



Pakistan National Shipping Corporation

Exploring New Horizons

HALF YEARLY REPORT
DECEMBER 31, 2023



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Corporate Information

Board of Directors

1. Rear Admiral Jawad Ahmed, HI(M) CEO
2. Mr. Qumar Sarwar Abbasi Member
Additional Finance Secretary
(Corporate Finance), Finance Division
Islamabad.

3. Mr. Umar Zafar Sheikh Member
Additional Secretary
Ministry of Maritime Affairs,
Islamabad.

4. Mr. Muhammad Ali Member

5. Capt. Sarfaraz Inayatullah Qureshi Member

6. Mr. Ahsan Ali Malik Member

Audit & Finance Committee

1. Mr. Muhammad Ali Chairman
2. Mr. Qumar Sarwar Abbasi Member
3. Mr. Umar Zafar Sheikh Member
4. Mr. Ahsan Ali Malik Member
5. Mr. Faisal Hadi Secretary

HR, Nomination and CSR Committee

1. Mr. Ahsan Ali Malik Chairman
2. Mr. Umar Zafar Sheikh Member
3. Capt. Sarfaraz Inayatullah Member
4. Muhammad Javid Ansari Secretary

Strategy and Risk Management Committee

1. Capt. Sarfaraz Inayatullah Qureshi Chairman
2. Mr. Qumar Sarwar Abbasi Member
3. Mr. Umar Zafar Sheikh 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)
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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
Habib Bank Limited Bahrain

PAKISTAN NATIONAL SHIPPING CORPORATION DIRECTORS' REPORT FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

The Board of Directors of Pakistan National Shipping Corporation (PNSC) is pleased to present the Consolidated and unconsolidated condensed interim financial statements of Group and PNSC for the six months period ended December 31, 2023. These financial statements of the Corporation have undergone a limited scope review by the external auditors pursuant to the statutory requirements of the Companies Act, 2017.

PERFORMANCE REVIEW

During the current period, the pivotal financial macroeconomic indicators USD PKR parity and interest rate (KIBOR) showed upward movement by 27% and 4% respectively. The decline in bulk carrier time charter rates approximately by 54% in import and export business of the country have also had significant impact on maritime sector of Pakistan.

Under the influence of global and local economic conditions and trend, the PNSC Group has recorded a profit after tax of Rs.9.49 billion as against Rs.11.99 billion in the corresponding period last year. The Groups net profit margin declined slightly from 41% in the corresponding period last year to 40%.

Cumulatively, the Group achieved a turnover of Rs.23.93 billion (PNSC: Rs.6.42 billion) as compared to Rs.29.12 billion (PNSC: Rs.8.10 billion) for the corresponding period last year. The reason for decrease in revenue is decline in dry cargo segment revenue by Rs.2.47 billion, owned tankers segment by Rs.2.01 billion and foreign chartering revenue by Rs.0.72 billion respectively. The main factors affecting revenue from oil transportation of the Group as a whole is decrease in average AFRA rate from 219 to 155. However, upward trend in the average exchange rate negated the financial impact of decline in AFRA. Additionally, the fact that the Group has an ageing fleet necessitated major dry-docking and repair and maintenance activity. Group earnings per share declined to Rs.71.86 as against Rs.90.74 in the corresponding period last year.

The PNSC standalone results reflect a profit after tax of Rs.2.40 billion as compared to profit after tax of Rs.1.49 billion in the corresponding period of the last year. PNSC was able to effectively utilize the funds available during the period. Thus, was able to derive income from its investments amounting to Rs.3.26 billion as compared to Rs.0.62 billion in the corresponding period last year.

During the current period, PNSC was able to pay in full the loans obtained for Bolan and Khairpur in September 2023. Thus, resulting in saving of Finance Cost.

Board and its Committees

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

Sr. No.	Name of Directors	Board	Strategy and Risk Management Committee	Audit & Finance Committee	HR, Nomination & CSR Committee	Vessel Procurement Committee
1	Rear Admiral Jawad Ahmed HI(M) (upto Dec 3 rd 2023)	Chairman	-	-	-	-
2	Rear Admiral Jawad Ahmed HI(M) (assumed charge on Dec 4 th 2023)	Chief Executive Officer	-	-	-	Chairman
3	Mr. Umar Zafar Sheikh Additional Secretary of Ministry of Maritime Affairs Islamabad (w.e.f. Nov. 27 th 2023)	Non-Executive Director	Member	Member	Member	-
4	Mr. Qumar Sarwar Abbasi Additional Finance Secretary (Corporate Finance) Finance Division Islamabad (w.e.f. Apr 14 th 2023)	Non-Executive Director	Member	Member	-	Member

5	Ms. Alia Shahid The Director General (Ports & Shipping) Ministry of Maritime Affairs, Karachi. (upto Nov 30 th 2023)	Non-Executive Director	-	-	-	-
6	Mr. Muhammad Ali (w.e.f. Dec. 29 2021)	Non-Executive Director	Member	Chairman	-	Member
7	Mr. Ahsan Ali Malik (w.e.f. Oct. 28 th 2022)	Non-Executive Director	-	Member	Chairman	-
8	Capt. Sarfaraz Inayatullah (w.e.f. Oct. 28 th 2022)	Non-Executive Director	Chairman	-	Member	Member

FUTURE PROSPECTS

Dry Bulk Market

The outlook for the bulker market appears moderate, albeit with scope for some gradual improvements. Current projections suggest bulker demand growth (~1.5%) may fall slightly short of fleet growth (~2.3%), despite a limited delivery schedule and potentially increased demolition. However, a number of positive factors have potential to support markets, including slower speeds and increased EST retrofit time as environmental regulations impact.

Tanker Market

The crude tanker demand outlook appears healthy in the medium term, with seaborne crude trade projected to grow by 2.6% in 2024, with gains led by the Americas on the back of strong production growth. The tanker order book remains at a historically moderate level; now equivalent to 7% of fleet capacity, though up from a record low of 4% in April, 2023 amid a pick-up in contracting. Emissions regulations could have a moderating impact on active tanker supply, e.g. compliance with CII could potentially reduce available tanker supply through slower speeds and retrofit time.

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)
Chief Executive Officer

Director

Karachi
February 27th, 2024

خشک بلک مارکیٹ

بلک مارکیٹ کا تناظر اعتدال پسند دکھائی دیتا ہے، البتہ کچھ بتدریج بہتری کی گنجائش موجود ہے۔ موجودہ تخمینوں سے پتہ چلتا ہے کہ ڈبلیوری کے محدود شیڈول اور ممکنہ طور پر انہدام میں اضافے کے باوجود زیادہ طلب میں اضافہ (~1.5%) فلیٹ میں بہتری (~2.3%) سے قدرے کم ہو سکتا ہے۔ تاہم، متعدد مثبت عوامل مارکیٹوں کو سپورٹ کرنے کی صلاحیت رکھتے ہیں، بشمول سست رفتار اور ماحولیاتی ضوابط کے اثرات کے طور پر EST ریٹروفٹ وقت میں اضافہ۔

ٹینکر کا شعبہ

2024 میں سمندری تیل کی تجارت میں % 2.6 فیصد اضافے کے تخمینے اور پیداوار کی مستحکم ترقی کے باعث امریکہ سے ہونے والے فوائد کے باعث درمیانی مدت میں خام ٹینکر کی طلب کا تناظر مستحکم دکھائی دیتا ہے۔ ٹینکر کی آرڈر بک تاریخی اعتبار سے معتدل سطح پر ہے؛ جو اب فلیٹ کی گنجائش کے % 7 کے مساوی ہے، جو البتہ معاہدوں میں اضافے کی وجہ سے اپریل 2023 کی % 4 کی ریکارڈ کم ترین سطح سے زیادہ ہے۔ اخراج کے ضوابط فعال ٹینکر کی فراہمی پر درمیانے اثرات ڈال سکتے ہیں، مثلاً CII کی تعمیل ممکنہ طور پر سست رفتار اور ریٹروفٹ وقت کے ذریعے دستیاب ٹینکر کی سپلائی کو کم کر سکتی ہے۔

