



# QUARTERLY REPORT

March 31, 2015

Committed to  
Excellence



Pakistan International  
Container Terminal Limited

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# Vision

Operate a Container Terminal at Karachi Port that provides the highest level of quality services to its clients.

# Mission

A Company dedicated to fulfilling the Port Service requirements of Customers and User of Karachi Port at an economic cost through optimum use of human and financial resources and giving a fair return to investors.



## COMPANY INFORMATION

### BOARD OF DIRECTORS

<b>Chairman</b>	Capt. Haleem A. Siddiqui
<b>Chief Executive</b>	Capt. Zafar Iqbal Awan
<b>Directors</b>	Mr. Christian R. Gonzalez Mr. Aasim A. Siddiqui Mr. Roman Felipe S. Reyes Mr. Rafael D. Consing, Jr. Mr. Jose Manuel M. De Jesus Mr. Hans-Ole Madsen

<b>Chief Financial Officer</b>	Mr. Muhammad Owais Kazi
<b>Company Secretary</b>	Mr. Muhammad Hunain

### AUDIT COMMITTEE

<b>Chairman</b>	Mr. Roman Felipe S. Reyes
<b>Members</b>	Mr. Aasim A. Siddiqui Mr. Rafael D. Consing, Jr.
<b>Chief Internal Auditor</b>	Mr. Moammar Raza
<b>Secretary</b>	Mr. Muhammad Hunain

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

<b>Chairman</b>	Mr. Christian R. Gonzalez
<b>Members</b>	Mr. Aasim A. Siddiqui Mr. Hans-Ole Madsen

<b>Auditors</b>	<b>Ernst &amp; Young Ford Rhodes Sidat Hyder Chartered Accountants</b> 6 <sup>th</sup> Floor, Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi-75530
<b>Legal Advisors</b>	<b>Kabraji &amp; Talibuddin</b> 64 - A/1, Gulshan -e -Faisal, Bath Island Karachi 75530 <b>Usmani &amp; Iqbal</b> 604 - 9, 6 <sup>th</sup> Floor Business Centre, Mumtaz Hassan Road Karachi <b>The Continental Law Associates</b> Panorama Centre, Saddar, Karachi
<b>Bankers</b>	Albaraka Islamic Bank Pakistan Limited Bank Islami Pakistan Limited Barclays Bank PLC, Pakistan Faysal Bank Limited Habib Bank Limited JS Bank Limited National Bank of Pakistan Samba Bank Limited
<b>Registered &amp; Terminal Office</b>	Berths 6 to 9, East Wharf, Karachi Port Karachi - Pakistan Tel: 32855701-14 Fax: 32854815 UAN. (+9221)111-11-PICT (7428)
<b>Share Registrar / Transfer Agent</b>	<b>Technology Trade (Pvt.) Limited</b> 241-C, Block-2, P.E.C.H.S., Karachi Tel: 34391316-7



## Directors' Report

The Directors are pleased to present the Un-audited Condensed interim financial statements of Pakistan International Container Terminal Limited (the Company) for the quarter ended March 31, 2015.

### General Review

The company handled 196,299 TEUs (Twenty Foot Equivalent Container Units) during the quarter as compared to 185,319 TEUs handled during the corresponding period last year.

### Operating & Financial Results for the quarter ended March 31, 2015

These are summarized below:

	(Rupees in '000)
Profit before taxation	863,625
Less: Taxation	<u>(284,926)</u>
Profit after taxation	578,699
Un-appropriated profit brought forward	1,492,364
Final cash dividend for the year ended December 31, 2014 on Ordinary Shares @ 35%	<u>(382,036)</u>
Un-appropriated profit carried forward	<u><u>1,689,027</u></u>
Earnings per share - basic and diluted	<u><u>Rs 5.30</u></u>

The directors are pleased to report that, the company achieved consistent growth during the period. The company achieved a turnover of Rs. 2,133 million as compared to Rs. 2,096 million in corresponding period last year showing an increase of almost 2%. The business environment remains challenging and competitive. Higher cost of services due to inflationary impacts have resulted in gross profit for the quarter ended March 31, 2015 amounted to Rs. 1,001 million as compared to Rs. 1,053 million in the same period last year showing a decrease of 5%. After accounting for finance cost and taxation, the company has produced net profit after tax of Rs 579 million resulting in EPS of Rs 5.30 during the quarter.

