equipment	7.1	-	-	7,040	7,040
Investment properties	10	-	-	3,949,584	3,949,584
		-	-	6,104,902	6,104,902

48 CAPITAL RISK MANAGEMENT

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

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

The Corporation is in compliance with the externally imposed capital requirements, which are applicable at the consolidated financial statements level. The debt equity ratios as at June 30, 2023 and 2022 were as follows:

	Note	June 30, 2023	June 30, 2022
		-----------(Rupees in '000)-----------	
Long-term financing - secured	24	7,244,223	4,497,012
Total equity		15,706,563	12,170,219
Total		22,950,786	16,667,231
Debt-to-equity ratio		46:54	37:63

49 ENTITY WIDE INFORMATION

49.1 The Corporation constitutes as a single reportable segment, the principal classes of services provided are transportation of dry cargo, liquid cargo through chartered vessels, rental income and service fees.

49.2 Information about services

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

	June 30, 2023	June 30, 2022
	-----------(Rupees in '000)-----------	
Transportation of dry cargo	4,707,063	2,520,268
Transportation of liquid cargo	5,275,329	6,992,695
Rental income	261,274	235,211
Services fee - net	1,550,256	637,859
	11,793,922	10,386,033

49.3 Information about geographical areas

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

49.4 Information about major customers

The Corporation has the following exposure to concentration of credit risk with clients representing greater than 10 % of the total revenue balances:

	June 30, 2023 Revenue		June 30, 2022 Revenue	
	(Rupees in '000)	% of Total	(Rupees in '000)	% of Total
Client 1	2,775,182	23.11	2,252,551	21.49
Client 2	1,944,915	16.20	1,331,990	12.71
Client 3	1,162,159	9.68	1,118,013	10.67
	5,882,256	48.99	4,702,554	44.86

50 RELATED PARTY DISCLOSURES

The Corporation has related party relationships with its subsidiaries, associate, GoP and its related parties, associated companies, employee benefit plans and its directors and executive officers (including their associates). Transactions with related parties essentially entail investments made in subsidiary companies, dividend income received from related investee companies, freight income and chartering revenue recovered, service fees charged on account of rendering of technical, commercial, administrative and financial services, expenses charged to subsidiary companies on actual cost basis etc. Service fees charges on account of rendering of technical, commercial, administrative and financial services is charged to subsidiary companies and related parties on the basis of mutually agreed terms. Investment in and balances with related parties have been disclosed in respective notes to these unconsolidated financial statements. Significant transactions with related parties during the year are as follows:

Nature of transactions	Relationship with the Corporation	June 30, 2023	June 30, 2022
		-----------(Rupees in '000)-----------	
Freight income - foreign flag vessels	State owned / controlled entities	6,687,922	4,771,502
Service fee - note 31	Subsidiaries	1,550,256	637,859
Rental income	State owned / controlled entities / Common director	26,187	14,426
Rental expense	State owned / controlled entities	4,472	3,300
Income from other operating activities - note 32	State owned / controlled entities	27,569	93,812
Retirement benefit costs charged	Subsidiaries	1,003	537
Contribution to gratuity fund	Employees benefit plan	6,075	11,996
Contribution to provident fund	Employees benefit plan	5,068	4,859
Dividend to Government of Pakistan	Government holding	1,156,337	349,556
Remuneration and Other Benefits	Key management Personal	93,885	65,034
Directors' fee and traveling allowance	Key management Personal	9,799	5,853

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

50.2 Following are the details of related parties with whom the Corporation had entered into transactions or have arrangements / agreements in place, except subsidiaries, which have been disclosed in note 27.1 to these unconsolidated financial statements:

S.No.	Name	Basis of relationship	Aggregate % of shareholding in the Company
1	Muhammadi Engineering Works (Private) Limited	Associate	N/A
2	Employees' Gratuity Fund	Staff retirement benefits	N/A
3	Employees' Contributory Provident Fund	Staff retirement benefits	N/A
4	Bureau Veritas	Common director	N/A
5	Central Power Generation Company Limited	State owned/controlled entity	N/A
6	Civil Aviation Authority	State owned/controlled entity / Common director	N/A
7	District Controller of Stores	State owned/controlled entity	N/A
8	Embarkation Commandant	State owned/controlled entity	N/A
9	Federal Beaurue of Revenue- Comissionor AEOI	State owned/controlled entity	N/A
10	Gawadar Port Authority	State owned/controlled entity	N/A
11	Heavy Industries Taxila	State owned/controlled entity	N/A
12	Karachi Port Trust	State owned/controlled entity	N/A
13	Kot Addu Power Company Limited	State owned/controlled entity	N/A
14	Lahore Electric Supply Company Limited	State owned/controlled entity	N/A