اظہار تشکر

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

ڈائریکٹر

ریٹز ایڈمرل جو ادا احمد بلال اتیان (ملٹری)

چیف ایگزیکٹو آفیسر

کراچی

27 فروری، 2024

چھ ماہ کے دوران کارپوریشن کے بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کے ارکان کے نام درج ذیل ہیں:

نمبر شمار	ڈائریکٹر کا نام	بورڈ	سڑ پٹی اور رسک مینجمنٹ کمیٹی	آڈٹ اور فنانس کمیٹی	انچ آر، نامزدگی اور سی ایس آر کمیٹی	وسیل پروکیورمنٹ کمیٹی
1	ریز ایڈمرل جواد احمد بال اتیاز (ملٹری) (3 دسمبر، 2023 تک)	چیئر مین	-	-	-	-
2	ریز ایڈمرل جواد احمد بال اتیاز (ملٹری) (4 دسمبر، 2023 کو عہدہ سنبھالا)	چیف ایگزیکٹو آفیسر	-	-	-	چیئر مین
3	جناب عمر ظفر شیخ ایڈیشنل سیکرٹری وزارت سمندری امور اسلام آباد (مؤثر تاریخ 27 نومبر، 2023)	نان ایگزیکٹو ڈائریکٹر	ممبر	ممبر	ممبر	-
4	جناب قمر سرد عباسی ایڈیشنل فنانس سیکرٹری (کارپوریٹ فنانس) فنانس ڈویژن اسلام آباد (مؤثر تاریخ 14 اپریل، 2023)	نان ایگزیکٹو ڈائریکٹر	ممبر	ممبر	-	ممبر
5	محترمہ عالیہ شاہد ڈائریکٹر جنرل (پورٹس اور شیپنگ) وزارت سمندری امور، کراچی (30 نومبر، 2023 تک)	نان ایگزیکٹو ڈائریکٹر	-	-	-	-
6	جناب محمد علی (مؤثر تاریخ 29 دسمبر، 2021)	نان ایگزیکٹو ڈائریکٹر	ممبر	چیئر مین	-	ممبر
7	جناب احسن علی ملک (مؤثر تاریخ 28 اکتوبر، 2022)	نان ایگزیکٹو ڈائریکٹر	-	ممبر	چیئر مین	-
8	کپٹن سرفراز عنایت اللہ (مؤثر تاریخ 28 اکتوبر، 2022)	نان ایگزیکٹو ڈائریکٹر	چیئر مین	-	ممبر	ممبر

پاکستان نیشنل شپنگ کارپوریشن ڈائریکٹرز رپورٹ برائے ششماہی اختتام ارا 31 دسمبر، 2023

پاکستان نیشنل شپنگ کارپوریشن (پی این ایس سی) کے بورڈ آف ڈائریکٹرز گروپ اور PNSC کے منظم اور متفرق عبوری مالیاتی گوشوارے برائے چھ ماہ، اختتام از 31 دسمبر، 2023 بخوشی پیش کر رہے ہیں۔ کارپوریشن کے ان مالیاتی گوشواروں کا کمپنیز ایکٹ 2017 کے قانونی تقاضوں کے مطابق بیرونی آڈیٹرز نے محدود جائزہ لیا ہے۔

کارکردگی کا جائزہ

موجودہ دورانیے میں، اہم مالیاتی میٹریکس اور ایکناک اشاریہ امریکی ڈالر روپے کے توازن اور شرح سود (KIBOR) نے بالترتیب % 4 اور % 27 کی بہتری ظاہر کی۔ ملک کے درآمدی اور برآمدی کاروبار میں بلک کیریئر ٹائم چارٹر کے نرخوں میں تقریباً % 54 کی کمی نے پاکستان کے میری ٹائم شعبے پر کئی نمایاں اثر ڈالا ہے۔

عالمی اور مقامی اقتصادی حالات اور رجحان کے زیر اثر، پی این ایس سی گروپ نے گزشتہ سال اسی دورانیے میں 11.99 بلین روپے کے مقابلے میں 9.49 بلین روپے کا بعد از ٹیکس منافع حاصل کیا ہے۔ گروپس کے خالص منافع کاروبار جن گزشتہ سال اسی دورانیے میں % 41 سے کچھ کم ہو کر % 40 رہا۔

مجموعی طور پر، گروپ نے گزشتہ سال اسی دورانیے میں 29.12 بلین روپے (پی این ایس سی: 8.10 بلین روپے) کے مقابلے میں 23.93 بلین روپے (پی این ایس سی: 6.42 بلین روپے) کا کاروبار حاصل کیا۔ محصولات میں کمی کی وجہ بالترتیب خشک کارگو شعبہ کی آمدن میں 2.47 بلین روپے، زیر ملکیت ٹینکرز کے شعبہ میں 2.01 بلین روپے اور غیر ملکی چارٹرنگ کی آمدن میں 0.72 بلین روپے کی کمی ہے۔ مجموعی طور پر گروپ کی تیل کی نقل و حمل سے آمدن کو متاثر کرنے والے اہم عوامل AFRA کی اوسط شرح میں 219 سے 155 تک کی کمی ہے۔ تاہم، اوسط شرح مبادلہ میں اضافے کے رجحان نے AFRA میں کمی کے مالی اثرات کی نفی کی۔ مزید برآں، گروپ کے پاس پرانے فلیٹ کی وجہ سے زیادہ ڈرائی ڈانگ اور مرمت اور دیکھ بھال کی سرگرمیوں کی ضرورت پڑی۔ گروپ کی فی شخص آمدن گزشتہ سال اسی دورانیے میں 90.74 روپے کے مقابلے میں کم ہو کر 71.86 روپے رہی۔

صرف پی این ایس سی کے نتائج گزشتہ سال اسی دورانیے میں 1.49 بلین روپے بعد از ٹیکس منافع کے مقابلے میں 2.40 بلین روپے بعد از ٹیکس منافع ظاہر کرتے ہیں۔ پی این ایس سی اس مدت کے دوران دستیاب فنڈز کو موثر طریقے سے استعمال کرنے میں کامیاب رہا۔ اس طرح، اپنی سرمایہ کاری سے گزشتہ سال اسی دورانیے میں 3.26 بلین روپے کے مقابلے میں 0.62 روپے کی آمدن حاصل کرنے میں کامیاب رہا۔

موجودہ دورانیے میں، پی این ایس سی ستمبر 2023 میں بولان اور خیر پور کے لیے حاصل کیے گئے قرضوں کی مکمل ادائیگی کرنے میں کامیاب رہا۔ اس طرح، یہ مالی لاگت میں بچت کا باعث بنا۔

Grant Thornton Anjum Rahman
Chartered Accountants
1st & 3rd Floor, Modern Motors House,
Beaumont Road,
Karachi - 75530, Pakistan

Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8,
KCHSU, Shahrah-e-Faisal,
Karachi - 75350, Pakistan

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Pakistan National Shipping Corporation

Report on review of unconsolidated condensed interim financial statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Pakistan National Shipping Corporation (the Corporation) as at December 31, 2023, and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-inafter referred to as the 'unconsolidated condensed interim financial statements'). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matters

The figures for the quarter ended December 31, 2023 and December 31, 2022 in the unconsolidated condensed interim financial statements have not been reviewed and we do not express a conclusion on them.

