



Pakistan National Shipping Corporation

Exploring New Horizons

**UNAUDITED REPORT
FOR THE QUARTER ENDED
SEPTEMBER 30, 2023**



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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. Mr. Faisal Hadi	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. Cdre. Masood ul Hassan, SI(M)	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. Khurram Mirza	Secretary

Chief Financial Officer

Mr. S. Jarar Haider Kazmi

Company Secretary

Mr. Muhammad Javid Ansari

Chief Internal Auditor (Acting)

Mr. Faisal Hadi

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

PAKISTAN NATIONAL SHIPPING CORPORATION DIRECTORS' REPORT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

The Board of Directors of Pakistan National Shipping Corporation Group (the Group/PNSC) is pleased to submit the un-consolidated and consolidated condensed interim financial statements of PNSC and Group respectively for the first quarter ended September 30, 2023.

OVERVIEW

The PNSC Group has managed to achieve 16% increase in profit after tax to Rs.6,269 million as against Rs.5,388 million in the corresponding period last year.

Group earnings per share increased to Rs.47.46 as against Rs.40.80 in the corresponding period last year.

The factors leading to improved financial performance include the average growth in freight rate from 11.79/MT to 12.08/MT and World scale from 5.29 to 6.57. Additionally, average exchange rate against USD during the period was Rs.293 as compared to Rs.229 in the corresponding period last year. Further, the Group was able to increase its income from deposits and short term investments by Rs.1,228 million during the current period.

Cumulatively, the Group achieved a turnover of Rs.13,355 million (including Rs.3,615 million from PNSC) as compared to Rs.14,473 million (including Rs.4,576 million from PNSC) for the corresponding period last year.

Decrease in revenue was observed in the Dry Cargo segment and foreign flag vessel segment, by Rs.869 million and by Rs.961 million respectively. However, revenue from owned-tankers increased by Rs.691 million.

The PNSC standalone results reflect a profit after tax of Rs.1,452 million as compared to profit after tax of Rs.850 million in the corresponding period of the last year. In spite of the fact that mainstream revenue decreased during the period, the income from investments made by the PNSC helped by the increase in KIBOR and better liquidity compared to corresponding period last year a noticeable increase of Rs.1,055 million was observed in other income.

Net profit margin at group level increase to 47% for the current period as compared to 37% for the corresponding period last year.

By the end of the current quarter, PNSC repaid the entire remaining borrowing amount of Rs.3.7 billion to the bank obtained for the procurement of M.T Bolan and M.T Khairpur.

The increase in finance cost of Rs.105 million can be largely attributed to the high KIBOR during the current period and the additional borrowings that were obtained by PNSC Group last year for the procurement of two new AFRAMAX Tanker Vessels M.T. Mardan and M.T. Sargodha.

Board and its Committees

The name of Directors of Board and Board Committees of the corporation during the quarter are tabulated below:

Sr. No.	Name of Director	Board	Strategy and Risk Management Committee	Audit & Finance Committee	HR, Nomination & CSR Committee	Vessel Procurement Committee
1	Rear Admiral Jawad Ahmed HI(M) (assumed charge on Sep 30 th 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 27 th 2023)	Non-Executive Director	Member	Member	-	-
3	Mr. Kumar Sarwar Abbasi Additional Finance Secretary (Corporate Finance) Finance Division Islamabad (w.e.f. April 14 th 2023)	Non-Executive Director	Member	Member	-	Member

4	Ms. Alia Shahid Director General Ports & Shipping Ministry of Maritime Affairs (assumed charge on Sep 30 th 2022)	Non-Executive Director / Female Director	-	Member	Member	-
5	Mr. Muhammad Ali (w.e.f. December 29 th 2021)	Non-Executive Director	Member	Chairman of the Committee	-	Member
6	Mr. Ahsan Ali Malik (w.e.f. October 28 th 2022)	Non-Executive Director	-	Member	Chairman of the Committee	-
7	Capt. Sarfaraz Inayatullah (w.e.f. October 28 th 2022)	Non-Executive Director	Chairman of the Committee	-	Member	Member

FUTURE PROSPECTS

Dry Bulk Market

The bulk carrier market has been generally subdued in Q3 2023. Reduced fleet 'inefficiencies' (port congestion at lowest level since 2016), lingering demand headwinds in key regions and accumulated fleet growth in recent years have contributed to softer markets, though earnings have picked up recently. Moderate market conditions are expected to persist into Q4 2023.

Looking to 2024, the outlook for the bulk market appears relatively moderate, although there is scope for some gradual improvements. Current market suggest bulk demand growth may fall just below fleet growth, despite a limited delivery schedule and potential for increased demolition, but a range of other factors have potential to support market trends, including vessel speeds and increased EST retrofitting as environmental regulations impact. Uncertainty remains around the global macroeconomic backdrop, with ongoing 'vulnerabilities' requiring continued monitoring.

Tanker Market

Crude tanker markets generally continued to soften through August and into September, though product tanker market conditions improved. Subdued crude exports from the MEG amid OPEC+ output cuts have weighed on tanker earnings, along with lower Russian activity due to Russian export cuts, impacts from the G7 price cap and increased tensions in the Black Sea. Saudi Arabia recently announced the extension of its oil output cut of 1m bpd for three additional months until Dec-2023, while Russia intends to extend its 0.3m bpd crude export cut until year-end 2023. Against this backdrop, the near-term crude tanker market outlook appears softer than for some while. However, strong oil demand in China, firm Atlantic exports and Russia related trade pattern shifts may limit further downside, and seasonal trends could support some gains in the rest of the year. Crude tonne-mile trade is projected to grow by a firm 6.8% this year, as Russian exports and European imports have shifted to longer-haul trade routes through the year.

Emissions regulations are expected to have a further moderating impact on active tanker; uncertainty remains and scenarios vary but it is estimated that compliance with EEXI and CII could reduce available tanker supply by an average of 1.5-2.0% p.a. across 2023-24 through slower speeds and retrofit time. Looking to 2024, a favourable supply-demand balance is expected to provide further support to the tanker market. The demand outlook remains positive next year, with total tanker dwt demand initially projected to grow, amid firm Asian oil demand, refinery capacity expansions and strong Atlantic crude exports. Overall, the outlook appears positive for the next couple of years.

ACKNOWLEDGMENT

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



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



Director

Karachi
October 24, 2023

صلاحیت رکھتے ہیں، بشمول جہازوں کی رفتار اور ماحولیاتی ضوابط کے اثرات کے طور پر EST ریٹرو فٹنگ میں اضافہ۔ عالمی میکرو اکنامک پس منظر میں غیر یقینی صورتحال بدستور برقرار ہے، جس میں جاری کمزوریوں پر مسلسل نظر رکھنے کی ضرورت ہے۔

ٹینکر مارکیٹ

اگرچہ مصنوعہ جاتی ٹینکر مارکیٹ کے حالات بہتر ہوئے ہیں، تاہم خام ٹینکر کی منڈیاں عام طور پر اگست اور ستمبر تک غیر مستحکم رہیں۔ OPEC+ کی جانب سے رسد میں کوئی کمی وجہ سے MEG سے خام برآمدات میں کمی، نیز روسی برآمدات میں کمی کے باعث روسی سرگرمیوں میں کمی، G7 کی قیمت کی حد کے اثرات اور بحیرہ اسود میں بڑھتی ہوئی کشیدگی کے باعث ٹینکر کی آمدنی پر اثر پڑا ہے۔ سعودی عرب نے حال ہی میں اپنی تیل کی پیداوار میں 1 ملین bpd کی کوئی کوڈ ستمبر 2023 تک تین اضافی مہینوں کے لیے بڑھانے کا اعلان کیا ہے، جبکہ روس اپنی 0.3 ملین bpd خام برآمد کی کوئی کوڈ 2023 کے اختتام تک بڑھانے کا ارادہ رکھتا ہے۔ اس پس منظر میں، قریب مدتی خام ٹینکر مارکیٹ کا تناظر کچھ وقت کے لیے غیر مستحکم دکھائی دیتا ہے۔ تاہم، چین میں تیل کی مستحکم طلب، بحر اوقیانوس کی مستحکم برآمدات اور روس سے متعلقہ تجارتی وضع میں تبدیلیاں مزید کمی کو محدود کر سکتی ہیں، اور موسمی رجحانات سال کے بقیے میں کچھ فوائد میں معاونت کر سکتے ہیں۔ پورا سال روسی برآمدات اور یورپی درآمدات کے طویل فاصلے کے تجارتی راستوں پر منتقل ہونے سے رواں سال خام ٹی نیٹیل تجارت میں 6.8% اضافہ متوقع ہے۔