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2023

S.No.	Name	Basis of relationship	Aggregate % of shareholding in the Company
15	National Bank of Pakistan	State owned/controlled entity	N/A
16	National Disaster Risk Management Fund	State owned/controlled entity / Common director	N/A
17	National Telecommunication Corporation	State owned/controlled entity	N/A
18	National Security Printing Company Private Limited	State owned/controlled entity / Common director	N/A
19	National Insurance Company Limited	State owned/controlled entity	N/A
20	National Transmission & Despatch Company Limited	State owned/controlled entity	N/A
21	Naval Stores	State owned/controlled entity	N/A
22	Oil & Gas Development Company Limited	State owned/controlled entity	N/A
23	Pakistan Ordinance Factory	State owned/controlled entity	N/A
24	Pak Arab Refinery Limited	State owned/controlled entity	N/A
25	Pakistan International Airlines	State owned/controlled entity	N/A
26	Pakistan Machine Tool Factory	State owned/controlled entity	N/A
27	Pakistan Refinery Limited	State owned/controlled entity	N/A
28	Pakistan Security Printing Corporation	State owned/controlled entity	N/A
29	Pakistan State Oil Company Limited	State owned/controlled entity	N/A
30	Pakistan Telecommunication Company Limited	State owned/controlled entity	N/A
31	Pakistan Petroleum Limited	State owned/controlled entity	N/A
32	Punjab Thermal Power Limited	Common director	N/A
33	PRIMCO Limited	Common director	N/A
34	Port Qasim Authority	State owned/controlled entity / Common director	N/A
35	Quaid-e-Azam Thermal Power Plant	Common director	N/A
36	Trading Corporation of Pakistan (TCP)	State owned/controlled entity	N/A
37	Sezan International Limited	Common director	N/A
38	Siddiqsons Energy Limited	Common director	N/A
39	Stores Liaison Officers (PAF)	State owned/controlled entity	N/A
40	Sui Northern Gas Pipelines Limited	State owned/controlled entity	N/A
41	Sui Southern Gas Company Limited	State owned/controlled entity	N/A
42	Wah Brass Mills (Private) Limited	State owned/controlled entity	N/A
43	Water and Power Development Authority	State owned/controlled entity	N/A
44	Zahid Jee Textile	Common director	N/A
45	Directors / Executives	Key management personnel	N/A

51 NUMBER OF EMPLOYEES

The average and total number of employees during the year and as at June 30, 2023 and 2022

	June 30, 2023	June 30, 2022
Average number of employees during the year	**661**	635
Number of employees as at the end of the year	**680**	642

52 RECONCILIATION OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	June 30, 2023			June 30, 2022		
	Long-term financing	Unclaimed dividend	Lease Liabilities	Long-term financing	Unclaimed dividend	Lease Liabilities
	(Rupees in '000)					
Balance at beginning of the year	4,497,012	87,245	111,550	6,019,103	77,496	116,608
Changes from financing cash flows						
Repayment	(1,601,393)		(2,366)	(1,527,550)	-	(13,266)
Obtained	4,332,710	-	-	-	-	-
Dividend paid	-	(1,287,306)	-	-	(386,441)	-
Total changes from financing activities	2,731,317	(1,287,306)	(2,366)	(1,527,550)	(386,441)	(13,266)
Other non cash changes						
Amortisation of arrangement fee	15,894	-	-	5,459	-	-
Reclassified to other liabilities	-	- -	(18,577)	-	-	-
Accretion of interest	-	-	7,588	-	-	8,208
Final dividend	-	660,317	-	-	-	-
Interim dividend	-	660,317	-	-	396,190	-
Total other changes	15,894	1,320,634	(10,989)	5,459	396,190	8,208
Balance at end of the year	7,244,223	120,573		4,497,012	87,245	111,550