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



Grant Thornton Anjum Rahman
Chartered Accountants

Place: Karachi
Date: February 28, 2024
UDIN: RR202310093kRhnFpv9L



Yousuf Adil
Chartered Accountants

Place: Karachi
Date: February 28, 2024
UDIN: RR202310186NPjhAu503

PNSC Managed Fleet

TANKERS

Vessel: **M.T MARDAN**

Built: Japan



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

Length Overall (M): 246.80

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

FOR THE HALF YEAR ENDED
DECEMBER 31, 2023

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,231,481	2,262,334
Right-of-use assets		9,416	80,971
Intangible assets		74,757	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		39,959	27,027
		37,180,337	37,167,405
Long-term loans		23,457	29,454
Deferred taxation		79,429	88,651
		43,699,382	43,802,879
Current assets			
Stores and spares		9,296	9,296
Trade debts - unsecured	6	1,668,608	1,287,505
Agents' and owners' balances - unsecured		10,652	12,736
Loans and advances		9,137,142	9,211,271
Trade deposits and short-term prepayments		36,844	39,300
Contract assets		10,547	-
Interest accrued on bank deposits and short-term investments		431,640	135,116
Other receivables	7	398,022	306,905
Taxation - net		646,047	1,411,725
Short-term investments	8	33,520,175	26,482,673
Cash and bank balances		7,815,018	8,378,015
		53,683,991	47,274,542
		97,383,373	91,077,421
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
		2,000,000	2,000,000
Issued, subscribed and paid-up share capital			
		1,320,634	1,320,634
Reserves			
Capital reserve		126,843	126,843
Revenue reserve - unappropriated profit		13,264,464	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		1,613,189	1,612,524
		14,810,464	14,385,929
		16,131,098	15,706,563
Non-current liabilities			
Long-term financing - secured	9	2,385,810	2,822,020
Lease liabilities		10,696	88,547
Employee's benefits		616,333	739,613
		3,012,839	3,650,180
Current liabilities			
Trade and other payables	10	74,942,371	66,340,900
Contract liabilities		368,531	642,913
Provision against damage claims		23,365	23,235
Current portion of long-term financing - secured	9	868,800	4,422,203
Current portion of lease liabilities		2,571	9,648
Unclaimed dividend		171,360	120,573
Dividend payable	11	1,734,506	-
Accrued markup on long-term financing		127,932	161,206
		78,239,436	71,720,678
		81,252,275	75,370,858
TOTAL LIABILITIES			
TOTAL EQUITY AND LIABILITIES			
		97,383,373	91,077,421
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


Syed Jarar Haider Kazmi
 Chief Financial Officer


Rear Admiral Jawad Ahmed HI(M)
 Chief Executive Officer


Muhammad Ali
 Director

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	Quarter ended December 31, 2023	Quarter ended December 31, 2022	Half year ended December 31, 2023	Half year ended December 31, 2022
Note	------(Rupees in '000)-----			
REVENUE FROM CONTRACT WITH CUSTOMERS				
Freight income - foreign flag vessels	2,291,712	3,008,031	5,370,615	6,027,509
Service fees	266,340	410,980	589,971	761,024
Other operating activities	118,688	6,777	205,277	1,069,163
Workshop income	38,651	62,479	94,067	112,297
Income from manning service	14,520	1,946	18,694	8,105
	2,729,911	3,490,213	6,278,624	7,978,098
REVENUE FROM OTHERS				
Rental income	79,122	63,227	145,754	124,492
	2,809,033	3,553,440	6,424,378	8,102,590
EXPENDITURE				
Fleet expenses	(1,779,109)	(2,404,671)	(3,911,461)	(5,423,969)
Vessel management expenses	(368,790)	(271,665)	(628,104)	(484,303)
Real estate expenses	(34,313)	(23,435)	(58,524)	(55,295)
	(2,182,212)	(2,699,771)	(4,598,089)	(5,963,567)
GROSS PROFIT				
	626,821	853,669	1,826,289	2,139,023
Administrative expenses	(136,819)	(124,853)	(241,674)	(252,717)
Impairment loss on financial assets	(72,799)	(432,637)	(114,541)	(632,637)
Other expenses	27,629	(29,532)	(286,500)	(120,183)
Other income	1,870,043	666,440	3,346,154	1,271,090
	1,688,054	79,418	2,703,439	265,553
OPERATING PROFIT				
	2,314,875	933,087	4,529,728	2,404,576
Finance costs	(188,213)	(352,394)	(585,810)	(646,032)
	2,126,662	580,693	3,943,918	1,758,544
PROFIT BEFORE TAXATION				
Taxation	(783,348)	57,828	(1,543,113)	(270,388)
	1,343,314	638,521	2,400,805	1,488,156
PROFIT FOR THE PERIOD				
	1,343,314	638,521	2,400,805	1,488,156
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be transferred subsequently to profit or loss</i>				
Deferred tax related to change of rate surplus of revaluation	4,681	2,721	4,681	2,721
	1,347,995	641,242	2,405,486	1,490,877
------(Rupees in '000)-----				
EARNINGS PER SHARE - basic and diluted				
	10.17	4.83	18.18	11.27

The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


Syed Jarar Haider Kazmi
 Chief Financial Officer


Rear Admiral Jawad Ahmed HI(M)
 Chief Executive Officer


Muhammad Ali
 Director

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 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
Transactions 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)
Profit for the period	-	-	1,488,156	-	-	1,488,156
Other comprehensive income	-	-	-	-	2,721	2,721
Total comprehensive income for the half year ended December 31, 2022	-	-	1,488,156	-	2,721	1,490,877
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	3,600	-	(3,600)	-
Balance as at December 31, 2022	1,320,634	126,843	10,152,600	(221,781)	1,622,483	13,000,779
Balance as at July 01, 2023	1,320,634	126,843	12,840,594	(194,032)	1,612,524	15,706,563
Transactions with owners						
Final cash dividend for the year ended June 30, 2023 (Rs. 15 per ordinary share of Rs.10 each)	-	-	(1,980,951)	-	-	(1,980,951)
Profit for the period	-	-	2,400,805	-	-	2,400,805
Other comprehensive income	-	-	-	-	4,681	4,681
Total comprehensive income for the half year ended December 31, 2023	-	-	2,400,805	-	4,681	2,405,486
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	4,016	-	(4,016)	-
Balance as at December 31, 2023	1,320,634	126,843	13,264,464	(194,032)	1,613,189	16,131,098

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


Syed Jafar Haider Kazmi
 Chief Financial Officer


Rear Admiral Jawad Ahmed HI(M)
 Chief Executive Officer


Muhammad Ali
 Director

PAKISTAN NATIONAL SHIPPING CORPORATION
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

		Half year ended December 31, 2023	Half year ended December 31, 2022
	Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	17	9,368,691	(2,505,780)
Employees' gratuity paid		(18,541)	(29,486)
Employees' compensated absences paid		(34,523)	(43,379)
Post-retirement medical benefits paid		(6,726)	(13,484)
Finance costs paid		(617,825)	(521,477)
Taxes paid		(763,534)	(632,489)
Long-term loans		5,997	(7,869)
Net cash generated from / (used in) operating activities		7,933,539	(3,753,964)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(9,295)	(28,534)
Purchase of intangible assets		(1,307)	-
Additions to investment properties		-	(2,079)
Short-term investments made		(21,405,070)	(3,897,601)
Return on short term investments and bank balances received		1,934,632	713,734
Dividend received		1,028,663	10,925
Net cash used in investing activities		(18,452,377)	(3,203,555)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing repaid		(3,989,613)	(693,010)
Long-term financing obtained		-	4,344,000
Lease rentals paid		(9,876)	(1,796)
Dividend paid		(195,658)	(643,093)
Net cash (used in) / generated from financing activities		(4,195,147)	3,006,101
Net decrease in cash and cash equivalents		(14,713,985)	(3,951,418)
Cash and cash equivalents at the beginning of the year		31,628,430	11,582,744
Exchange (loss) / gain on cash and cash equivalents		(216,580)	682,424
Cash and cash equivalents at the end of the year	18	16,697,865	8,313,750

The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


Syed Jafar Haider Kazmi
 Chief Financial Officer


Rear Admiral Jawad Ahmed HI(M)
 Chief Executive Officer


Muhammad Ali
 Director

PAKISTAN NATIONAL SHIPPING CORPORATION
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

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.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the financial statements for the year ended June 30, 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 December 31, 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 half year ended December 31, 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 half year ended December 31, 2022 have been extracted from the unconsolidated condensed interim financial statements of the Corporation for the half year then ended.