توقع ہے کہ اخراج کے ضوابط کا فعال ٹینکر زبرد مزید معتدل اثر پڑے گا؛ غیر یقینی صورتحال جاری ہے اور منظر نامے مختلف ہیں، تاہم، اندازہ ہے کہ EEXI اور CHII کی تعمیل سے 2023-24 میں کم رفتار اور ریٹرو فٹ کے وقت کے ذریعے دستیاب ٹینکر کی رسد میں اوسطاً 2.0% - 1.5 سالانہ کمی ہو سکتی ہے۔ 2024 پر نظر ڈالنے ہوئے، سازگار طلب اور رسد کے توازن سے ٹینکر مارکیٹ میں مزید مدد ملنے کی توقع ہے۔ ایشیا میں تیل کی مستحکم طلب، ریفاٹری کی گنجائش میں توسیع اور بحر اوقیانوس کی مستحکم خام برآمدات کے باعث ابتدائی طور پر کل ٹینکر dwt کی طلب بڑھنے کے امکان کے پیش نظر آئندہ سال طلب کا تناظر مثبت رہے گا۔ مجموعی طور پر، تناظر آئندہ چند سال کے لیے مثبت دکھائی دیتا ہے۔

اظہار تشکر

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


ڈائریکٹر

612
ریٹریڈ مرل جو ادا احمد، ہلال امتیاز (ملٹری)
چیئرمین اور چیف ایگزیکٹو آفیسر

کراچی

24 اکتوبر، 2023

موجودہ سہ ماہی میں ڈائریکٹرز/ بورڈ ممبران اور کارپوریشن کی بورڈ کمیٹیوں کے نام درج ذیل کیے گئے ہیں۔

ڈائریکٹر کا نام	بورڈ	اسٹریٹیجی اور رسک مینجمنٹ کمیٹی	آڈٹ اور فنانس کمیٹی	ایچ آر، نامزدگی اور ایس ایس آر کمیٹی	ویسل پروکیورمنٹ کمیٹی
1	ریٹائرڈ ایمرل جواد احمد بلال (ملٹی) (30 ستمبر، 2022 کو عہدہ سنبھالا)	چیزمین/ چیف ایگزیکٹو افسر	-	ممبر	-
2	جناب حسن محمد یوسفزئی ایڈیشنل سیکرٹری، وزارت سندھری امور (نو ڈائریکٹرز تا 27 مارچ، 2023)	نان ایگزیکٹو ڈائریکٹر	ممبر	-	-
3	جناب قمر سہیل، ایڈیشنل فنانس سیکرٹری (کارپوریٹ فنانس) فنانس ڈویژن، اسلام آباد۔ (نو ڈائریکٹرز تا 14 اپریل، 2023)	نان ایگزیکٹو ڈائریکٹر	ممبر	-	ممبر
4	محترمہ عالیہ شاہد، ڈائریکٹر جنرل (پورٹس اور شپنگ) وزارت سندھری امور (نو ڈائریکٹرز تا 30 ستمبر، 2022 کو عہدہ سنبھالا)	نان ایگزیکٹو ڈائریکٹر/ خاقون ڈائریکٹر	ممبر	ممبر	-
5	جناب محمد علی (نو ڈائریکٹرز تا 29 دسمبر، 2021)	نان ایگزیکٹو ڈائریکٹر	ممبر	سکین کے چیزمین	ممبر
6	جناب احسن علی ملک (نو ڈائریکٹرز تا 28 اکتوبر، 2022)	نان ایگزیکٹو ڈائریکٹر	ممبر	-	-
7	کمیٹن سرفراز عنایت اللہ (نو ڈائریکٹرز تا 28 اکتوبر، 2022)	نان ایگزیکٹو ڈائریکٹر	-	-	ممبر

مستقبل کے امکانات

خشک مارکیٹ

بلک کیریئر مارکیٹ 2023 کی تیسری سہ ماہی میں عمومی طور پر دباؤ کا شکار ہے۔ فلیٹ کی عدم استعداد (2016 کے بعد سے بندرگاہوں پر کم ترین بھیڑ)، اہم خطوں میں طلب میں تاخیر اور حالیہ برسوں میں فلیٹ کی مجموعی ترقی نے غیر مستحکم منڈیوں میں اہم کردار ادا کیا ہے، اگرچہ حال ہی میں آمدن میں اضافہ ہوا ہے۔ 2023 کی چوتھی سہ ماہی تک معتدل حالات برقرار رہنے کی توقع ہے۔

2024 پر نظر ڈالنے ہوئے، بلک مارکیٹ کا تناظر نسبتاً معتدل رہنے کا امکان ہے، اگرچہ کچھ بتدریج بہتری کی گنجائش موجود ہے۔ مارکیٹ کی موجودہ صورتحال بتاتی ہے کہ ڈیلیوری کے محدود شیڈول اور ٹوڑ پھوڑ میں اضافے کے امکانات کے باوجود بلک طلب میں اضافہ فلیٹ کی ترقی سے معمولی حد تک کم کر سکتا ہے، لیکن متعدد دیگر عوامل مارکیٹ کے رجحانات میں مدد دینے کی

پاکستان نیشنل شینگ کارپوریشن

ڈائریکٹرز رپورٹ

برائے پہلی سہ ماہی اختتام 30 ستمبر، 2023

پاکستان نیشنل شینگ کارپوریشن گروپ (گروپ / پی این ایس سی) کا بورڈ آف ڈائریکٹرز پی این ایس سی اور گروپ کے پہلی سہ ماہی اختتام 30 ستمبر، 2023 کے لیے باآزاد منظم اور متفرق عبوری مالیاتی گوشوارے بخوشی پیش کر رہا ہے۔

مجموعی جائزہ

پی این ایس سی گروپ گزشتہ سال اسی دورانیے میں 5,388 ملین روپے کے مقابلے میں 16% اضافے کے ساتھ 6,269 ملین روپے بعد از ٹیکس منافع حاصل کرنے میں کامیاب رہا ہے۔

گروپ کی فی حصص آمدن میں گزشتہ سال اسی دورانیے کے 40.80 روپے فی حصص کے مقابلے میں 47.46 روپے فی حصص تک اضافہ ہوا۔

مالیاتی کارکردگی کو بہتر بنانے کے عوامل میں فریٹ کے نرخ میں 11.79 / میٹرک ٹن سے 12.08 / میٹرک ٹن تک اور عالمی پیمانے پر 5.29 سے 6.57 تک اوسط اضافہ شامل ہیں۔ مزید برآں، اس دورانیے میں اس کی ڈالر کے لحاظ سے اوسط شرح مبادلہ گزشتہ سال 229 روپے کے مقابلے میں 293 روپے رہی۔ نیز گروپ موجودہ مدت کے دوران ڈیپازٹس اور قلیل مدتی سرمایہ کاری سے اپنی آمدنی میں 1,228 ملین روپے کا اضافہ کرنے میں کامیاب رہا۔