53 PROVIDENT FUND RELATED DISCLOSURE

The following information is based on un-audited financial statement of the fund as at June 30:

	June 30, 2023	June 30, 2022
	(Rupees in '000)	
Size of the fund - Total assets	3,313,994	306,620
Fair value of investments	306,092	297,940
Percentage of investment made	97.48	97.17

53.1. The cost of above investments amounted to Rs. 278.823 million (2022: Rs. 289.270 million).

53.2. The break-up of fair value of investments is as follows:

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Percentage)		(Rupees in '000)	
Mutual funds	41.31	4.10	126,436	12,196
Treasury bills	55.92	89.13	171,173	265,566
Bank balances	2.77	6.77	8,483	20,178
	100	100	306,092	297,940

53.3. The investment out of provident fund have been made in accordance with the provision of Section 2018 of the Companies Act 2017 and the rules formulated for this purpose.

54 SUBSEQUENT EVENTS

The Board of Directors in their meeting held on September 27, 2023 have proposed for the year ended June 30, 2023 cash dividend of Rs 15 per share amounting to Rs 1,981 million subject to the approval of the members at the annual general meeting to be held on October 26, 2023. These unconsolidated financial statements for the year ended June 30, 2023 do not include the effect of this appropriation which will be accounted for subsequent to the year end.

55 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation in these financial statements.

56 GENERAL

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

57 DATE OF AUTHORISATION

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

Syed Jarar Haider Kazmi	**Rear Admiral Jawad Ahmed HI(M)**	**Mr. Ahsan Ali Malik**
Chief Financial Officer	Chairman & Chief Executive	Director

Pattern of Shareholding

As at June 30, 2023

# Of Shareholders	Shareholdings'Slab			Total Shares Held
11107	1	to	100	364,288
3166	101	to	500	752,364
839	501	to	1000	623,689
703	1001	to	5000	1,518,154
98	5001	to	10000	719,245
28	10001	to	15000	352,437
25	15001	to	20000	442,242
12	20001	to	25000	275,003
7	25001	to	30000	194,810
4	30001	to	35000	134,300
7	35001	to	40000	272,275
3	40001	to	45000	129,500
2	45001	to	50000	96,500
1	50001	to	55000	50,500
1	55001	to	60000	59,865
1	65001	to	70000	66,500
1	70001	to	75000	73,100
1	80001	to	85000	82,000
1	85001	to	90000	89,000
1	95001	to	100000	100,000
2	130001	to	135000	264,700
1	145001	to	150000	147,300
1	155001	to	160000	158,812
1	165001	to	170000	168,500
1	175001	to	180000	177,500
3	195001	to	200000	596,000
1	260001	to	265000	261,200
2	295001	to	300000	600,000
1	395001	to	400000	396,100
1	420001	to	425000	425,000
1	430001	to	435000	432,564
1	590001	to	595000	594,707
1	1235001	to	1240000	1,238,500
1	2070001	to	2075000	2,073,014
1	2495001	to	2500000	2,500,000
1	115630001	to	115635000	115,633,710
16028				132,063,379

Categories of Shareholders
As at June 30, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
Government Holding			
DIRECTOR GENERAL PORT & SHIPPING	1	115,633,710	87.56
Directors, Chief Executive Officer and their spouse(s) and minor children			
AHSAN ALI MALIK	1	66,500	0.05
SARFARAZ INAYATULLAH QURESHI	1	1,000	0.00
Associated Companies, undertakings and related parties			
MOHAMMADI ENGG. WORKS LTD	1	4,766	0.00
M/S PNSC EMPLOYEES EMPOWERMENT TRUST	1	2,073,014	1.57
NIT and ICP	13	511,343	0.39
Banks Development Financial Institutions, Non-Banking Financial Institutions	67	706,948	0.54
Insurance Companies	10	12,405	0.01
Modarabas and Mutual Funds			
FIRST EQUITY MODARABA	1	15	0.00
M/S. SECOND PRUDENTIAL MODARABA	1	77	0.00
THIRD PRUDENTIAL MODARABA	1	628	0.00
FIRST PRUDENTIAL MODARABA	1	16	0.00
B.R.R. GUARDIAN MODARABA	1	18,000	0.01
CDC - TRUSTEE NBP STOCK FUND	1	1,238,500	0.94
CDC - TRUSTEE NBP BALANCED FUND	1	89,000	0.07
CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND	1	133,300	0.10
CDC - TRUSTEE NBP SARMAYA IZAFA FUND	1	50,500	0.04
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	1	7,000	0.01
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	1	18,000	0.01
CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	1	39,600	0.03
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	1	29,700	0.02
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	1	396,100	0.30
CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	1	4,500	0.00
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	1	8,400	0.01
General Public			
a. Local	15,760	9,878,074	7.48
b. Foreign	28	65,403	0.05
Foreign Companies	8	173,886	0.13
Others	121	902,994	0.68
Totals	**16,028**	**132,063,379**	**100.00**