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

2.5 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.

2.6 Basis of measurement

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

2.7 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICIES

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.

3.1 Amendments to accounting standards that are effective

There are certain amendments to accounting standards which are mandatory for the Corporation's annual accounting period which began on July 1, 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.

3.2 Amendments to accounting standards that are not yet effective

Certain amendments to the accounting standards which are not yet effective, 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 AND ASSUMPTIONS

The preparation of unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, however, actual results may differ from these estimates. Estimates and 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.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1 & 5.2	2,177,411	2,208,264
Capital work-in-progress (CWIP)		54,070	54,070
		<u>2,231,481</u>	<u>2,262,334</u>
		<u>(Unaudited)</u>	
		Half year ended December 31 2023	Half year ended December 31 2022
		----- (Rupees in '000) -----	
5.1 Additions (including transfers from CWIP) during the period:			
Buildings on leasehold land		-	288
Office equipment		3,405	958
Furniture and fittings		2,301	489
Computer equipment		3,589	24,608
Vehicles		-	9,852
		<u>9,295</u>	<u>36,195</u>
5.2 Depreciation charge for the period		<u>40,148</u>	<u>33,540</u>
6. TRADE DEBTS - unsecured			
- Due from related parties	6.1	3,218,244	2,789,168
- Due from others		458,809	427,720
		<u>3,677,053</u>	<u>3,216,888</u>
Allowance for expected credit loss	6.2	<u>(2,008,445)</u>	<u>(1,929,383)</u>
		<u>1,668,608</u>	<u>1,287,505</u>

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

	(Unaudited)				(Audited)
	Upto 1 month	1 to 6 months	More than 6 months	As at December 31, 2023	As at June 30, 2023
	------(Rupees in '000)-----				
Pakistan State Oil Company Limited	-	-	1,849,833	1,849,833	1,849,833
Pak Arab Refinery Limited	-	4,500	64,260	68,760	64,260
Pakistan Refinery Limited	-	44,618	11,219	55,837	11,219
Sui Northern Gas Pipelines Limited	225,593	1,344	199	227,136	5,381
District Controller of Stores	26,587	184	2,749	29,520	33,372
Embarkation Commandant	1,024	340,036	253,506	594,566	329,995
Officer Commanding (PAF)	123,314	65,869	63,989	253,172	298,752
Pakistan Ordnance Factory	5,567	21,856	-	27,423	67,847
Others	10,912	23,816	77,269	111,997	128,509
	<u>392,997</u>	<u>502,223</u>	<u>2,323,024</u>	<u>3,218,244</u>	<u>2,789,168</u>

	(Unaudited)	(Audited)
	December 31,	June 30,
	2023	2023
Note	------(Rupees in '000)-----	

6.2 Allowance for expected credit loss

Opening balance	1,929,383	1,296,575
Charged during the period / year	82,490	632,808
Written-off	(3,428)	-
Closing balance	<u>2,008,445</u>	<u>1,929,383</u>

7. OTHER RECEIVABLES

- Due from related parties	7.1	414,442	304,208
- Due from others		<u>94,403</u>	<u>83,334</u>
		508,845	387,542
Allowance for expected credit loss	7.2	<u>(110,823)</u>	<u>(80,637)</u>
		<u>398,022</u>	<u>306,905</u>

7.1 Related parties:

- Government of Pakistan	231,612	152,184
- Port Qasim Authority	146,230	149,046
- Karachi Port Trust	2,978	2,978
- National Insurance Company Limited	33,622	-
	<u>414,442</u>	<u>304,208</u>

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
7.2 Allowance for expected credit loss			
Opening balance		80,637	46,572
Charged during the period / year		30,186	68,505
Written-off		-	(34,440)
Closing balance		<u>110,823</u>	<u>80,637</u>

8. SHORT-TERM INVESTMENTS

Amortised cost

Treasury-bills having maturity of three months or less	8.1	422,837	15,376,043
Term-deposits with banks having maturity of three months or less	8.2	8,460,010	7,874,372
Term-deposits with banks having maturity of more than three months	8.2	6,000,000	-

Fair value through profit or loss

- Units of Mutual funds	8.3	<u>18,637,328</u>	<u>3,232,258</u>
		<u>33,520,175</u>	<u>26,482,673</u>

8.1 These have effective interest rate of 22.79% (June 30, 2023: 15.62% to 21.99%) per annum.

8.2 Mark-up on term-deposits denominated in local currency is 22.44% (June 30, 2023: 15.5% to 16.65%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges between 6.25% to 8.20% (June 30, 2023: 3% to 6.5%) per annum.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
8.3 Movement of mutual funds			
Opening		3,232,258	104,890
Purchased during the period / year		25,753,472	3,758,000
Dividend reinvested during the period / year		908,604	167,355
Redeemed during the period / year		<u>(11,257,006)</u>	<u>(797,987)</u>
Closing		<u>18,637,328</u>	<u>3,232,258</u>

9. LONG-TERM FINANCING - secured

- Financing under syndicate term-finance agreement	9.1	-	2,199,726
- Financing under musharika agreement	9.1 & 9.2	<u>3,254,610</u>	<u>5,044,497</u>
		3,254,610	7,244,223
Current portion of long-term financing		<u>(868,800)</u>	<u>(4,422,203)</u>
		<u>2,385,810</u>	<u>2,822,020</u>

9.1 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 carried 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.

9.2 The Corporation has obtained financing facility during the year ended June 30, 2023 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) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
10. TRADE AND OTHER PAYABLES		
Creditors	71,490	104,621
Current account balances with subsidiary companies	72,694,030	64,483,208
Agents' and owners' balances	560,821	351,668
Accrued liabilities	1,503,384	1,290,704
Deposits	54,707	53,735
Withholding tax payable	49,885	48,910
Other liabilities	8,054	8,054
	<u>74,942,371</u>	<u>66,340,900</u>

11. DIVIDEND PAYABLE

Due to Government of Pakistan	<u>1,734,506</u>	<u>-</u>
-------------------------------	------------------	----------

During the current period, the Corporation declared final dividend for the year ended June 30, 2023 amounting to Rs. 1,734.5 million . The above represents dividend payable to Government of Pakistan which has been subsequently paid.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

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

During the year ended June 30, 2023, the Assistant commissioner inland revenue (ACIR) vide order dated January 23, 2023 proceeded to amend the assessment under the provisions of section 122(5A) of the Income Tax Ordinance, 2001 in respect of tax year 2022. The taxable income was recomputed by locating 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. 658 million was raised. During half year ended December 31 ,2023, the Corporation filed an appeal with the Commissioner Inland Revenue (Appeals) CIR (A), which was decided vide order dated November 13, 2023. The CIR(A) in its order remanded back certain matters, while giving decision in favour and against of the Corporation on certain other matters. Being aggrieved with the order, management filed an appeal with Appellate Tribunal Inland Revenue (ATIR). The management, in consultation with its tax advisor, is confident that the above matter will eventually be decided in favour of the Corporation.

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
12.2 Commitments		
Outstanding letters of guarantee	<u>24,082</u>	<u>19,669</u>

13. OTHER EXPENSES

These include reversal of provision for employee benefit amounting to Rs. 180.6 million. The Corporation operates an unfunded gratuity scheme for contractual employees. During the period, the Corporation has changed its employee benefit plan for the recording of gratuity scheme from gross salary to basic salary with effect from July 1, 2023. Accordingly, provision is made in these unconsolidated condensed interim financial statements as per revised basis in accordance with actuarial valuation carried out as of December 31, 2023.