مجموعی طور پر، گروپ نے گزشتہ سال اسی دورانیے میں 14,473 ملین روپے (شمول پی این ایس سی کے 4,576 ملین روپے) کے مقابلے میں 13,355 ملین روپے (شمول پی این ایس سی کے 3,615 ملین روپے) کا کاروبار حاصل کیا۔

خشک کارگو کے شعبہ اور غیر ملکی پرچم بردار شعبہ کی آمدن میں باآزاد منظم 869 ملین روپے اور 961 ملین روپے کی کمی دیکھی گئی۔ تاہم، زیر ملکیت ٹینکر سے آمدنی میں 691 ملین روپے کا اضافہ ہوا۔

صرف پی این ایس سی کے نتائج گزشتہ سال اسی دورانیے میں 850 ملین روپے بعد از ٹیکس منافع کے مقابلے میں 1,452 ملین روپے بعد از ٹیکس منافع ظاہر کرتے ہیں۔ اس دورانیے میں مرکزی آمدن میں کمی کے باوجود، پی این ایس سی کی جانب سے کی جانے والی سرمایہ کاری سے ہونے والی آمدنی میں گزشتہ سال کے اسی دورانیے کے مقابلے میں KIBOR میں اضافے اور بہتر لیکویڈٹی کی وجہ سے 1,055 ملین روپے کا نمایاں اضافہ دیکھا گیا۔

گروپ کی سٹیپرٹ منافع کار کار جن موجودہ مدت میں اضافے کے ساتھ 47% رہا جو گزشتہ سال اسی دورانیے میں 37% تھا۔

موجودہ سہ ماہی کے اختتام تک، پی این ایس سی نے ایم ٹی بولان اور ایم ٹی خیر پوری خریداری کے لیے حاصل کردہ 3.7 بلین روپے کی قرض کے مکمل ہٹا یا جات بینک کو واپس کیے۔ مالیاتی لاگت میں 105 ملین روپے کے اضافے کی بڑی وجہ موجودہ مدت کے دوران زیادہ KIBOR اور پی این ایس سی گروپ کی جانب سے گزشتہ سال دہنے انفر ایکس ٹینکر جہازوں ایم ٹی مردان اور ایم ٹی سرگودھا کی خریداری کے لیے حاصل کردہ قرض کو قرار دیا جاسکتا ہے۔

PNSC Managed Fleet

TANKERS

Newly Inducted Vessel In 2023

Vessel: **M.T MARDAN**

Built: Japan



Deadweight (MT): 107,123
Gross Tonnage (MT): 58,168

Length Overall (M): 246.80

Newly Inducted Vessel In 2023

Vessel: **M.T SARGODHA**

Built: Japan



Deadweight (MT): 107,123
Gross Tonnage (MT): 58,168

Length Overall (M): 246.80

Vessel: **M.T BOLAN**

Built: South Korea 2013



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

Length Overall (M): 220.89

Vessel: **M.T KHAIRPUR**

Built: South Korea 2012



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

Length Overall (M): 220.89

Vessel: **M.T SHALAMAR**

Built: Japan 2006



Deadweight (MT): 105,315
Gross Tonnage (MT): 55,894

Length Overall (M): 228.60

Vessel: **M.T QUETTA**

Built: Japan 2003



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

Length Overall (M): 246.80

Vessel: **M.T LAHORE**

Built: Japan 2003



Deadweight (MT): 107,018
Gross Tonnage (MT): 58,157

Length Overall (M): 246.80

BULK CARRIERS



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



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



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



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



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

(UNAUDITED) CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS OF PAKISTAN NATIONAL SHIPPING CORPORATION (GROUP)



FOR THE QUARTER ENDED
SEPTEMBER 30, 2023

**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023**

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
	Note	------(Rupees in '000)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	35,719,819	35,806,011
Right-of-use assets		80,971	80,971
Intangible assets	6	73,559	73,559
Investment properties		4,100,505	4,100,505
Long-term investments in:			
- Related party (an associate)		-	-
- Listed companies and an other entity		28,974	27,027
Long-term loans		26,656	29,454
Deferred taxation		88,651	88,651
		40,119,135	40,206,178
Current assets			
Stores and spares		2,989,517	2,507,673
Trade debts - unsecured	7	4,912,167	5,969,078
Agents' and owners' balances - unsecured		6,936	12,736
Loans and advances		678,009	441,890
Trade deposits and short-term prepayments		49,282	45,272
Interest accrued on bank deposits and short-term investments		111,348	138,645
Other receivables	8	800,321	493,859
Incomplete voyages		175,307	345,202
Taxation-net		591,164	940,023
Short-term investments	9	31,474,899	26,505,673
Cash and bank balances		7,119,160	8,383,959
		48,908,110	45,784,010
		89,027,245	85,990,188
TOTAL ASSETS			
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			
		1,320,634	1,320,634
Reserves			
Capital reserve		131,344	131,344
Revenue reserves		74,465,539	68,197,618
Remeasurement of post-retirement benefits obligation - net of tax		(194,034)	(194,034)
Surplus on revaluation of property, plant and equipment - net of tax		1,612,524	1,612,524
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY		76,015,373	69,747,452
NON-CONTROLLING INTEREST			
		12,330	11,808
TOTAL EQUITY		77,348,337	71,079,894
Non-current liabilities			
Long-term financing - secured	10	2,604,209	2,822,020
Lease liabilities		88,547	88,547
Employee benefits		775,456	739,613
		3,468,212	3,650,180
Current liabilities			
Trade and other payables	11	6,525,962	5,891,228
Contract liabilities		518,533	632,021
Provision against damage claims		23,361	23,235
Current portion of long-term financing - secured		868,800	4,422,203
Current portion of lease liabilities		9,648	9,648
Unclaimed dividend		120,566	120,573
Accrued mark-up on long-term financing		143,826	161,206
		8,210,696	11,260,114
TOTAL LIABILITIES		11,678,908	14,910,294
TOTAL EQUITY AND LIABILITIES		89,027,245	85,990,188
CONTINGENCIES AND COMMITMENTS			

The annexed notes 1 to 20 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. Arshad Ali Malik
Director

**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UNAUDITED)**

	Note	Quarter ended September 30, 2023	Quarter ended September 30, 2022
(Rupees in '000)			
REVENUE FROM CONTRACT WITH CUSTOMERS			
Income from shipping business		11,134,107	11,585,414
Other operating activities		2,094,076	2,782,917
Workshop income		55,416	36,446
Income from manning service		4,174	6,159
		13,287,773	14,410,936
REVENUE FROM OTHERS			
Rental income		67,702	62,238
		13,355,475	14,473,174
EXPENDITURE			
Fleet expenses		(7,105,144)	(8,136,950)
Real estate expenses		(24,211)	(31,860)
		(7,129,325)	(8,168,810)
GROSS PROFIT			
		6,226,150	6,304,364
Administrative expenses		(419,642)	(347,392)
Impairment loss on financial assets - net		(84,743)	(230,336)
Other expenses		(130,362)	(322,285)
Other income		1,875,128	636,587
		1,240,381	(263,426)
OPERATING PROFIT			
		7,466,531	6,040,938
Finance costs	13	(400,715)	(295,250)
PROFIT BEFORE TAXATION			
		7,065,816	5,745,688
Taxation	14	(796,966)	(358,012)
PROFIT FOR THE PERIOD			
		6,268,850	5,387,676
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME			
		6,268,850	5,387,676
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the Holding Company		6,268,328	5,387,595
Non-controlling interest		522	81
		6,268,850	5,387,676
(Rupees)			
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY - basic and diluted			
		47.46	40.80

