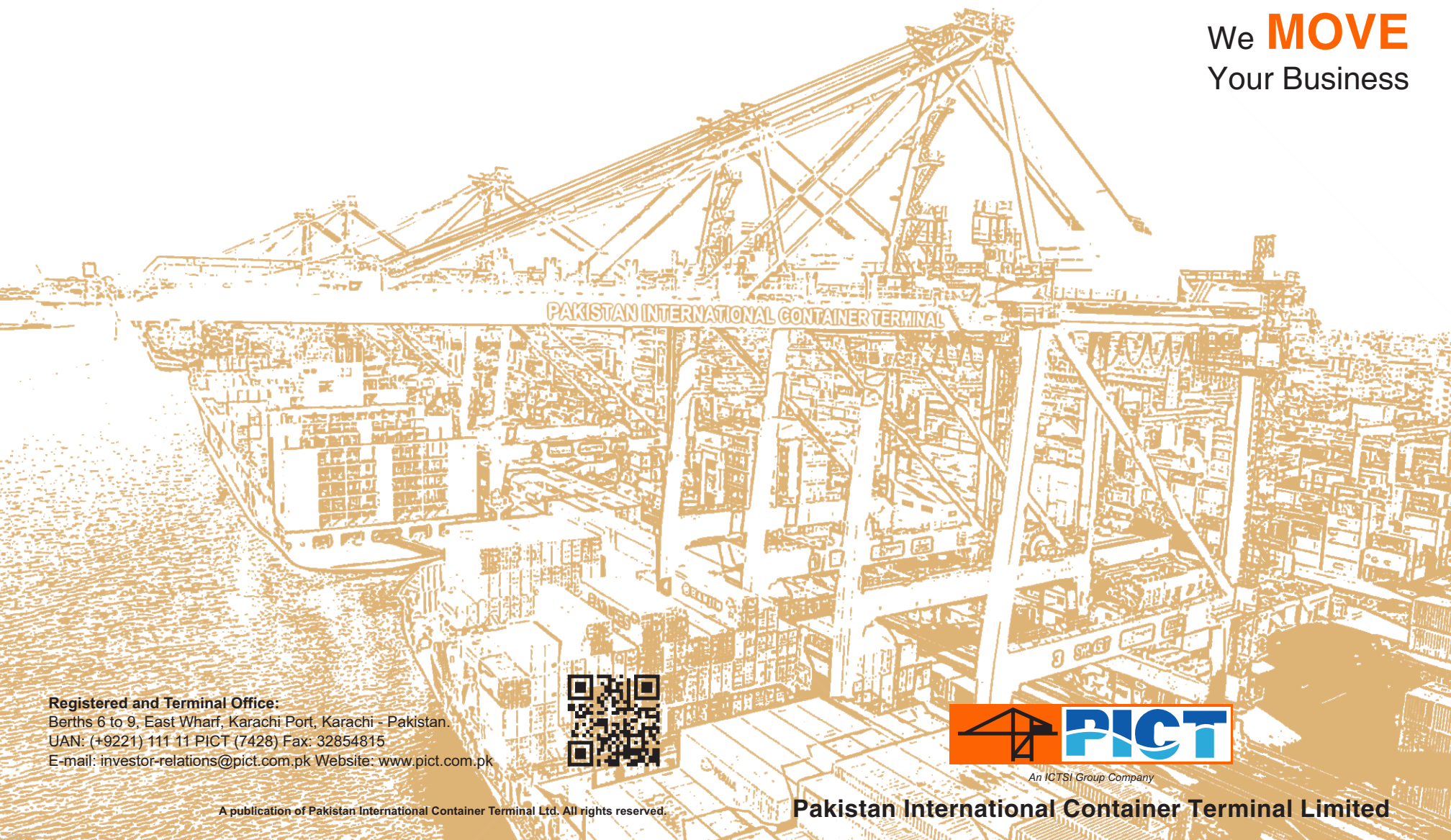




Quarterly Report

March 31,
2021

We **MOVE**
Your Business



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 Website: www.pict.com.pk



An ICTSI Group Company

A publication of Pakistan International Container Terminal Ltd. All rights reserved.