	(Unaudited)			
	Quarter ended December 31, 2023	Quarter ended December 31, 2022	Half year ended December 31, 2023	Half year ended December 31, 2022
	(Rupees in '000)			

14. OTHER INCOME

Income from saving accounts and term deposits	894,053	376,319	2,231,156	605,478
Dividend income				
- Mutual funds	901,807	5,060	1,027,168	8,931
- Listed Companies	1,495	1,994	1,495	1,994
Exchange gain	-	257,163	-	621,552
Unrealised gain on revaluation of investment in listed companies	10,985	-	12,932	-
Income from long-term loans to employees	1,206	1,065	2,704	2,547
Liabilities no longer to payable written back	12,812	(638)	12,812	-
Agency fee	8,485	15,237	13,737	19,816
Income from recovery of HVAC charges	19,611	1,583	23,431	1,583
Gain on termination of lease contracts	6,989	-	6,989	-
Others	12,600	8,657	13,730	9,189
	<u>1,870,043</u>	<u>666,440</u>	<u>3,346,154</u>	<u>1,271,090</u>

15. FINANCE COST

Mark-up on long-term financing	186,476	347,086	583,706	640,458
Mark-up on lease liabilities	1,259	4,364	1,259	4,364
Bank charges	478	944	845	1,210
	<u>188,213</u>	<u>352,394</u>	<u>585,810</u>	<u>646,032</u>

16. TAXATION

Tax charge for:

- current year	759,315	123,955	1,519,080	452,171
- prior year expense / (income)	10,130	(160,311)	10,130	(160,311)
	<u>769,445</u>	<u>(36,356)</u>	<u>1,529,210</u>	<u>291,860</u>
- Deferred tax expense / (income)	13,903	(21,472)	13,903	(21,472)
Taxation expense / (income)	<u>783,348</u>	<u>(57,828)</u>	<u>1,543,113</u>	<u>270,388</u>

	Note	Unaudited	
		Half year ended December 31, 2023	Half year ended December 31, 2022
		(Rupees in '000)	
17. CASH GENERATED FROM / (USED IN) OPERATIONS			
Profit before taxation		3,943,918	1,758,544
Adjustments for non-cash charges and other items:			
Depreciation on:			
Property, plant and equipment		40,148	33,540
Right-of-use assets		2,234	6,140
Amortization		109	
Provision for employees' gratuity		(116,193)	54,180
Provision for employees' compensated absences		47,741	38,145
Provision for post-retirement medical benefits		4,963	6,165
Provision for workers' profit participation fund		134,592	-
Income from saving accounts and term deposits		(2,231,166)	(605,478)
Finance cost:			
Long term financing		584,551	640,458
Lease liabilities		1,259	4,364
Dividend income:			
Mutual funds		(1,027,168)	(8,931)
Listed Companies		(1,495)	(1,994)
Impairment loss / (reversal) on:			
Trade debts		82,490	602,444
Other receivables		30,186	29,072
Agents' and owners' balances		1,865	1,120
(Gain) / loss on revaluation of long-term investments in listed securities		(12,932)	4,795
Gain on termination of lease contracts		(6,989)	-
Unrealised loss / (gain) on revaluation of foreign currency		213,221	(530,694)
Loss / (gain) on revaluation of foreign currency		216,580	(682,424)
Working capital changes	17.1	7,460,767	(3,855,227)
		<u>9,368,691</u>	<u>(2,505,780)</u>
17.1 Working capital changes			
(Increase) / decrease in current assets			
Trade debts - unsecured		(463,593)	(1,231,796)
Agents' and owners' balances - unsecured		219	258
Loans and advances		74,129	(30,232)
Trade deposits and short-term prepayments		2,456	714
Contract assets		(10,547)	-
Other receivables		(121,303)	(153,741)
Incomplete voyages		-	(621,491)
		(518,639)	(2,036,288)
Increase / (decrease) in current liabilities			
Trade and other payables		8,253,658	(1,823,024)
Net increase in provision for damage claims		130	1,098
Contract liabilities		(274,382)	2,987
		7,979,406	(1,818,939)
		<u>7,460,767</u>	<u>(3,855,227)</u>
18. CASH AND CASH EQUIVALENTS			
Short-term investments having maturity of three months or less	8	8,882,847	4,328,591
Cash and bank balances		7,815,018	3,985,159
		<u>16,697,865</u>	<u>8,313,750</u>

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

19.1 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 for the year ended June 30, 2023. There have been no changes in risk management policies since the year end.

19.2 Fair value estimation

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

Fair value hierarchy

As at December 31, 2023, the Corporation's all assets and liabilities are carried at cost / revalued amount 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 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 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
	Level 1	Level 2	Level 3	
	December 31, 2023			
	----- (Rupees in '000) -----			
Assets carried at fair value				
Long-term investments in listed companies and other entity	39,859	-	-	39,859
Short-term investments - mutual funds	<u>18,637,328</u>	-	-	<u>18,637,328</u>
	<u>18,677,187</u>	-	-	<u>18,677,187</u>
Leasehold land	-	-	1,399,780	1,399,780
Buildings on leasehold land	-	-	679,439	679,439
Beach huts	-	-	13,428	13,428
Workshop machinery and equipment	-	-	5,045	5,045
Investment properties	-	-	<u>4,100,505</u>	<u>4,100,505</u>
	<u>18,677,187</u>	-	<u>6,198,197</u>	<u>24,875,384</u>

	(Audited)			
	June 30, 2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets carried at fair value				
Long-term investments in listed companies and other entity	26,927	-	-	26,927
Short-term investments - mutual funds	3,232,258	-	-	3,232,258
	<u>3,259,185</u>	<u>-</u>	<u>-</u>	<u>3,259,185</u>
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 equipment	-	-	5,727	5,727
Investment properties	-	-	4,100,505	4,100,505
	<u>3,259,185</u>	<u>-</u>	<u>6,219,299</u>	<u>9,478,484</u>

20. 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	(Unaudited)	
	Relationship with the Corporation	Half year ended December 31, 2022
		Half year ended December 31, 2023
		(Rupees in '000)
Transactions with State owned / controlled entities		
Freight income - foreign flag vessels		4,819,036
Income from operating activities		28,634
Rental income		12,866
Rental expenses		2,228
Transactions with subsidiary companies		
Service fee charged to subsidiary companies		761,024
Retirement benefit costs charged to subsidiary companies		392
Transactions with other related parties		
Employees' retirement benefit funds	Employees benefit plan	13,533
Directors' fee and traveling allowances	Key management personnel	3,165
Remuneration and other benefits	Key management personnel	50,276
Dividend paid to Government of Pakistan	Government holding	578,169

20.1 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.

21. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation in these unconsolidated condensed interim financial statements.

22. GENERAL

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

23. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on February 27, 2024 by the Board of Directors of the Corporation.

Syed Jarar Haider Kazmi
Chief Financial Officer

Rear Admiral Jawad Ahmed HI(M)
Chief Executive Officer

Muhammad Ali
Director

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



HALF YEARLY REPORT
DECEMBER 31, 2023

PAKISTAN NATIONAL SHIPPING CORPORATION
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	35,781,761	35,806,011
Right-of-use assets		9,416	80,971
Intangible assets		74,757	73,559
Investment properties		4,100,505	4,100,505
Long-term investments in:			
- Related party (an associate)		-	-
- Listed companies and an other entity		39,959	27,027
Long-term loans		23,457	29,454
Deferred taxation		79,429	88,651
		40,109,284	40,206,178
Current assets			
Stores and spares		2,796,708	2,507,673
Trade debts - unsecured	6	4,048,708	5,969,078
Agents' and owners' balances - unsecured		10,652	12,736
Loans and advances		715,404	441,890
Trade deposits and short-term prepayments		44,367	45,272
Contract assets		960,328	-
Interest accrued on bank deposits and short-term investments		431,640	138,645
Other receivables	7	1,621,614	493,859
Incomplete voyages		4,152	345,202
Taxation-net		172,852	940,023
Short-term investments	8	33,552,356	26,505,673
Cash and bank balances		7,817,503	8,383,959
		52,176,284	45,784,010
TOTAL ASSETS		92,285,568	85,990,188
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY			
Authorised share capital			
		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		75,709,201	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		1,613,189	1,612,524
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY		77,259,700	69,747,452
NON-CONTROLLING INTEREST			
TOTAL EQUITY		13,039	11,808
		78,593,373	71,079,894
Non-current liabilities			
Long-term financing - secured	9	2,385,810	2,822,020
Lease liabilities		10,696	88,547
Employee's benefits		616,333	739,613
		3,012,839	3,650,180
Current liabilities			
Trade and other payables	10	7,252,633	5,840,146
Contract liabilities		498,189	683,103
Provision against damage claims		23,365	23,235
Current portion of long-term financing - secured		868,800	4,422,203
Current portion of lease liabilities		2,571	9,648
Unclaimed dividend		171,360	120,573
Dividend payable	11	1,734,506	-
Accrued mark-up on long-term financing		127,932	161,206
		10,679,356	11,260,114
TOTAL LIABILITIES		13,692,195	14,910,294
TOTAL EQUITY AND LIABILITIES		92,285,568	85,990,188
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes 1 to 23 form an integral part of these consolidated financial statements.