Keeping in view Company's intention to invest in the next couple of years to enhance efficiencies, competitiveness and seize business opportunities, your Directors are pleased to report that the Company is looking forward to sustainable growth. Your Directors are also confident that the Company shall continue its efforts in the prevalent tough economic conditions to achieve a better performance during remaining part of the financial year.

For and on behalf of Board of Directors

**Capt. Zafar Iqbal Awan**  
Chief Executive Officer

Karachi; April 28, 2015



**CONDENSED INTERIM BALANCE SHEET  
AS AT MARCH 31, 2015**

	Note	March 31, 2015 (Un-Audited)	December 31, 2014 (Audited)
----- (Rupees in `000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	4,020,316	4,149,484
Intangibles		12,423	16,672
Long-term deposits		1,545	1,847
		<u>4,034,284</u>	<u>4,168,003</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		366,843	357,950
Trade debts		412,109	346,590
Advances - unsecured, considered good		34,478	24,302
Deposits and prepayments		156,941	155,923
Other receivables		53,427	46,590
Taxation - net		46,215	333,442
Cash and bank balances		1,058,838	724,044
		<u>2,128,851</u>	<u>1,988,841</u>
<b>TOTAL ASSETS</b>		<u><u>6,163,135</u></u>	<u><u>6,156,844</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up share capital		1,091,532	1,091,532
Reserves		1,689,027	1,492,364
		<u>2,780,559</u>	<u>2,583,896</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing - secured	6	896,266	896,266
Deferred tax		696,949	734,239
Long-term employee benefits		43,297	44,215
		<u>1,636,512</u>	<u>1,674,720</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,097,210	1,287,689
Accrued markup on loan		51,343	13,028
Current maturity of long-term financing		597,511	597,511
		<u>1,746,064</u>	<u>1,898,228</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>6,163,135</u></u>	<u><u>6,156,844</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER ENDED MARCH 31, 2015  
(UN-AUDITED)**

	Quarter ended	
	March 31, 2015	March 31, 2014
	----- (Rupees in `000) -----	
<b>Revenue</b>	2,133,474	2,096,462
Cost of services	(1,132,353)	(1,042,622)
<b>Gross Profit</b>	<u>1,001,121</u>	<u>1,053,840</u>
Administrative expenses	(96,717)	(96,454)
Other income	20,780	28,820
Finance cost	8 (38,486)	(39,909)
Other expenses	(23,073)	(20,241)
<b>Profit before taxation</b>	<u>863,625</u>	<u>926,056</u>
Taxation	(284,926)	(312,720)
<b>Profit after taxation</b>	<u>578,699</u>	<u>613,336</u>
<b>Earnings per ordinary share - basic &amp; diluted</b>	<u>Rs. 5.30</u>	<u>Rs. 5.62</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED MARCH 31, 2015**  
**(UN-AUDITED)**

	Quarter ended	
	March 31, 2015	March 31, 2014
	----- (Rupees in `000) -----	
<b>Profit for the period</b>	578,699	613,336
Other comprehensive income for the period, net of taxation	-	-
<b>Total comprehensive income for the period</b>	<u>578,699</u>	<u>613,336</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**





**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE QUARTER ENDED MARCH 31, 2015  
(UN-AUDITED)**

	Note	Quarter ended	
		March 31, 2015	March 31, 2014
		----- (Rupees in `000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	10	755,295	1,222,091
Taxes paid		(34,988)	(273,830)
Long term employee benefits paid		(918)	(2,103)
Finance cost paid		(171)	(19)
Long term deposits		300	(1,166)
<b>Net cash generated from operating activities</b>		<b>719,518</b>	<b>944,973</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(23,392)	(9,500)
Proceeds from disposal of property, plant and equipment		1,000	18,499
Redemption of investment		-	500
Markup received		19,704	25,981
<b>Net cash (used in) / generated from investing activities</b>		<b>(2,688)</b>	<b>35,480</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(382,036)	(1,200,685)
<b>Net cash used in financing activities</b>		<b>(382,036)</b>	<b>(1,200,685)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>334,794</b>	<b>(220,232)</b>
Cash and cash equivalents at the beginning of the period		724,044	2,015,717
<b>Cash and cash equivalents at the end of the period</b>		<b>1,058,838</b>	<b>1,795,485</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED MARCH 31, 2015  
(UN-AUDITED)**