The annexed notes 1 to 20 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

**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UNAUDITED)**

Attributable to the shareholders of the Holding Company										
	issued, subscribed and paid-up share capital	Capital reserve*	Revenue reserves			Remeasurement of post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total reserves	Non-controlling interest	Total
			General reserve	Unappropriated profit	Sub-total revenue reserves					
Balance as at July 01, 2022	1,320,634	131,344	129,307	39,389,686	39,518,993	(221,783)	1,623,362	41,051,916	10,783	42,383,333
Profit after tax	-	-	-	5,387,595	5,387,595	-	-	5,387,595	81	5,387,676
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the first quarter ended September 30, 2022	-	-	-	5,387,595	5,387,595	-	-	5,387,595	81	5,387,676
Balance as at September 30, 2022	1,320,634	131,344	129,307	44,777,281	44,906,588	(221,783)	1,623,362	46,439,511	10,864	47,771,009
Balance as at July 01, 2023	1,320,634	131,344	129,307	68,087,382	68,196,689	(194,034)	1,612,524	69,746,523	11,808	71,078,965
Profit after tax	-	-	-	6,268,850	6,268,850	-	-	6,268,850	522	6,269,372
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the first quarter ended September 30, 2023	-	-	-	6,268,850	6,268,850	-	-	6,268,850	522	6,269,372
Balance as at September 30, 2023	1,320,634	131,344	129,307	74,336,232	74,465,539	(194,034)	1,612,524	76,015,373	12,330	77,348,337

* 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 20 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

**PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UNAUDITED)**

	Note	Quarter ended September 30, 2023	Quarter ended September 30, 2022
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	7,340,111	4,595,869
Employees' gratuity paid		(3,572)	(18,252)
Employees' compensated absences paid		(15,865)	(27,290)
Post-retirement medical benefits paid		(3,307)	(9,841)
Long-term loans		2,798	(7,522)
Finance costs paid		(418,095)	(184,031)
Taxes paid		(448,107)	(189,744)
Net cash generated from operating activities		6,453,963	4,159,189
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(650,780)	(10,123,901)
Additions to investment properties		-	(2,034)
Short-term investments made		(11,133,437)	1,123,609
Dividend received		125,361	3,871
Interest received on short-term investments		1,364,429	323,800
Net cash (used in) investing activities		(10,294,427)	(8,674,655)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing obtained		-	4,349,078
Long-term financing repaid		(3,771,214)	(246,893)
Dividend paid		(7)	(18)
Net cash (used in) / generated from financing activities		(3,771,221)	4,102,167
Net increase in cash and cash equivalents		(7,611,685)	(413,299)
Cash and cash equivalents at the beginning of the year		31,634,374	11,587,351
Exchange gain on cash and cash equivalents		182,675	521,690
Cash and cash equivalents at the end of the year	16	24,205,364	11,695,742

The annexed notes 1 to 20 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

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UNAUDITED)

1. THE GROUP AND ITS OPERATIONS

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

The Group consists of:	Percentage of Shareholding
Holding company	
- Pakistan National Shipping Corporation	
Subsidiary companies	
- 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

* These wholly owned subsidiaries operate one vessel / tanker.

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

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These consolidated condensed interim financial statements of the Group for the first quarter ended September 30, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These consolidated condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the financial statements for the year ended June 30, 2023 as these provide an update of previously reported information.

2.2 These consolidated condensed interim financial statements comprise of the consolidated condensed interim statement of financial position as at September 30, 2023 and the consolidated condensed interim statement of profit or loss and other comprehensive income, the consolidated condensed interim statement of changes in equity, the consolidated condensed interim statement of cash flows and notes thereto for the quarter ended September 30, 2023.

2.3 The comparative statement of financial position presented in these consolidated condensed interim financial statements as at June 30, 2023 has been extracted from the annual audited consolidated financial statements of the Group for the year ended June 30, 2023 whereas the comparative consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows for the quarter ended September 30, 2022 have been extracted from the consolidated condensed interim financial statements of the Group for the quarter period then ended, which were neither subject to a review nor audit.

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

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended June 30, 2023.

3.1 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

(a) Amendments to published approved accounting standards which are effective during the quarter ended September 30, 2023

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

(b) Standards and amendments to published approved accounting standards that are not yet effective

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

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

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

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the Group's consolidated annual financial statements for the year ended June 30, 2023.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2023.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited) September 30, 2023	(Audited) June 30, 2023
------(Rupees in '000)-----			
- Operating fixed assets	5.1 & 5.2	34,381,465	34,411,509
- Major spare parts and stand-by equipments	5.1	1,274,628	1,330,776
- Capital work-in-progress (CWIP)		63,726	63,726
		<u>35,719,819</u>	<u>35,806,011</u>

		(Unaudited)	
		Quarter ended September 30, 2023	Quarter ended September 30, 2022
		----- (Rupees in '000) -----	
5.1	Additions (including transfers from CWIP) during the period:		
	Vessels	-	9,913,258
	Buildings on leasehold land	-	288
	Office equipments	528	481
	Furniture and fixtures	340	-
	Computer equipments	1,162	11,463
	Spares capitalised	22,737	194,558
	Class renewal and dry docking	623,904	2,093
	Equipment on board	2,246	386
		<u>650,917</u>	<u>10,122,527</u>
5.2	Depreciation charge for the period	<u>738,263</u>	<u>559,369</u>
		(Unaudited) September 30, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	

6. INTANGIBLE ASSETS

	Computer Software - CWIP	6.1	<u>73,559</u>	<u>73,559</u>
6.1	It represents payments made for DANAOS software which is under development.			
6.2	Intangible also include cost of Rs 16.503 million of software "Ship Management Expert System" (SES). SES was being amortised over the useful life of five years and was fully amortised as on June 30, 2009, however, it is still in active use.			

		(Unaudited)		(Audited)	
		September 30, 2023	September 30, 2022	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----			
7.	TRADE DEBTS - unsecured				
	- Due from related parties	7.1	5,668,166	6,055,105	
	- Due from others		2,594,797	3,180,027	
			<u>8,262,963</u>	<u>9,235,132</u>	
	Less: Allowance for expected credit loss (ECL)	7.2	3,350,796	3,266,054	
			<u>4,912,167</u>	<u>5,969,078</u>	

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

	Upto 1 month	1 to 6 months	More than 6 months	(Unaudited) As at September 30, 2023	(Audited) As at June 30, 2023
----- (Rupees in '000) -----					
Pakistan State Oil Company Limited	-	-	2,436,165	2,436,165	2,436,165
Pak Arab Refinery Limited	771,252	92,686	434,314	1,298,252	645,215
Pakistan Refinery Limited	255,712	145,468	248,759	649,939	2,109,870
Sui Northern Gas Pipelines Limited	3,677	100	99	3,876	5,381
District Controller of Stores	3,426	8,186	2,749	14,361	33,371
Embarkation Commandant	28,589	357,401	245,374	631,364	329,995
Officer Commanding PAF	21,690	128,196	180,784	330,670	298,752
Pakistan Ordinance Factory	5,155	77,807	748	83,710	67,847
Others	19,937	14,113	185,779	219,829	128,509
	<u>1,109,438</u>	<u>823,957</u>	<u>3,734,771</u>	<u>5,668,166</u>	<u>6,055,105</u>