Syed Jarar Haider Kazmi
 Chief Financial Officer


Rear Admiral Jawad Ahmed HI(M)
 Chief Executive Officer


Muhammad Ali
 Director

PAKISTAN NATIONAL SHIPPING CORPORATION
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	Quarter ended December 31, 2023	Quarter ended December 31, 2022	Half year ended December 31, 2023	Half year ended December 31, 2022
Note	------(Rupees in '000)-----			
REVENUE FROM CONTRACT WITH CUSTOMERS				
Income from shipping business	9,751,312	13,255,547	20,885,419	24,840,961
Other operating activities	894,156	1,287,304	2,768,232	4,030,444
Workshop income	38,651	62,479	94,067	112,297
Income from manning service	14,520	1,946	18,694	8,105
	10,498,639	14,542,851	23,786,412	28,991,807
REVENUE FROM OTHERS				
Rental income	80,192	64,200	147,894	126,438
	10,578,831	14,607,051	23,934,306	29,118,245
EXPENDITURE				
Fleet expenses	(7,334,750)	(7,654,395)	(14,439,864)	(15,751,568)
Real estate expenses	(34,313)	(23,435)	(58,524)	(55,295)
	(7,369,063)	(7,677,830)	(14,498,388)	(15,806,863)
GROSS PROFIT				
	3,209,768	6,929,221	9,435,918	13,311,382
Administrative expenses	(513,587)	(407,321)	(933,229)	(754,713)
Impairment loss on financial assets - net	(29,398)	(533,025)	(114,141)	(763,361)
Other expenses	(48,307)	167,075	(178,669)	(155,210)
Other income	1,612,643	703,639	3,487,771	1,326,854
	1,021,351	(69,632)	2,261,732	(346,430)
OPERATING PROFIT				
	4,231,119	6,924,014	11,697,650	12,964,952
Finance costs	(191,508)	(355,302)	(592,223)	(650,552)
PROFIT BEFORE TAXATION				
	4,039,611	6,568,712	11,105,427	12,314,400
Taxation	(818,712)	26,490	(1,615,678)	(331,522)
PROFIT FOR THE PERIOD				
	3,220,899	6,595,202	9,489,749	11,982,878
OTHER COMPREHENSIVE INCOME				
Other comprehensive income	4,681	2,721	4,681	2,721
TOTAL COMPREHENSIVE INCOME				
	3,225,580	6,597,923	9,494,430	11,985,599
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:				
Equity holders of the Holding Company	3,224,871	6,597,433	9,493,199	11,985,028
Non-controlling interest	709	490	1,231	571
	3,225,580	6,597,923	9,494,430	11,985,599
------(Rupees)-----				
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY - basic and diluted				
	24.39	49.94	71.86	90.74

The annexed notes 1 to 23 form an integral part of these consolidated financial statements.


Syed Jarar Haider Kazmi
 Chief Financial Officer


Rear Admiral Jawad Ahmed HI(M)
 Chief Executive Officer


Muhammad Ali
 Director

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

		Attributable to the shareholders of the Holding Company									
Issued, subscribed and paid-up share capital	Capital reserve*	General reserve	Revenue reserves		Sub-total revenue reserves	Reassessment 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	
			Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax							
1,320,634	131,344	129,307	39,389,686	39,518,993	(Rupees in '000)	(221,783)	1,623,362	41,051,916	10,783	42,383,333	
			(660,317)	(660,317)				(660,317)		(660,317)	
			11,982,307	11,982,307				11,982,307	571	11,982,878	
							2,721	2,721		2,721	
			11,982,307	11,982,307			2,721	11,985,028	571	11,985,599	
							(3,600)				
			50,715,276	50,844,583		(221,783)	1,622,483	52,376,627	11,354	53,708,615	
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	
			(1,980,951)	(1,980,951)				(1,980,951)		(1,980,951)	
			9,488,518	9,488,518				9,488,518	1,231	9,489,749	
							4,681	4,681		4,681	
			9,488,518	9,488,518			4,681	9,493,199	1,231	9,494,430	
			4,016	4,016			(4,016)				
1,320,634	131,344	129,307	75,573,894	75,709,201		(194,034)	1,613,189	77,259,700	13,039	78,593,373	

* 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 23 form an integral part of these consolidated financial statements.

Syed Jazir Haidar Kazmi
Chief Financial Officer

Rear Admiral Jawad Ahmed H(10)
Chief Executive Officer

Muhammad Ali
Director

PAKISTAN NATIONAL SHIPPING CORPORATION
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	Note	Half year ended December 31, 2023	Half year ended December 31, 2022
		------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	10,957,371	7,980,165
Employees' gratuity paid		(18,541)	(29,486)
Employees' compensated absences paid		(34,523)	(43,379)
Post-retirement medical benefits paid		(6,726)	(13,484)
Finance costs paid		(624,238)	(521,477)
Taxes paid		(834,604)	(686,391)
Long-term loans		5,997	(7,869)
Net cash generated from operating activities		9,444,736	6,678,079
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,520,872)	(10,461,820)
Purchase of intangible assets		(1,307)	-
Additions to investment properties		-	(2,079)
Short-term investments made		(21,414,251)	(3,897,601)
Return on short term investments and bank balances received		1,938,190	10,925
Dividend received		1,031,219	713,734
Net cash used in investing activities		(19,967,021)	(13,636,841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing repaid		(3,989,613)	(693,010)
Long-term financing obtained		-	4,344,000
Lease rentals paid		(9,876)	(1,796)
Dividend paid		(195,670)	(643,093)
Net cash (used in) / generated from financing activities		(4,195,159)	3,006,101
Net decrease in cash and cash equivalents		(14,717,444)	(3,952,661)
Cash and cash equivalents at the beginning of the year		31,634,374	11,587,351
Exchange (loss) / gain on cash and cash equivalents		(216,580)	682,424
Cash and cash equivalents at the end of the year	18	16,700,350	8,317,114

The annexed notes 1 to 23 form an integral part of these consolidated financial statements.


Syed Jarar Haider Kazmi
 Chief Financial Officer


Rear Admiral Jawad Ahmed HI(M)
 Chief Executive Officer


Muhammad Ali
 Director

PAKISTAN NATIONAL SHIPPING CORPORATION AND ITS SUBSIDIARY COMPANIES

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 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:

Holding company

Pakistan National Shipping Corporation

Percentage of Shareholding

Subsidiary companies

- Bolan Shipping (Private) Limited*	100
- Chitral Shipping (Private) Limited*	100
- Hyderabad Shipping (Private) Limited*	100
- Johar Shipping (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
- National Ship Management and Crewing (Private) Limited**	100
- Pakistan Marine and Shipping Services Company (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
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* 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 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 December 31, 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 half year ended December 31, 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 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 half year ended December 31, 2022 have been extracted from the consolidated condensed interim financial statements of the Group for the half year then ended.

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

2.5 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.