	Issued, subscribed and paid-up share capital	Reserves			Total
		Capital redemption reserve fund	Unappropriated profit	Sub Total	
------(Rupees in '000)-----					
<b>Balance as at January 1, 2014</b>	1,091,532	180,000	1,518,273	1,698,273	2,789,805
Profit for the period	-	-	613,336	613,336	613,336
Other comprehensive income, for the period	-	-	-	-	-
Total comprehensive income, for the period	-	-	613,336	613,336	613,336
Final cash dividend for the year ended December 31, 2013 on ordinary shares @ Rs.11/- per share	-	-	(1,200,685)	(1,200,685)	(1,200,685)
<b>Balance as at March 31, 2014</b>	<u>1,091,532</u>	<u>180,000</u>	<u>930,924</u>	<u>1,110,924</u>	<u>2,202,456</u>
<b>Balance as at January 1, 2015</b>	<b>1,091,532</b>	<b>180,000</b>	<b>1,312,364</b>	<b>1,492,364</b>	<b>2,583,896</b>
Profit for the period	-	-	578,699	578,699	578,699
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	578,699	578,699	578,699
Final cash dividend for the year ended December 31, 2014 on ordinary shares @ Rs.3.5/- per share	-	-	(382,036)	(382,036)	(382,036)
<b>Balance as at March 31, 2015</b>	<u><b>1,091,532</b></u>	<u><b>180,000</b></u>	<u><b>1,509,027</b></u>	<u><b>1,689,027</b></u>	<u><b>2,780,559</b></u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED MARCH 31, 2015  
(UN-AUDITED)**

**1. THE COMPANY AND ITS OPERATIONS**

- 1.1. Pakistan International Container Terminal Limited (the Company) was incorporated in Pakistan as a private limited company in June 2002. Subsequently, it was converted to an unquoted public limited company and later on, listed on the Karachi Stock Exchange on October 15, 2003. The registered office of the Company is situated at Berths 6 to 9, East Wharf, Karachi Port, Karachi.
- 1.2. The Company has a Build Operate Transfer (BOT) contract with Karachi Port Trust (KPT) for the exclusive construction, development, operations and management of a common user container terminal at Karachi Port for a period of twenty-one years commencing June 18, 2003. After the expiry date, the Company will transfer land and all the related concession assets to KPT.
- 1.3. As of the balance sheet date, International Container Terminal Services, Inc. (ICTSI), a company incorporated in Manila, Philippines, held (directly and indirectly) 64.54 percent shareholding of the Company and is the ultimate Parent Company of the Company.

**2. BASIS OF PREPARATION**

**2.1. Statement of Compliance**

These condensed interim financial statements are unaudited. These are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 (the ordinance) and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Ordinance. In case where requirements differ, the provisions of and directives issued under the Ordinance have been followed. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2014.

The comparative balance sheet presented in these condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended December 31, 2014, whereas, the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been extracted from the un-audited condensed interim financial statements of the Company for the quarter ended March 31, 2014.

**2.2. Functional and presentation currency**

These condensed interim financial statements are presented in Pakistan Rupees which is the functional and presentation currency of the Company and figures are rounded off to the nearest thousand rupees unless otherwise specified.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2014.

**4. ACCOUNTING ESTIMATES AND FINANCIAL RISK MANAGEMENT**

The preparation of these condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the financial statements as at and for the year ended December 31, 2014. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2014.

	March 31, 2015 (Un-Audited)	December 31, 2014 (Audited)
Note	----- (Rupees in `000) -----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets	3,940,834	4,086,982
Capital work-in-progress	<u>79,482</u>	<u>62,502</u>
	<u><b>4,020,316</b></u>	<u><b>4,149,484</b></u>
<b>5.1 Operating fixed assets</b>		
Book value at the beginning of the period / year	4,086,982	4,378,136
Additions during the period / year	5.1.1 <u>6,413</u>	<u>329,649</u>
	4,093,395	4,707,785
Less:		
Disposal during the period / year - at book value	5.1.2 <u>785</u>	<u>17,190</u>
Depreciation charged during the period / year	<u>151,776</u>	<u>603,613</u>
	<u>152,561</u>	<u>620,803</u>
	<u><b>3,940,834</b></u>	<u><b>4,086,982</b></u>
<b>5.1.1. Additions during the period / year</b>		
Leasehold improvements	-	34,232
Container/general cargo handling equipment	-	2,868
Port power generation	32	160,268
Ancillary plant and workshop equipment	-	116,655
Vehicles	-	5,583
Computers and other equipments	6,249	6,335
Furniture and fixtures	<u>132</u>	<u>3,708</u>
	<u><b>6,413</b></u>	<u><b>329,649</b></u>
<b>5.1.2. Disposals during the period / year</b>		
Vehicles	785	17,057
Computers	-	133
	<u><b>785</b></u>	<u><b>17,190</b></u>
<b>6. LONG-TERM FINANCING - secured</b>		
Long-term financing	1,493,777	1,493,777
Less: current maturity of long-term financing	<u>597,511</u>	<u>597,511</u>
	<u><b>896,266</b></u>	<u><b>896,266</b></u>
<b>7. CONTINGENCIES AND COMMITMENTS</b>		
<b>7.1. Contingencies</b>		
There are no major changes in the status of contingencies as reported in the financial statements for the financial year ended December 31, 2014.		