Pakistan International Container Terminal Limited

CONTENTS

■ Vision & Mission Statements	2
■ Company Information	3
■ Directors' Report	4
■ بیانِ نظمء	6
■ Condensed Interim Financial Statements	8





Vision

Be the container terminal of choice for trade at Karachi port



Mission

To be most reliable Port gateway of international trade with the commitment to provide customer centric services



COMPANY INFORMATION

Board of Directors Chairman

Mr. Hans-Ole Madsen
(Non-Executive Director)

Directors

Ms. Gigi Iluminada Miguel
(Non-Executive Director)

Mr. Gordon Alan P. Joseph
(Independent Director)

Mr. Jacob Christian Gulmann
(Non-Executive Director)

Mr. Rune Rasmussen
(Independent Director)

Mr. Sharique Azim Siddiqui
(Non-Executive Director)

Capt. Zafar Iqbal Awan
(Non-Executive Director)
(Appointed on January 29, 2021)

Mr. Aasim Azim Siddiqui
(Non-Executive Director)
(Resigned on January 25, 2021)

Company Secretary

Mr. Adil Siddique

Audit Committee

Chairman

Mr. Rune Rasmussen

Members

Mr. Sharique Azim Siddiqui

Ms. Gigi Iluminada Miguel

Chief Internal Auditor

Mr. Moammar Raza

Risk Management Committee

Chairman

Mr. Gordon Alan P. Joseph

Members

Mr. Hans-Ole Madsen

Mr. Sharique Azim Siddiqui

Human Resource & Remuneration Committee Chairman

Mr. Gordon Alan P. Joseph

Members

Mr. Hans-Ole Madsen

Capt. Zafar Iqbal Awan
(Appointed on January 29, 2021)

Mr. Asim Azim Siddiqui
(Resigned on January 25, 2021)

Key Management

Chief Executive Officer

Mr. Khurram Aziz Khan

Chief Financial Officer

Mr. Muhammad Hunain

External Auditors

EY Ford Rhodes

Chartered Accountants, 6th Floor, Progressive Plaza
Beaumont Road, P.O. Box 15541, Karachi-75530

Legal Advisor

Usmani & Iqbal, 111/II, 27th Street, Phase VI
Khayaban-e-Muhafiz, D.H.A, Karachi

Bankers

Faysal Bank Limited

Habib Bank Limited

National Bank of Pakistan

Samba Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

Registered & Terminal Office

Berths 6-9, East Wharf, Karachi Port, Karachi

UAN: +92-21-111 11 7428 (PICT)

Fax : +92-21-3285-4815

Email: investor-relations@pict.com.pk

Website: www.pict.com.pk

Share Registrar/ Transfer Agent

CDC Share Registrar Services Limited

99-B, Block 'B', SMCHS, Main Shahra-e-Faisal,
Karachi- 74400

Tel: +92-21-111-111-500

Fax: +92-21-34326053



DIRECTORS' REPORT

FOR THE QUARTER ENDED MARCH 31, 2021

We the undersigned for and on behalf of the Board of Directors hereby present un-audited condensed interim financial statements of the Company for the quarter ended March 31, 2021.

BUSINESS PERFORMANCE REVIEW AND BUSINESS CONTINUITY DURING COVID-19

The outbreak of Covid-19 pandemic continues to impact global economies. With the spread of third wave, Government of Pakistan has tightened measures to contain the spread while at the same time has commenced vaccination program for frontline health workers and senior citizens in the initial phases. In the backdrop of Covid-19 pandemic, the Company continues to implement comprehensive business continuity strategies while ensuring safety and well-being of its employees and Customers.

Pakistan economy exhibited slight recovery during the quarter and is treading on gradual path to resumption of economic dynamism. Pakistan's Container market also depicted growth in volume handled for the quarter which rose by 11% as compared to the corresponding period last year. "Beyond the Gates" strategy along with continued quality services to customers enabled your Company to retain a sustainable market share of 128,688 containers during Q1-2021 as compared to 102,180 containers handled in corresponding period last year.

OPERATING AND FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2021

	(Rupees in million)
Revenue	2,919
Gross Profit	1,427
Profit before taxation	1,343
Profit after taxation	953
Un appropriated profit brought forward	1,184
Unappropriated profit carried forward	2,137
Earnings per Ordinary Share – Basic and Diluted	(Rupees) 8.73

Despite multitude of challenges faced by the Company during the quarter coupled with rising competition at Karachi port, the Company recorded a Revenue growth of 31% during the quarter ended March 31, 2021 as compared to the corresponding period last year. With operational excellence and concerted efforts for optimization of costs, your Company concluded the quarter with net profit of Rs 953 million which is 48% higher as compared to corresponding period last year.

FUTURE OUTLOOK

World economy is currently passing through various waves of Covid-19 that have hit all the economic and fiscal parameters. The steep rise in schedule unreliability and congestion at Global ports which was faced by Global Shipping Industry in 2020 is gradually easing out. In view of the same, outlook for the container shipping market remains strong but at the same time remains unpredictable. World Trade Organization expects 8% rise in world merchandise trade however, the effects of the pandemic are expected to continue and would leave the Global trade lower than the pre-pandemic future trend. Your Company endeavours to retain sustainable market share of Karachi Port through offering customer centric service coupled with digitally enhanced experience.