Share holders holding 10% or more	Shares Held	Percentage
DIRECTOR GENERAL PORT & SHIPPING	115,633,710	87.56

** including 2356 shareholders whose current domicile is not known

Notice of Annual General Meeting

Notice is hereby given that the 45th Annual General Meeting (AGM) of Pakistan National Shipping Corporation (Corporation) will be held at the **Aquarius Hall Beach Luxury Hotel Off:** M.T. Khan Road, Karachi on Thursday, the 26th October, 2023 at 1100 hours to transact the following business

ORDINARY BUSINESS

1. To confirm minutes of the 44th Annual General Meeting of the Members of the Corporation held on 28th October, 2022.
2. To consider and adopt the audited financial statements of the Corporation and the consolidated financial statements of the PNSC Group together with the reports of Auditors and Directors for the year ended 30th June, 2023.
3. To consider and approve Board's recommendation to pay 150% Cash Dividend (i.e.) Rs.15 per share to the members.
4. To consider appointment of joint auditors of the Corporation for the year ending 2023-24 and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolutions to enable the company to circulate the Annual Audited Financial Statements, to the members of the company through QR code and weblink, as required by the Securities and Exchange commission of Pakistan (SECP) vide its Notification SRO 389(1)/2023 of SECP dated 21 March 2023, instead of circulating the same through CD/DVD/USB.

   RESOLVED THAT, the Corporation be and is hereby authorized to circulate its Audited Financial statements, to the members of the Corporation through QR enabled code and weblink, in accordance with SRO 389(1)/2023 of SECP dated 21 March 2023 issued by the SECP.

   FURTHER RESOLVED THAT, the chief Executive, Chief Financial Officer or Company Secretary of the Corporation be and hereby singly authorised to do all acts, deeds and things take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents, as may be necessary or incidental for the purpose of implementing this resolution.

6. To transact any other business with the permission of the chair.

By order of the Board
Muhammad Javid Ansari
Company Secretary

Karachi
Dated: 05th October 2023

Notes:

i) The Share Transfer Books of the Corporation will remain closed from 20th October, 2023 to 26th October, 2023 (both days inclusive).

ii) Transfer received in order by the Corporation's shares registrar M/S CDC Shares Registrar Services Limited by the close of business hours on October 19th, 2023 will be considered in time for registration in the name of transfers, and be eligible for the purpose of attending and vote at the AGM.

iii) A member entitled to attend and vote at the meeting is also entitled to appoint his/her proxy to attend the meeting. Proxies must be received at the Head Office of the Corporation not less than 48 hours before the time of holding the meeting. CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1, dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. The members are requested to promptly notify Share Registrars of the Corporation, M/s CDC Share Registrar Services limited of any change in their addresses.

A) For Attending Meeting:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail is uploaded as per the Regulation, shall authenticate their identity by showing his/her original Identify Card ("CNIC") / original passport at the time of attending the meeting.

ii) In case of corporate entity, Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.

iii) Members interested to participate in the meeting through video link are requested to get themselves registered with Corporate Affairs & Shares department by providing the following details at the earliest but not later than two working days before the AGM through following means:

Mobile/ WhatsApp: 0300 8272582
E-mail: kashif.fazlani@pnsc.com.pk

Name of Members	CNIC Number	CDC Account No./Folio No.	Mobile Number	Email Address

iv. Upon receipt of the above information from the interested members, the Corporation will send the login credentials at their e-mail address. On the date of AGM login facility will be opened at half hour before the meeting time, members will be able to login and join in the AGM proceedings through their smartphone / computer devices.

v. In view of the above the Members may also provide their comments/suggestions for the proposed agenda items of the AGM at least two working days before AGM by using the aforesaid means. Members are requested to mention their full name, CNIC and CDC/Folio no. for this purpose.

vi. In case of corporate entity, Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be provide to the Corporation in the manner described in para A(iii) above.