	March 31, 2015 (Un-Audited)	December 31, 2014 (Audited)
	----- (Rupees in `000) -----	
<b>7.2 Commitments</b>		
Commitments for capital expenditure - Civil works	<u>5,469</u>	<u>5,584</u>
Letter of guarantee	<u>100,100</u>	<u>96,300</u>
Letters of credit	<u>2,735</u>	<u>9,179</u>

	Quarter ended	
	March 31, 2015 (Un-Audited)	March 31, 2014 (Un-Audited)
	----- (Rupees in `000) -----	
<b>8. FINANCE COST</b>		
Interest on long-term financing	<u>38,343</u>	<u>39,890</u>
Bank charges	<u>143</u>	<u>19</u>
	<u>38,486</u>	<u>39,909</u>

**9. RELATED PARTIES TRANSACTIONS**

The related parties include the Parent Company, ultimate Parent Company, associated companies, entities having directors in common with the Company, directors and other key management personnel. Details of transactions, other than those which have been specifically disclosed elsewhere in these condensed interim financial statements, with related parties as mentioned below are entered under normal commercial terms:

	Quarter ended	
	March 31, 2015 (Un-Audited)	March 31, 2014 (Un-Audited)
	----- (Rupees in `000) -----	
<b><i>Holding Company</i></b>		
Technical services fees	164,258	144,522
<b><i>Associated companies /undertakings</i></b>		
Terminal handling services and rent	109,945	87,006
Revenue from container handling	16,580	17,384
Traveling expenses	641	1,268
Software maintenance charges	150	100
Donations	-	1,394
<b><i>Key Management Personnel</i></b>		
Remuneration	45,135	43,184
<b><i>Staff retirement contribution plan</i></b>		
Contribution to staff provident fund	5,013	4,460

	Quarter ended	
	March 31, 2015 (Un-Audited)	March 31, 2014 (Un-Audited)
	----- (Rupees in `000) -----	
<b>10. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	863,625	926,056
Adjustments for non-cash items:		
Depreciation and amortization	156,025	155,508
Finance cost	38,486	39,909
Unrealized exchange loss	-	2,355
Markup on saving accounts	(19,704)	(25,982)
Gain on disposal of property, plant and equipment	(215)	(1,185)
	<u>174,592</u>	<u>170,605</u>
<b>Operating profit before working capital changes</b>	<u>1,038,217</u>	<u>1,096,661</u>
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	(8,894)	3,170
Trade debts	(65,519)	6,555
Advances, deposits, prepayments and other receivables	(18,030)	41,978
	<u>(92,443)</u>	<u>51,703</u>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(190,479)	73,727
<b>Cash generated from operations</b>	<u><u>755,295</u></u>	<u><u>1,222,091</u></u>

**11. DIVIDEND AND APPROPRIATION**

The Board of Directors in their board meeting held on April 28, 2015 have recommended an interim cash dividend of Rs 5 per ordinary share for the year ending December 31, 2015 (December 31, 2014: Cash dividend Rs 13.5-135%)

**12. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on April 28, 2015.

**CHIEF EXECUTIVE****DIRECTOR**



**Pakistan International Container  
Terminal Limited**

**Registered and Terminal Office:**

Berths 6 to 9, East Wharf, Karachi Port, Karachi - Pakistan.

UAN: (+9221) 111 11 PICT (7428) Fax: 32854815

E-mail: [investor-relations@pict.com.pk](mailto:investor-relations@pict.com.pk) Website: [www.pict.com.pk](http://www.pict.com.pk)