2.6 Basis of measurement

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

2.7 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. MATERIAL ACCOUNTING POLICIES

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 consolidated financial statements for the year ended June 30, 2023.

3.1 Amendments to accounting standards that are effective

There are certain amendments to accounting standards which are mandatory for the Group's annual accounting period which began on July 1, 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.

3.2 Amendments to accounting standards that are not yet effective

Certain amendments to the accounting standards which are not yet effective, 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 AND ASSUMPTIONS

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, 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.

	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
(Rupees in '000)			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1 & 5.2	34,316,614	34,411,509
Major spare parts and stand-by equipments	5.1	1,401,421	1,330,776
Capital work-in-progress (CWIP)		63,726	63,726
		<u>35,781,761</u>	<u>35,806,011</u>

		(Unaudited) December 31, 2023	Half year ended December 31, 2022
(Rupees in '000)			
5.1 Additions (including transfers from CWIP) during the period:			
Buildings on leasehold land		-	288
Office equipments		3,405	958
Furniture and fittings		2,301	489
Computer equipments		3,588	27,794
Vehicle		-	9,852
Vessels		-	9,913,258
Spare capitalised		232,060	367,932
Class renewal and dry docking		1,245,531	134,185
Equipment on board		33,987	2,331
		<u>1,520,872</u>	<u>10,457,087</u>
5.2 Depreciation charge for the period		<u>1,546,123</u>	<u>1,192,467</u>

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
(Rupees in '000)			
6. TRADE DEBTS - unsecured			
- Due from related parties	6.1	6,067,778	6,055,105
- Due from others		1,314,146	3,180,027
		<u>7,381,924</u>	<u>9,235,132</u>
Allowance for expected credit loss	6.2	(3,333,216)	(3,266,054)
		<u>4,048,708</u>	<u>5,969,078</u>

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

	(Unaudited)				(Audited)
	Upto 1 month	1 to 6 months	More than 6 months	As at December 31, 2023	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	862,255	296,411	454,634	1,613,300	1,298,252
Pakistan Refinery Limited	271,528	91,045	386,665	749,238	649,939
Sui Northern Gas Pipelines Limited	225,593	1,344	199	227,136	3,876
District Controller of Stores	26,587	184	2,749	29,520	14,361
Embarkation Commandant	1,024	340,036	253,506	594,566	631,364
Officer Commanding PAF	123,314	65,869	63,989	253,172	330,670
Pakistan Ordnance Factory	5,567	21,856	-	27,423	83,710
Others	19,866	25,600	91,792	137,258	219,829
	<u>1,535,734</u>	<u>842,345</u>	<u>3,689,699</u>	<u>6,067,778</u>	<u>5,668,166</u>

	(Unaudited)	(Audited)
	December 31, 2023	June 30, 2023
	(Rupees in '000)	
	Note	

6.2 Allowance for expected credit loss

Opening balance	3,266,054	2,244,063
Charged during the period / year	82,090	1,021,991
Written-off	(14,928)	-
Closing balance	<u>3,333,216</u>	<u>3,266,054</u>

7. OTHER RECEIVABLES

- Due from related parties	7.1	414,443	304,208
- Due from others		1,408,671	360,965
		<u>1,823,114</u>	<u>665,173</u>
Allowance for expected credit loss	7.2	(201,500)	(171,314)
		<u>1,621,614</u>	<u>493,859</u>

7.1 Related parties:

- Government of Pakistan		231,612	152,184
- Port Qasim Authority		146,230	149,046
- Karachi Port Trust		2,979	2,979
- National Insurance Company Limited		33,622	-
		<u>414,443</u>	<u>304,209</u>

7.2 Allowance for expected credit loss

Opening balance	171,314	109,890
Charged during the period / year	30,186	95,864
Written-off	-	(34,440)
Closing balance	<u>201,500</u>	<u>171,314</u>

8. SHORT-TERM INVESTMENTS

Amortized Cost

Treasury-bills having maturity of three months or less	8.1	422,837	15,376,043
Term-deposits with banks having maturity of three months or less	8.2	8,460,010	7,874,372
Term-deposits with banks having maturity of more than three months	8.2	6,000,000	23,000

Fair value through profit or loss

- Mutual funds	8.3	18,669,509	3,232,258
		<u>33,552,356</u>	<u>26,505,673</u>

8.1 These have effective interest rate of 22.79% (June 30, 2023: 15.62% to 21.99%) per annum.

8.2 Mark-up on term-deposits denominated in local currency is 22.44% (June 30, 2023: 15.5% to 16.65%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 6.25% to 8.20% (June 30, 2023: 3% to 6.5%) per annum.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	------(Rupees in '000)-----	
8.3	Movement of mutual funds		
	Opening	3,232,258	104,890
	Purchased during the period / year	25,783,472	3,758,000
	Dividend reinvested during the period / year	910,785	167,355
	Redeemed during the period / year	<u>(11,257,005)</u>	<u>(797,987)</u>
	Closing	<u>18,669,509</u>	<u>3,232,258</u>

9. LONG TERM FINANCING - secured

	- Financing under syndicate term-finance agreement	9.1	-	2,199,726
	- Financing under musharika agreement	9.1 & 9.2	<u>3,254,610</u>	<u>5,044,497</u>
			<u>3,254,610</u>	<u>7,244,223</u>
	Current portion of long-term financing		<u>(668,800)</u>	<u>(4,422,203)</u>
			<u>2,385,810</u>	<u>2,622,020</u>

9.1 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.

9.2 The Holding Company has obtained financing facility during the year ended June 30, 2023 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 subsidiaries.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
		------(Rupees in '000)-----	
10.	TRADE AND OTHER PAYABLES		
	Creditors	437,881	481,697
	Advance from charterers	64,436	45,557
	Accrued liabilities	6,076,084	4,850,248
	Agents' and owners' balances	561,314	351,668
	Deposits	54,707	53,735
	Withholding tax payable	50,157	49,187
	Other liabilities	<u>8,054</u>	<u>8,054</u>
		<u>7,252,633</u>	<u>5,840,146</u>

11. DIVIDEND PAYABLE

Due to Government of Pakistan

1,734,506

-

During the current period, the Holding Company declared final dividend for the year ended June 30, 2023 amounting to Rs. 1,734.5 million. The above represents dividend payable to Government of Pakistan which has been subsequently paid.

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 following:

During the year ended June 30, 2023, the Assistant commissioner inland revenue (ACIR) vide order dated January 23, 2023 proceeded to amend the assessment under the provisions of section 122(5A) of the Income Tax Ordinance, 2001 in respect of tax year 2022. The taxable income was recomputed by locating 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 658 million was raised. During the half year ended December 31, 2023, the Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals) (CIR (A)), which was decided vide order dated November 13, 2023. The CIR(A) in its order remanded back certain matters, while giving decision in favour and against of the Holding Company on certain other matters. Being aggrieved with the order, management filed an appeal with Appellate tribunal inland revenue (ATIR). The management, in consultation with its tax advisor, is confident that the above matter will eventually be decided in favour of the Holding Company.

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	(Rupees in '000)	
12.2 Commitments		
Outstanding letters of guarantee	<u>24,082</u>	<u>19,669</u>

13. OTHER EXPENSES

These include reversal of provision for employee benefit amounting to Rs. 180.6 million. The Holding Company operates an unfunded gratuity scheme for contractual employees. During the period, the Holding Company has changed its employee benefit plan for the recording of gratuity scheme from gross salary to basic salary with effect from July 1, 2023. Accordingly, provision is made in these consolidated condensed interim financial statements as per revised basis in accordance with actuarial valuation carried out as of December 31, 2023.