B) For Appointing Proxies:

i. In case of individuals, the account holder or sub-account holder is and / or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv. In case of corporate entities, board of directors' resolution / power of attorney with specimen signature of the nominee shall be submitted along with the proxy form to the Corporation.

C Requirement of Companies (Postal Ballot) Regulations 2018

Pursuant to companies (Postal Ballot) Regulations, 2018 for the purpose of special business, members will be allowed to execrise their right to vote thought postal ballot, that is voting by post or through any electronic mode in accordance with requirements and procedure contained in the aforesaid regulations.

D. CNIC / NTN Number on Dividend Warrant (Mandatory)

As has already been notified from time to time, the Securities and Exchange Commission of Pakistan (SECP) vide Notification SRO 275(1)/2016 dated March 31, 2016 read with Notification SRO 19(1)/2014 dated January 10, 2014 and Notification SRO 831(1)/2012 dated July 5,2012 required that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered member or the authorized person, except in case of minor(s) and corporate member(s). Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) NTN (corporate entitles) by members.

E. Withholding Tax on Dividend (Mandatory)

i. Pursuant to the provision of the Finance Act 2022 the rates of deduction of Income tax from dividend payments under the Income Tax Ordinance, 2001 are as follows:

a)	For filers of income tax returns	15%
b)	For non-filers of income tax returns	30%

ii. Members who are filers, are advised to make sure that their names are entered into latest Active Tax Payers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as non-fliers and tax on their cash dividend will be deducted accordingly.

F) Withholding Tax on Dividend In case of Joint Account Holders

i. According to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal member as well as joint-holder(s) based on their shareholding proportions in case of joint accounts.

ii. In this regard all members who hold shares jointly are requested to provide shareholding Proportions of Principal member and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Corporation Name	Folio/CDS Account No.	Total Status	Principal Member		Joint Member(s)	
			Name & CNIC No	Shareholding Proportion (No. Shares)	Name & CNIC No	Shareholding Proportion (No. Shares)

iii. The required information must be provided to Corporation's Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal Member and Joint Holder(s).

iv. As per FBR Circulars C. No.1 (29) WHT/2006 dated 30 June 2010 and C. No.1 (43) DG (WHT) 2008- Vol. 11-664174-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available. The members who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to Corporation's Share Registrar, before book closure otherwise, tax will be deducted on dividend as per applicable rates.

v. The corporate members having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participant, whereas corporate physical members should send a copy of their NTN certificate to Corporation's Share Registrar. The members while sending NTN or NTN certificate, as the case may be, must quote Corporation name and their respective folio numbers.

G) Dividend Mandate

i. The provision of Section 242 of the Companies Act, 2017 (the "Act") provides that any dividend declared by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled members.

ii. Further SECP through Circular No.18/2017 dated 1st August, 2017 has required the listed companies to approach their members for obtaining electronic dividend mandate. In this connection please refer to the Corporation's announcement previously published in leading news papers. Therefore, all Members are hereby advised once again to provide, if not already provided, details of their bank mandatesat their earliest in the format also available on PNSC website www.pnsc.com.pk

H) Distribution of Annual Report through CD/DVD/USB.

SECP through its SRO 470(1)/2016 dated May 31, 2016 has allowed companies to circulate their annual accounts to members through CD/DVD/USB at their registered email addresses instead of transmitting the hard copies; The Corporation has obtained members approval in its 38th AGM held on 28th October 2016. However any member may request the Company Secretary in writing to provide a printed copy of the annual report at their registered address, free of cost.

I) Distribution of Annual Report through emails

Further pursuant to S.R.O. 787(1)/2014 dated 8th September 2014 SECP has permitted companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. A Standard Consent Form is available at the Corporation's website: www.pnsc.com.pk Members, who wish to avail this facility, should send duly filled-in Consent Form along with a copy of CNIC or valid passport (in case of foreign member) to Corporation's Secretary at Registered Office of the Corporation. It will be the responsibility of members to intimate any change in their valid registered email address to the Corporation in timely manner.