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
7.2 Allowance for ECL			
Opening balance		3,266,054	2,244,063
Charged during the period / year		84,742	1,021,991
Closing balance		<u>3,350,796</u>	<u>3,266,054</u>
8. OTHER RECEIVABLES			
- Due from related parties	8.1	358,015	304,208
- Due from others		613,620	360,965
		<u>971,635</u>	<u>665,173</u>
Less: Allowance for ECL	8.2	171,314	171,314
		<u>800,321</u>	<u>493,859</u>
8.1 Related parties:			
- Government of Pakistan		231,611	152,184
- Port Qasim Authority		123,426	149,046
- Karachi Port Trust		2,978	2,978
		<u>358,015</u>	<u>304,208</u>
8.2 Allowance for ECL			
Opening balance		171,314	109,890
Charged during the period / year		-	61,424
Closing balance		<u>171,314</u>	<u>171,314</u>
9. SHORT-TERM INVESTMENTS			
Amortized Cost			
Treasury-bills having maturity of three months or less	9.1	8,403,580	15,376,043
Term-deposits with banks having maturity of more than three months		-	23,000
Term-deposits with banks having maturity of three months or less	9.2	8,682,624	7,897,372
Fair value through profit or loss			
- Units of mutual funds	9.3	14,388,695	3,232,258
		<u>31,474,899</u>	<u>26,505,673</u>
9.1	These have effective interest rates is 22.795% per annum.		
9.2	Mark-up on term-deposits denominated in local / foreign currency ranges from 7.10% to 8.00% (June 30, 2023: 6.25% to 16.65%) per annum.		
		(Unaudited) September 30, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
9.3 Movement of mutual funds			
Opening		3,232,258	104,890
Purchased during the period / year		11,030,000	3,758,000
Dividend reinvested during the period / year		227,163	167,355
Redeemed during the period / year		(100,726)	(797,987)
Closing		<u>14,388,695</u>	<u>3,232,258</u>

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
	Note	------(Rupees in '000)-----	
10. LONG TERM FINANCING - secured			
Financing under syndicate term-finance agreement	10.1	-	2,199,726
Financing under musharika agreement	10.1 & 10.2	3,473,009	5,044,497
		<u>3,473,009</u>	<u>7,244,223</u>
Less: Current portion of long-term financing shown in current liabilities		868,800	4,422,203
		<u>2,604,209</u>	<u>2,822,020</u>

10.1 The financing facilities under syndicate term-finance and musharika agreements obtained during the year ended June 30, 2019, amounting to Rs. 6,500 million and Rs. 4,000 million, respectively with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.35% per annum each. The loan, along with mark-up, has been paid in full on September 22, 2023.

10.2 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 purchase of vessels. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiary companies.

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
	Note	------(Rupees in '000)-----	
11. TRADE AND OTHER PAYABLES			
Creditors		367,460	481,697
Advance from charterers'		60,715	45,557
Accrued liabilities		5,338,004	4,850,248
Agents' and owners' balances		578,412	351,668
Deposits	11.1	68,009	53,735
Withholding tax payable		47,764	49,187
Advance rent		57,544	51,082
Other liabilities		8,054	8,054
		<u>6,525,962</u>	<u>5,891,228</u>

11.1 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.

12. CONTINGENCIES AND COMMITMENTS

Contingencies

12.1 There are no major changes in the status of contingencies as reported in the annual audited consolidated financial statements for the year ended June 30, 2023, except for:

The contingent liability in respect of claims not acknowledged by the Holding Company aggregated to Rs. 535,711 million as of the period end (June 30, 2023: Rs.536,999 millions). These claims mainly relate to deficiencies in shipping documentation, delay in delivery of cargo and damages to cargo. A sum of Rs. 512,350 million (June 30, 2023: Rs. 513,764 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. 23,361 million (June 30, 2023: Rs. 23,235 million) against the aforementioned claims in these consolidated condensed interim financial statements.

		(Unaudited) September 30, 2022	(Audited) June 30, 2023
		------(Rupees in '000)-----	
Commitments			
12.2 Commitments for capital expenditure		32,571	32,571
12.3 Outstanding letters of guarantee		19,669	19,669

- 12.4 The Group has provided an undertaking amounting to USD 11.6 million (Rs. 3,357.28 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.
- 12.5 Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounting to USD 0.417 million (Rs. 120.69 million) and USD 0.192 million (Rs. 55.56 million) respectively.

		(Unaudited)	
		Quarter ended September 30, 2023	Quarter ended September 30, 2022
Note		------(Rupees in '000)-----	
13. FINANCE COST			
Mark-up on long term-financing		397,230	293,372
Bank charges		3,485	1,878
		<u>400,715</u>	<u>295,250</u>
14. TAXATION			
Current tax		796,966	358,012
15. CASH GENERATED FROM OPERATIONS			
Profit before taxation		7,065,816	5,745,688
Adjustments for non-cash charges and other items:			
Depreciation		738,263	559,369
Provision for employees' gratuity		32,537	27,056
Provision for employees' compensated absences		23,571	19,073
Provision for post-retirement medical benefits		2,481	2,189
Provision no longer required written-back		(1,701)	(643)
Income from saving accounts and term-deposits		(1,337,132)	(230,046)
Finance cost		400,715	295,250
Balances written-off		14,929	25,610
Provision for slow moving stores and spares		-	192,471
Impairment loss	7.2	84,743	230,336
(Gain) / Loss on revaluation of long-term investments in listed securities		(1,947)	1,529
Dividend Income		(125,361)	(3,871)
Exchange (gain)		(392,683)	(249,940)
Net increase in damage claims		126	32,112
Working capital changes	15.1	835,754	(2,050,314)
		<u>7,340,111</u>	<u>4,595,869</u>
15.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(481,844)	(1,015,667)
Trade debts - unsecured		957,240	(2,262,400)
Agents' and owners' balances - unsecured		5,800	(7,042)
Loans and advances		(236,119)	85,568
Trade deposits and short-term prepayments		(4,010)	(9,102)
Other receivables		(306,462)	(131,710)
Incomplete voyages		169,895	(175,907)
		104,500	(3,516,260)
(Decrease) / increase in current liabilities:			
Trade and other payables		844,742	1,393,403
Contract liabilities		(113,488)	72,543
		<u>835,754</u>	<u>(2,050,314)</u>
16. CASH AND CASH EQUIVALENTS			
Short-term investments having maturity of three months or less		17,086,204	6,488,500
Cash and bank balances		7,119,160	5,207,242
		<u>24,205,364</u>	<u>11,695,742</u>

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

17.1 Financial risk factor

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

These consolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at June 30, 2023. There have been no changes in risk management policies since the year end.

17.2 Fair value estimation

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

Fair value hierarchy

As at September 30, 2023, the Group's all assets and liabilities are carried at cost less accumulated depreciation / impairment, if any, or at amortised cost except for those mentioned below:

The Holding Company's leasehold-land, buildings on leasehold-land, beach huts and workshop machinery and equipment are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Group's leasehold-land, buildings on leasehold-land, beach huts and workshop machinery and equipment as at June 30, 2023 was performed by an independent valuer.