	(Unaudited)			
	Quarter ended December 31, 2023	Quarter ended December 31, 2022	Half year ended December 31, 2023	Half year ended December 31, 2022
	(Rupees in '000)			
14. OTHER INCOME				
Income from saving accounts and term deposits	894,053	377,206	2,231,185	607,252
Dividend income				
- Mutual funds	904,363	5,060	1,029,724	8,931
- Listed Companies	1,495	1,994	1,495	1,994
Exchange (loss) / gain	(294,486)	296,977	-	546,918
Insurance claim income	2,420	295	47,435	3,908
Unrealised gain on revaluation of investment in listed companies	10,985	-	12,932	-
Income from long-term loans to employees	1,206	1,065	2,704	2,547
Liabilities no longer to pay or has been written back	20,147	(631)	21,848	12
Agency fee	8,485	15,237	13,737	19,816
Gain on sale on bunker	15,644	3,371	26,142	65,986
Income from recovery of HVAC charges	19,611	1,583	23,431	1,583
Gain on termination of lease contracts	6,989	-	6,989	-
Others	21,731	1,482	70,149	67,907
	<u>1,612,643</u>	<u>703,639</u>	<u>3,487,771</u>	<u>1,326,854</u>

15. FINANCE COST

Mark-up on long-term financing	186,476	347,086	583,706	640,458
Mark-up on lease liability	1,259	4,364	1,259	4,364
Bank charges	3,773	3,852	7,258	5,730
	<u>191,508</u>	<u>355,302</u>	<u>592,223</u>	<u>650,552</u>

16. TAXATION

Tax charge for:

- current year	794,679	155,293	1,591,645	513,305
- prior year expense / (income)	10,130	(160,311)	10,130	(160,311)
	804,809	(5,018)	1,601,775	352,994
- Deferred tax expense / (income)	13,903	(21,472)	13,903	(21,472)
Taxation expense / (income)	<u>818,712</u>	<u>(26,490)</u>	<u>1,615,678</u>	<u>331,522</u>

(Unaudited)

		Half year ended December 31, 2023	Half year ended December 31, 2022
	Note	------(Rupees in '000)-----	
17. CASH GENERATED FROM OPERATIONS			
Profit before taxation		11,105,427	12,314,400
Adjustments for non-cash charges and other items:			
Depreciation on:			
Property, plant and equipments		1,546,123	1,192,467
Right-of-use assets		2,234	6,140
Amortization		109	-
Provision for employees' gratuity		(115,593)	54,180
Provision for employees' compensated absences		47,142	38,145
Provision for post-retirement medical benefits		4,963	6,165
Provision for workers' profit participation fund		141,279	-
Provision no longer required written back		(21,848)	(12)
Provision for slow moving stores and spares		-	26,109
Income from saving accounts and term-deposits		(2,231,185)	(607,252)
Finance cost:			
Long-term financing		590,964	640,458
Lease liabilities		1,259	4,364
Dividend income:			
Mutual funds		(1,029,724)	(8,931)
Listed Companies		(1,495)	(1,994)
Impairment loss on financial assets:			
Trade debts		82,090	734,289
Other receivables		30,186	27,952
Agents' and owners' balances		1,865	1,120
(Gain) / loss on revaluation of long-term investments in listed securities		(12,932)	4,795
Gain on termination of lease contracts		(6,989)	-
Unrealised loss / (gain) on revaluation of foreign currency		221,699	(562,532)
Loss / (gain) on revaluation of foreign currency		216,580	(682,424)
Working capital changes	17.1	385,217	(5,207,274)
		<u>10,957,371</u>	<u>7,980,165</u>
17.1 Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		(289,035)	(774,450)
Trade debts - unsecured		1,838,289	(3,202,639)
Agents' and owners' balances - unsecured		219	258
Loans and advances		(273,514)	(188,217)
Trade deposits and short-term prepayments		905	(103)
Contract assets		(960,328)	-
Other receivables		(1,157,941)	(312,417)
Incomplete voyages		341,050	(805,168)
		(500,355)	(5,282,736)
Increase / (decrease) in current liabilities			
Trade and other payables		1,070,356	33,006
Net increase in provision for damage claims		130	7,067
Contract liabilities		(184,914)	35,389
		885,572	75,462
		<u>385,217</u>	<u>(5,207,274)</u>
18. CASH AND CASH EQUIVALENTS			
Short-term investments having maturity of three months or less	8	8,882,847	4,328,591
Cash and bank balances		7,817,503	3,988,523
		<u>16,700,350</u>	<u>8,317,114</u>
19. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES			
19.1 Financial risk factors			
The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk.			

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

19.2 Fair value estimation

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

Fair value hierarchy

As at December 31, 2023, the Group's all assets and liabilities are carried at cost / revalued less accumulated depreciation / impairment, if any, or at amortised cost except for those mentioned below:

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

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 Holding Company'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 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) December 31, 2023			Total
	Level 1	Level 2	Level 3	
(Rupees in '000)				
Assets carried at fair value				
Long-term investments in listed companies and other entity	39,959	-	-	39,959
Short-term investments - mutual funds	18,669,509	-	-	18,669,509
	<u>18,709,468</u>	<u>-</u>	<u>-</u>	<u>18,709,468</u>
Leasehold land	-	-	1,399,780	1,399,780
Buildings on leasehold land	-	-	679,439	679,439
Beach huts	-	-	13,428	13,428
Workshop machinery and equipments	-	-	5,045	5,045
Investment properties	-	-	4,100,505	4,100,505
	<u>-</u>	<u>6,198,197</u>	<u>6,198,197</u>	<u>6,198,197</u>
(Audited) June 30, 2023				
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Assets carried at fair value				
Long-term investments in listed companies and other entity	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>

20. 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)	
		Half Year ended December 31, 2023	Half Year ended December 31, 2022
------(Rupees in '000)-----			
Transactions with State owned / controlled entities			
Freight income		12,389,626	13,119,581
Income from other operating activities		756,958	561,147
Rental income		14,233	12,866
Rental and other expenses		14,419	16,724
Transactions with other related parties			
Employees' retirement benefit funds	Employees benefit plan	18,541	13,533
Directors' fee and traveling allowances	Key management personnel	3,625	3,165
Remuneration and other benefits	Key management personnel	58,029	50,276
Dividend paid to Government of Pakistan	Government holding	-	578,169

21. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation in these consolidated condensed interim financial statements.

22. GENERAL

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

23. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on February 27, 2024 by the Board of Directors of the Holding Company.



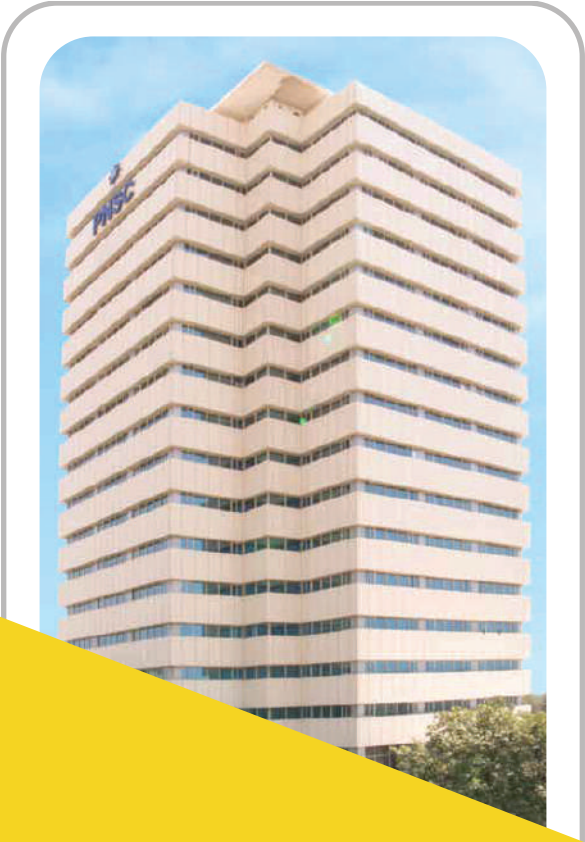
Syed Jamar Haider Kazmi
Chief Financial Officer



Rear Admiral Jawad Ahmed HI(M)
Chief Executive Officer



Muhammad Ali
Director



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