J) Unclaimed Dividends & Bonus Shares

i. Members, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact Corporation's Share Registrar, to collect / enquire about their unclaimed dividend or pending shares, if any.

ii. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commis sion of Pakistan.

iii. In this regard, a Notice dated July 12, 2021 was sent by TCS on the last known addresses of the members to submit their claims within 90 days to the Corporation. In compliance of Section 244(1)(b)of the Companies Act, 2017 a Notice had also been published on 02nd August 2021 in two daily newspapers i.e. (i)Daily Dawn and (ii) Daily Jang, in English language and Urdu language respectively. The same publication was also posted on PSX website for information of the members.

K) Conversion of Shares from Physical Form to Book-Entry-Form

i. The Securities and Exchange Commission of Pakistan (SECP) has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies referring their attention towards the provision of Section 72 ofthe Companies Act, 2017 (Act) which requires to all the then existing companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-form within a period not exceeding four years from the date of the promulgation of the Act.

ii. In order to ensure full compliance with the provisions of the aforesaid Section 72 and to be benefitted of the facility of holding shares in the Book-Entry-Form, the members who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form. In compliance of Section 72 of the Companies Act, 2017 a Notice had also been published on 21st June 2021in two daily newspapers i.e. (i)Business Recorder and (ii) Daily Khabrain, in English language and Urdu language respectively. The same publication was also posted on PSX website for information of the members.

L) Code of Conduct for Members in General Meeting

I. Pursuant to the provision of Section 215 of Companies Act, 2017(the "Act")

   i. A member of a company shall act in good faith while exercising its powers as a member at the general meetings and shall not conduct themselves in a manner that is considered disruptive to proceedings of the meeting.

   ii. Without prejudice to his rights under this Act, a member of the company shall not exert influence or approach the management directly for decisions which may lead to create hurdle in the smooth functioning of management.

   iii. Any member who fails to conduct in the manner provided in this section and as specified by the Commission shall be guilty of an offence under this section and shall be liable to a penalty not exceeding of level 1 on the standard scale.

II. In compliance with Section 185 of Companies Act, 2017 Corporation shall not distribute gifts in any form to its members in its meeting.

M) Availability of Audited Financial Statements on Corporation's website

The audited financial statements of the Corporation for the year ended 30th June, 2023 will be available in due course on the Corporation's website https://pnsc.com.pk/financial-statements.html

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the special business, given in Agenda No.5 of the Notice; intend to be transacted at the AGM.

Agenda No. 5 of the Notice

In view of the technologies advancements, the SECP has allowed Listed Companies, through its SRO 389(1)/2023 of SECP dated 21 March, 2023, to circulate the Annual Audited Financial Statements, to the Members of the Corporation through QR-enabled code and weblink, which is to be included in the notice of shareholders meeting. The Corporation shall circulate Annual Audited Financial Statements, through email, in case it has been provided by the members to the Corporation and shall also send hard copies of Annual Audited Financial Statements, to the shareholders, free of cost, upon receipt of a duly completed request Form, as available on the Corporation website (www.pnsc.pk).

None of the Directors of the Corporation have any direct or indirect interest in the special business, except in their capacity as members and directors of the Corporation.

PAKISTAN NATIONAL SHIPPING CORPORTION

45th Annual General Meeting – 2023

Form of Proxy

I/We ____

of____ (full address) being at

Member of Pakistan National Shipping Corporation and holders of____

ordinary Shares as per Registered Folio No. __________________here by appoint____________________________

____________________ of ____(full address)

or falling him ____

of ____ (full address)

as my/our proxy to vote for me/us and on my/our behalf at the 45th Annual General Meeting of the Corporation to be held on Thursday, October 26th 2023 at 11:00 am and at any adjournment thereof.

Signed by me/us this _____________day of _______________2023.

Witnesses:

1. Signature __________________

   Name: ____________________

   CNIC No: __________________

   Address: __________________

   ____

Please affix Revenue Stamp of Rs. 5

____

Signature of Member
(Signature should agree with the specimen
Signature registered with the corporation)

Witnesses:

2. Signature __________________

Name: ____________________

CNIC No: __________________

Address: __________________

____

Important:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her such proxy must be a member of the Corporation.

2. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of power of attorney must be deposited at the Registered Office of the Corporation situated at PNSC Building, Moulvi Tamizuddin Khan Road.P.O.Box No.5350,Karachi -74000, Pakistan at least 48 hours before the time of the meeting.