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

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

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

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

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

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

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

	(Unaudited)			Total
	Level 1	Level 2	Level 3	
September 30, 2023				
(Rupees in '000)				
Assets carried at fair value				
Long-term investments - Fair value through profit or loss	28,974	-	-	28,974
Short-term investments - mutual funds	14,388,695	-	-	14,388,695
	<u>14,417,669</u>	<u>-</u>	<u>-</u>	<u>14,417,669</u>
Leasehold-land	-	-	1,399,780	1,399,780
Buildings on leasehold-land	-	-	884,378	884,378
Beach huts	-	-	23,123	23,123
Workshop machinery and equipments	-	-	45,508	45,508
Investment properties	-	-	4,100,505	4,100,505
	<u>-</u>	<u>-</u>	<u>6,453,294</u>	<u>6,453,294</u>

	(Audited)			Total
	Level 1	Level 2	Level 3	
	June 30, 2023			
	(Rupees in '000)			
Assets carried at fair value				
Long-term investments - Fair value through profit or loss	27,027	-	-	27,027
Short-term investments - mutual funds	3,232,258	-	-	3,232,258
	<u>3,259,285</u>	<u>-</u>	<u>-</u>	<u>3,259,285</u>
Leasehold-land	-	-	1,399,780	1,399,780
Buildings on leasehold-land	-	-	714,565	714,565
Beach huts	-	-	14,590	14,590
Workshop machinery and equipments	-	-	5,727	5,727
Investment properties	-	-	4,100,505	4,100,505
	<u>-</u>	<u>-</u>	<u>6,235,167</u>	<u>6,235,167</u>

18. TRANSACTIONS WITH RELATED PARTIES

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

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

Name and particulars	Relationship with the Group	(Unaudited)	
		Quarter ended September 30, 2023	Quarter ended September 30, 2022
		(Rupees in '000)	
Transactions with State owned / controlled entities			
Freight income		6,409,919	5,089,312
Income from other operating activities		507,637	320,968
Rental income		7,268	3,718
Rental expense		649	1,114
Survey fees		31,025	-
Transactions with other related parties			
Contribution to provident fund	Employees benefit plan	1,179	1,333
Directors' fee and traveling allowances	Key management personnel	2,259	875
Remuneration and other benefits	Key management personnel	18,678	26,372

19. GENERAL

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

20. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 24, 2023 by the Board of Directors of the Holding Company.

Syed Jarar Haider Kazmi
Chief Financial Officer

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

Mr. Ashan Ali Malik
Director



**(UNAUDITED)
UNCONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS
OF PAKISTAN NATIONAL SHIPPING
CORPORATION**

FOR THE QUARTER ENDED
SEPTEMBER 30, 2023

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
		(Rupees in '000)	
ASSETS	Note		
Non-current assets			
Property, plant and equipment	5	2,243,830	2,262,334
Right-of-use assets		80,971	80,971
Intangible assets	6	73,559	73,559
Investment properties		4,100,505	4,100,505
Long-term investments in:			
- Related parties (subsidiaries and an associate)		37,140,378	37,140,378
- Listed companies and an other entity		28,974	27,027
		37,169,352	37,167,405
Long-term loans		26,836	29,454
Deferred taxation		88,651	88,651
		43,783,704	43,802,879
Current assets			
Stores and spares		9,296	9,296
Trade debts - unsecured	7	1,589,803	1,287,505
Agents' and owners' balances - unsecured		6,936	12,736
Loans and advances		9,337,042	9,211,271
Trade deposits and short-term prepayments		40,730	39,300
Interest accrued on bank deposits and short-term investments		111,348	135,116
Other receivables	8	439,835	306,905
Taxation - net		1,056,006	1,411,725
Short-term investments	9	31,443,940	26,482,673
Cash and bank balances		7,117,425	8,378,015
		51,152,361	47,274,542
TOTAL ASSETS		94,936,065	91,077,421
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			
		1,320,634	1,320,634
Reserves			
Capital reserve		126,843	126,843
Revenue reserve - unappropriated profit		14,292,449	12,840,594
Remeasurement of post retirement benefits obligation - net of tax		(194,032)	(194,032)
Surplus on revaluation of property, plant and equipment - net of tax		1,612,524	1,612,524
		15,837,784	14,385,929
		17,158,418	15,706,563
Non-current liabilities			
Long-term financing - secured	10	2,604,209	2,822,020
Lease liabilities		88,547	88,547
Employee benefits		775,456	739,613
		3,468,212	3,650,180
Current liabilities			
Trade and other payables	11	72,672,363	66,391,982
Contract liabilities		470,871	591,831
Provision against damage claims		23,361	23,235
Current portion of long-term financing - secured		868,800	4,422,203
Current portion of lease liabilities		9,648	9,648
Unclaimed dividend		120,566	120,573
Accrued markup on long-term financing		143,826	161,206
		74,309,435	71,720,678
TOTAL LIABILITIES		77,777,647	75,370,858
TOTAL EQUITY AND LIABILITIES		94,936,065	91,077,421
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Syed Jarar Haider Kazmi
Chief Financial Officer



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



Mr. Ahsan Ali Malik
Director

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UNAUDITED)

	Quarter ended September 30, 2023	Quarter ended September 30, 2022
Note	------(Rupees in '000)-----	
REVENUE FROM CONTRACT WITH CUSTOMERS		
Freight income - foreign flag vessels	3,078,903	3,019,478
Service fees	323,631	350,044
Other operating activities	86,589	1,102,163
Workshop income	55,416	36,446
Income from manning service	4,174	6,159
	3,548,713	4,514,290
REVENUE FROM OTHERS		
Rental income	66,632	61,265
	3,615,345	4,575,555
EXPENDITURE		
Fleet expenses	(2,132,352)	(3,059,075)
Vessel management expenses	(259,314)	(212,638)
Real estate expenses	(24,211)	(31,860)
	(2,415,877)	(3,303,573)
GROSS PROFIT		
	1,199,468	1,271,982
Administrative expenses	(104,855)	(127,864)
Impairment loss on financial assets	(41,742)	(200,000)
Other expenses	(116,947)	(90,651)
Other income	1,673,293	617,980
	1,409,749	199,465
OPERATING PROFIT		
	2,609,217	1,471,447
Finance costs	13 (397,597)	(293,596)
PROFIT BEFORE TAXATION		
	2,211,620	1,177,851
Taxation	14 (759,765)	(328,216)
PROFIT FOR THE PERIOD		
	1,451,855	849,635
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME		
	1,451,855	849,635
	------(Rupees)-----	
EARNINGS PER SHARE - basic and diluted		
	10.99	6.43

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Syed Jarar Haider Kazmi
Chief Financial Officer

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

Mr. Ahsan Ali Malik
Director

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UNAUDITED)

	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 01, 2022	1,320,634	126,843	9,321,161	(221,781)	1,623,362	12,170,219
Profit after taxation	-	-	849,635	-	-	849,635
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the first quarter ended September 30, 2022	-	-	849,635	-	-	849,635
Balance as at September 30, 2022	1,320,634	-	10,170,796	(221,781)	1,623,362	13,019,854
Balance as at July 01, 2023	1,320,634	126,843	12,840,594	(194,032)	1,612,524	15,706,563
Profit after taxation	-	-	1,451,855	-	-	1,451,855
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the first quarter ended September 30, 2023	-	-	1,451,855	-	-	1,451,855
Balance as at September 30, 2023	1,320,634	126,843	14,292,449	(194,032)	1,612,524	17,158,418

* 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 20 form an integral part of these unconsolidated condensed interim financial statements.



Syed Jarar Haider Kazmi
Chief Financial Officer



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



Mr. Ahsan Ali Malik
Director

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UNAUDITED)

	Note	Quarter ended September 30, 2023	Quarter ended September 30, 2022
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	6,643,796	(5,557,443)
Employees' gratuity paid		(3,572)	(18,252)
Employees' compensated absences paid		(15,865)	(27,290)
Post-retirement medical benefits paid		(3,307)	(9,841)
Long-term loans		2,618	(7,522)
Finance costs paid		(414,677)	(182,377)
Taxes paid		(404,046)	(159,853)
Net cash generated from / (used in) operating activities		5,804,947	(5,962,578)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,956)	(1,621)
Additions to investment properties		-	(2,034)
Short-term investments made		(11,125,478)	1,123,609
Interest received on short-term investments		1,360,871	323,800
Dividend received		125,361	3,871
Net cash (used in) / generated from investing activities		(9,641,202)	1,447,625
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing repaid		(3,771,214)	(246,893)
Long-term financing obtained		-	4,349,078
Dividend paid		(7)	(18)
Net cash generated (used in) / from financing activities		(3,771,221)	4,102,167
Net increase in cash and cash equivalents		(7,607,476)	(412,786)
Cash and cash equivalents at the beginning of the year		31,628,430	11,582,744
Exchange gain on cash and cash equivalents		182,675	521,690
Cash and cash equivalents at the end of the year	16	24,203,629	11,691,648

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Syed Jarar Haider Kazmi
Chief Financial Officer



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



Mr. Ahsan Ali Malik
Director

PAKISTAN NATIONAL SHIPPING CORPORATION
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UNAUDITED)

1. THE CORPORATION AND ITS OPERATIONS

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

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

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These unconsolidated condensed interim financial statements of the Corporation for the quarter ended September 30, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the financial statements for the year ended June 30, 2023 as these provide an update of previously reported information.