3. CDC Shareholders or their Proxies are each requested to attach an attested photocopy of their National Identity Card or Passport with this Proxy Form before submission to the Corporation.

پاکستان نیشنل شپنگ کارپوریشن

پینتالیسواں سالانہ اجلاسِ عام - 2023

پراکسی فارم

میں / ہم ________________

ساکن ________________ (مکمل پتہ)

پاکستان نیشنل شپنگ کارپوریشن کے ممبر کی حیثیت سے ________________ عمومی شیئرز کی تحویل رکھتے ہیں۔

رجسٹرڈ فولیو نمبر ________ میں / ہم بذریعہ ہذا جناب / محترم ________________

ساکن ________________ (مکمل پتہ)

یا ان کی جگہ جناب / محترم ________________

ساکن ________________ (مکمل پتہ)

کا تقرر کرنا / کرتی ہوں کہ وہ بروز جمعرات 26 اکتوبر 2023 کو صبح 11:00 بجے یا التوا کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہونے والے کمپنی کے پینتالیسویں سالانہ اجلاسِ عام میں میرے / ہمارے پراکسی کی حیثیت سے شرکت کریں اور ووٹ دیں۔

اس پر میری / ہماری طرف سے ________________ 2023 کو دستخط کئے گئے۔

گواہان:۔

1 دستخط: ________________

نام: ________________

نمبر: ________________

پتہ: ________________

____

2 دستخط: ________________

نام: ________________

نمبر: ________________

پتہ: ________________

____

۵ روپے کا رسیدی ٹکٹ چسپاں کریں

____

ممبر کا دستخط (یہ دستخط کمپنی کے پاس رجسٹرڈ کردہ نمونہ دستخط کے مطابق ہو)

اہم نوٹ:

1) اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا اہل ممبر اپنی جانب سے شرکت اور ووٹ دینے کے لیے کسی دوسرے فرد کو اپنا پراکسی مقرر کرسکتا ہے۔ پراکسی کا کمپنی کا ممبر ہونا لازمی ہے۔

2) پراکسی دستاویز اور پاور آف اٹارنی جس کے تحت اس پراکسی پر دستخط کیے گئے ہوں یا اس پاور آف اٹارنی کی نوکری سے تصدیق شدہ نقل اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر تمیز الدین خان روڈ، پی او بکس نمبر۔ 5350، کراچی 74000 میں جمع کروائی جائیں۔

3) CDC شیئرز ہولڈرز یا ان کے پراکسیز اپنے اصل قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل اس پراکسی فارم کو کمپنی میں جمع کروانے سے قبل ساتھ منسلک کریں۔

Electronic Payment of Cash Dividends

To   DATE: ____________

SUBJECT: **Bank account details for payment of Dividend through electronic mode**

Dear Sir / Madam,

I/We/Messers,____________________________________, being a / the shareholder(s) of **Pakistan National Shipping Corporation** (the "Corporation"), hereby, authorize the Corporation, to direct credit cash dividends decleared by it, if any , in my/ our bank account as detailed below:

(i) Shareholder's details:	
Name of Shareholder	
CDC Participant ID & Sub-Account No./CDC IAS/Folio No.	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank Account details:	
Title of Bank Account	
IBAN (See Note 1 below)	
Bank's Name	
Branch Name & Code No.	
Branch Address	

It is stated that the above particulars given by me / us are correct and i/we shall keep the Corporation inform in case of any change(s) in the said particulars in future.

Yours truly,

____

Signature of Shareholder
(Please affix company stamp in case of a corporate entity)

Note:

1. Please provide complete IBAN, after checking with your concerned bank/branch to enable electronic credit directly into your bank account.

2. Incase of shares held in electronic form,this letter must be sent to shareholder's participants/CDC investor Account Services which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by PNSC from time to time.

3. Incase of shares held in help certificate form, this letter mustn be sent to the corporation's Share Registrar, CDC Share Registrar Services Limited, CDC House , 99-B, Block 'B', S.M.C.H.S. Main Shahra-e-Faisal, Karachi.

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Fax: (92-21) 99203974, 35636658
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www.pnsc.com.pk

Design & Printed by: Farid Printing Press - 0334-9212626