2.2 These unconsolidated condensed interim financial statements comprise of the unconsolidated condensed interim statement of financial position as at September 30, 2023 and the unconsolidated condensed interim statement of profit or loss and other comprehensive income, the unconsolidated condensed interim statement of changes in equity, the unconsolidated condensed interim statement of cash flows and notes thereto for the first quarter ended September 30, 2023.

2.3 The comparative statement of financial position presented in these unconsolidated condensed interim financial statements as at June 30, 2023 has been extracted from the annual audited financial statements of the Corporation for the year ended June 30, 2023 whereas the comparative unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows for the quarter ended September 30, 2022 have been extracted from the unconsolidated condensed interim financial statements of the Corporation for the quarter then ended, which were neither subject to a review nor audit.

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

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2023.

3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

(a) Amendments to published approved accounting standards which are effective during the quarter ended September 30, 2023

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

(b) Standards and amendments to published approved accounting standards that are not yet effective

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

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

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

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the Corporation's unconsolidated annual financial statements for the year ended June 30, 2023.

The Corporation's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2023.

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1 & 5.2	2,189,760	2,208,264
Capital work-in-progress (CWIP)		54,070	54,070
		<u>2,243,830</u>	<u>2,262,334</u>
		(Unaudited)	
		Quarter ended September 30, 2023	Quarter ended September 30, 2022
		----- (Rupees in '000) -----	
5.1	Additions (including transfers from CWIP) during the period:		
	Buildings on leasehold-land	-	288
	Office equipments	528	481
	Furniture and fixtures	340	-
	Computer equipment	1,087	8,513
		<u>1,955</u>	<u>9,282</u>
5.2	Depreciation charge for the period	<u>20,459</u>	<u>16,507</u>
		(Unaudited)	
		September 30, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
6. INTANGIBLE ASSETS			
	Computer Software - CWIP	73,559	73,559
6.1	It represents payments made for DANAOS software which is under development.		
6.2	Intangible also include cost of Rs 16.503 million of software "Ship Management Expert System" (SES). SES was being amortised over the useful life of five years and was fully amortised as on June 30, 2009, however, it is still in active use.		
		(Unaudited)	
		September 30, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
7. TRADE DEBTS - unsecured			
	- Due from related parties	3,142,099	2,789,168
	- Due from others	418,829	427,720
		<u>3,560,928</u>	<u>3,216,888</u>
	Less: Allowance for expected credit loss (ECL)	1,971,125	1,929,383
		<u>1,589,803</u>	<u>1,287,505</u>

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

	Upto 1 month	1 to 6 months	More than 6 months	(Unaudited) As at September 30, 2023	(Audited) As at June 30, 2023
	------(Rupees in '000)-----				
Pakistan State Oil Company Limited	-	-	1,849,834	1,849,834	1,849,833
Pak Arab Refinery Limited	-	7,562	64,260	71,822	64,260
Pakistan Refinery Limited	32,686	7,562	11,219	51,467	11,219
Sui Northern Gas Pipelines Limited	3,677	100	99	3,876	5,381
District Controller of Stores	3,426	8,186	2,749	14,361	33,372
Embarkation Commandant	28,589	357,401	245,374	631,364	329,995
Officer Commanding PAF	21,690	128,196	180,784	330,670	298,752
Pakistan Ordnance Factory	5,155	77,807	748	83,710	67,847
Others	19,937	11,308	73,750	104,995	128,509
	<u>115,160</u>	<u>598,122</u>	<u>2,428,817</u>	<u>3,142,099</u>	<u>2,789,168</u>

	(Unaudited) September 30, 2023	(Audited) June 30, 2023
	------(Rupees in '000)-----	
7.2 Allowance for ECL		
Opening balance	1,929,383	1,296,575
Charged during the period / year	41,742	632,808
Closing balance	<u>1,971,125</u>	<u>1,929,383</u>

8. OTHER RECEIVABLES

- Due from related parties	8.1	358,015	304,208
- Due from others		162,457	83,334
		520,472	387,542
Less: Allowance for ECL	8.2	80,637	80,637
		<u>439,835</u>	<u>306,905</u>

8.1 Related parties:

- Government of Pakistan		231,611	152,184
- Port Qasim Authority		123,426	149,046
- Karachi Port Trust		2,978	2,978
		<u>358,015</u>	<u>304,208</u>

8.2 Allowance for ECL

Opening balance	80,637	46,572
Charged during the period / year	-	34,065
Closing balance	<u>80,637</u>	<u>80,637</u>

9. SHORT-TERM INVESTMENTS

Amortised cost

Treasury-bills having maturity of three months or less	9.1	8,403,580	15,376,043
Term-deposits with banks having maturity of more than three months	9.2	8,682,624	7,874,372

Fair value through profit or loss

- Mutual funds	9.3	14,357,736	3,232,258
		<u>31,443,940</u>	<u>26,482,673</u>

9.1 These have effective interest rates is 22.795% per annum.

9.2 Mark-up on term-deposits denominated in local / foreign currency ranges from 7.10% to 8.00% (June 30, 2023: 6.25% to 16.65%) per annum.

	(Unaudited) September 30, 2023	(Audited) June 30, 2023
	------(Rupees in '000)-----	
9.3 Movement of mutual funds		
Opening	3,232,258	104,890
Purchased during the period / year	11,000,000	3,758,000
Dividend reinvested during the period / year	226,204	167,355
Redeemed during the period / year	(100,726)	(797,987)
Closing	<u>14,357,736</u>	<u>3,232,258</u>

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
	Note	(Rupees in '000)	
10. LONG-TERM FINANCING - secured			
Financing under syndicate term-finance agreement	10.1	-	2,199,726
Financing under musharika agreement	10.1 & 10.2	3,473,009	5,044,497
		<u>3,473,009</u>	<u>7,244,223</u>
Less: Current portion of long-term financing shown in current liabilities		<u>868,600</u>	<u>4,422,203</u>
		<u>2,604,209</u>	<u>2,822,020</u>

10.1 The financing facilities under syndicate term-finance and musharika agreements obtained during the year ended June 30, 2019, amounting to Rs. 6,500 million and Rs. 4,000 million respectively with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.35% per annum each. The loan, along with mark-up, has been paid in full on September 22, 2023.

10.2 During the period, the Corporation has obtained financing facility amounting to Rs. 11,825 million with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 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

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
	Note	(Rupees in '000)	
11. TRADE AND OTHER PAYABLES			
Creditors		28,717	104,621
Current account balances with subsidiary companies		70,524,835	64,483,208
Agents' and owners' balances		577,919	351,668
Accrued liabilities		1,359,793	1,290,704
Deposits	11.1	68,009	53,735
Withholding tax payable		47,492	48,910
Advance rent		57,544	51,082
Other liabilities		8,054	8,054
		<u>72,672,363</u>	<u>66,391,982</u>

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

12. CONTINGENCIES AND COMMITMENTS

Contingencies

12.1 There are no major changes in the status of contingencies as reported in the annual audited unconsolidated financial statements for the year ended June 30, 2023, except for:

The contingent liability in respect of claims not acknowledged by the Corporation aggregated to Rs. 535.711 million as of the period end (June 30, 2023: 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. 512.350 million (June 30, 2023: Rs. 513.764 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. 23.361 million (June 30, 2023: Rs.23.235 million) against the aforementioned claims in these unconsolidated condensed interim financial statements.

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
		(Rupees in '000)	
Commitments			
12.2 Commitments for capital expenditure		<u>32,517</u>	32,517
12.3 Outstanding letters of guarantee		<u>19,669</u>	19,669
12.4 The Corporation has provided an undertaking amounting to USD 11.6 million (Rs. 3,357.28 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.			
12.5 Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounts to USD 0.417 million (Rs. 120.69 million) and USD 0.192 million (Rs. 55.56 million) respectively.			

		(Unaudited)	
		Quarter ended September 30, 2023	Quarter ended September 30, 2022
Note		------(Rupees in '000)-----	
13.	FINANCE COST		
	Mark-up on long-term financing	397,230	293,372
	Bank charges	367	224
		397,597	293,596
14.	TAXATION		
	Current tax	759,765	328,216
15.	CASH GENERATED FROM / (USED IN) OPERATIONS		
	Profit before taxation	2,211,620	1,177,851
	Adjustments for non-cash charges and other items:		
	Depreciation	20,459	16,507
	Provision for employees' gratuity	32,236	27,056
	Provision for employees' compensated absences	23,571	19,073
	Provision for post-retirement medical benefits	2,481	2,189
	Income from saving accounts and term deposits	(1,337,103)	(229,159)
	Finance cost	397,597	293,596
	Impairment loss on financial assets	41,742	200,000
	Provision no longer required written back	-	(638)
	Dividend income	(125,361)	(3,871)
	Exchange (gain)	(290,811)	(362,512)
	(Gain) / Loss on revaluation of long-term investments in listed securities	(1,947)	1,529
	Net increase in damage claims	126	1,239
	Balances written-off	3,428	25,610
	Working capital changes	5,665,758	(6,725,913)
		6,643,796	(5,557,443)
15.1	Working capital changes		
	(Increase) / decrease in current assets:		
	Trade debts - unsecured	(344,040)	(1,658,310)
	Agents' and owners' balances - unsecured	5,800	(7,042)
	Loans and advances	(125,771)	(29,534)
	Trade deposits and short-term prepayments	(1,430)	(7,959)
	Other receivables	(136,358)	(117,369)
		(601,799)	(1,820,214)
	Increase / (decrease) in current liabilities:		
	Trade and other payables	6,388,517	(4,947,661)
	Contract liabilities	(120,960)	41,962
		6,267,557	(4,905,699)
		5,665,758	(6,725,913)
16.	CASH AND CASH EQUIVALENTS		
	Short-term investments having maturity of three months or less	17,086,204	6,488,500
	Cash and bank balances	7,117,425	5,203,148
		24,203,629	11,691,648

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

17.1 Financial risk factors

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

These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Corporation's annual unconsolidated financial statements as at June 30, 2023. There have been no changes in risk management policies since the year end.

17.2 Fair value estimation

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

Fair value hierarchy

As at September 30, 2023, the Corporation's all assets and liabilities are carried at cost less accumulated depreciation / impairment, if any, or at amortised cost except for those mentioned below:

The Corporation's leasehold land, buildings on leasehold-land, beach huts and workshop machinery and equipment are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Corporation's leasehold-land, buildings on leasehold-land, beach huts and workshop machinery and equipment as at June 30, 2023 was performed by an independent valuer.

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

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

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

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

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

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

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

	(Unaudited)			Total
	September 30, 2023			
	Level 1	Level 2	Level 3	
(Rupees in '000)				
Assets carried at fair value				
Long-term investments - Fair value through profit or loss	28,974	-	-	28,974
Short-term investments - mutual funds	14,357,736	-	-	14,357,736
	14,386,710	-	-	14,386,710
Leasehold-land	-	-	1,399,780	1,399,780
Buildings on leasehold-land	-	-	884,378	884,378
Beach huts	-	-	23,123	23,123
Workshop machinery and equipments	-	-	45,508	45,508
Investment properties	-	-	4,100,505	4,100,505
	-	-	6,453,294	6,453,294

	(Audited)			Total
	June 30, 2023			
	Level 1	Level 2	Level 3	
(Rupees in '000)				
Assets carried at fair value				
Long-term investments - Fair value through profit or loss	27,027	-	-	27,027
Short-term investments - mutual funds	3,232,258	-	-	3,232,258
	3,259,285	-	-	3,259,285
Leasehold-land	-	-	1,399,780	1,399,780
Buildings on leasehold-land	-	-	698,697	698,697
Beach huts	-	-	14,590	14,590
Workshop machinery and equipments	-	-	5,727	5,727
Investment properties	-	-	4,100,505	4,100,505
	-	-	6,219,299	6,219,299

18. TRANSACTIONS WITH RELATED PARTIES

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

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

Name and particulars	Relationship with the Corporation	(Unaudited)	
		Quarter ended September 30, 2023	Quarter ended September 30, 2022
-----{Rupees in '000}-----			
Transactions with State owned / controlled entities			
Freight income - foreign flag vessels		2,120,702	1,811,238
Income from operating activities		68,863	15,280
Rental income		7,268	3,718
Rental expenses		649	1,114
Survey Fees		31,025	-
Transactions with subsidiary companies			
Service fee charged to subsidiary companies		323,631	350,044
Retirement benefit costs charged to subsidiary companies		300	196
Transactions with other related parties			
Contribution to provident fund	Employees benefit plan	1,179	1,333
Directors' fee and traveling allowances	Key management personnel	2,259	875
Remuneration and other benefits	Key management personnel	18,678	26,372

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

19. GENERAL

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

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on October 24, 2023 by the Board of Directors of the Corporation.



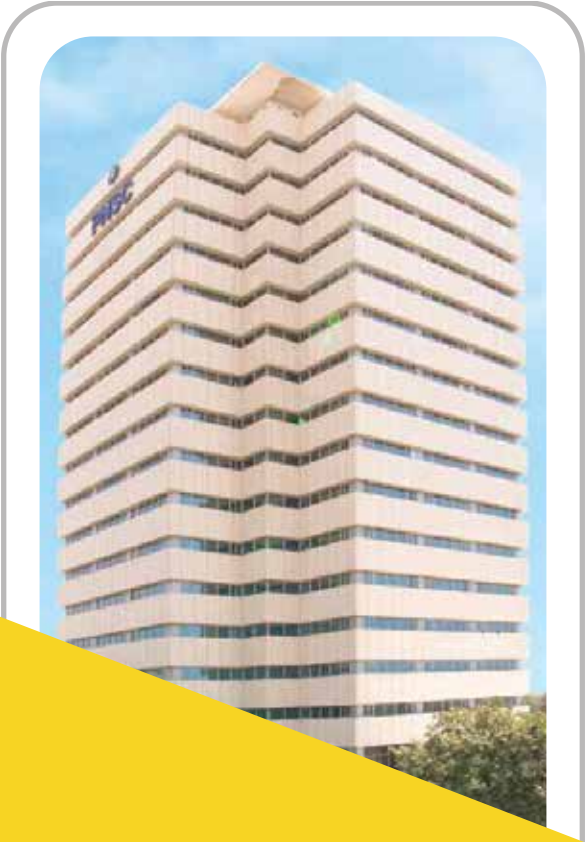
Syed Jarar Haider Kazmi
Chief Financial Officer



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



Mr. Ahsan Ali Malik
Director



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