CONCESSION AGREEMENT

Your Company has the concession agreement with Karachi Port Trust (KPT) for a period of twenty-one years commencing June 18, 2002. In accordance with the concession agreement for subsequent renewal of the term, the Company also has the first right of refusal subject to certain conditions. Moreover, based on precedence of awarding early extension by KPT, your Company has been actively pursuing KPT and Ministry of Maritime Affairs for early extension prior expiry of concession. To date KPT has not replied positively to PICT's request to consider early extension renewal option.

ACKNOWLEDGEMENT

The Board would like to extend sincere gratitude and appreciation to its shareholders and customers for their continued trust and support. The commitment and dedication of employees is valued which has been persistently adding to the success of your company. The Board would also like to express its appreciation to the Government of Pakistan, the Ministry of Maritime Affairs, the Securities & Exchange Commission and other regulatory bodies for their direction and continued support.

The Board and management wish general public to stay safe from the Covid-19 pandemic.

For and on behalf of the Board of Directors



Mr. Hans-Ole Madsen
Chairman of the Board



Mr. Khurram Aziz Khan
Chief Executive Officer

Karachi,
Dated: April 29, 2021



بیانِ نظام

ہم مجلسِ نظام کی جانب سے 31 مارچ 2021 کو ختم ہونے والی سہ ماہی مدت کے لئے آپ کی کمپنی کے غیر محاسب شدہ ملخص عبوری مالیاتی گوشوارے پیش کرنے پر مسرور ہیں۔

کووڈ 19 کے دوران کاروباری کارکردگی اور تسلسل کا جائزہ

کووڈ 19 کی وبائی بیماری کے پھیلنے سے عالمی معیشت متاثر ہو رہی ہے۔ کووڈ 19 کی تیسری لہر کے پھیلاؤ کے پیش نظر، حکومت پاکستان نے اس کے پھیلاؤ پر قابو پانے کے لئے اقدامات سخت کر دیئے ہیں جبکہ اسی دوران ابتدائی مراحل میں فرنٹ ہیلتھ ورکرز اور ضعیف العمر شہریوں کے لئے ویکسینیشن پروگرام شروع کر دیا ہے۔ کووڈ 19 وبائی مرض کے پس منظر میں، کمپنی نے اپنے ملازمین اور صارفین کی حفاظت اور بہبود کو یقینی بناتے ہوئے کاروباری تسلسل کی حکمت عملی پر عمل درآمد جاری رکھا۔

اس سہ ماہی کے دوران پاکستان کی معیشت نے قدرے بحالی کا مظاہرہ کیا اور بتدریج بحالی کے راستے پر گامزن ہے۔ اس سہ ماہی کے دوران پاکستان کی کنٹینر مارکیٹ کے حجم میں اضافہ ہوا جو گزشتہ سال کے اسی عرصے کے مقابلے میں 11 فیصد زیادہ ہے۔ پیونڈا گیلز حکمت عملی کے ساتھ ساتھ صارفین کو مستقل معیاری خدمات کے ساتھ، آپ کی کمپنی نے 128,688 کنٹینرز کا پائیدار مارکیٹ شیئر برقرار رکھا جو گزشتہ سال کے اسی عرصے میں 102,180 کنٹینرز تھا۔

31 مارچ 2021 کو ختم ہونے والی سہ ماہی مدت کے کاروباری اور مالیاتی نتائج

(روپے ملین میں)

2,919

1,427

1,343

953

1,184

2,137

8.73

(روپے)

حاصل

مجموعی منافع

محصولات منافع

بعد از محصولات منافع

آگے لایا گیا غیر منقسمہ منافع

غیر مختص منافع فرستادہ

بنیادی اور خفیف آمدنی فی عمومی حصص

کمپنی کو کراچی پورٹ پر بڑھتی ہوئی مسابقت اور اس سہ ماہی کے دوران کمپنی کو درپیش بے شمار چیلنجز کے باوجود 31 مارچ 2021 کو ختم ہونے والے سہ ماہی کے دوران آپ کی کمپنی کی آمدنی میں 31 فیصد اضافہ ریکارڈ کیا گیا۔ آپریشنل برتری اور لاگت کی اصلاح کے لئے کی گئی ٹھوس کوششوں کے ساتھ، آپ کی کمپنی نے اس سہ ماہی کا اختتام 953 ملین روپے کے خالص منافع کے ساتھ کیا جو گزشتہ سال اسی عرصے کے مقابلے میں 48 فیصد زیادہ ہے۔



مستقبل کا منظر نامہ

عالمی معیشت اس وقت کووڈ 19 کے مختلف ادوار سے گزر رہی ہے جس نے معاشی اور مالی عوامل کو متاثر کیا ہے۔ عالمی بحری جہاز سازی کی صنعت نے 2020 میں ناقابل اعتماد شیڈول اور عالمی بندرگاہوں میں بھیڑ کا جو سامنا کیا تھا اب اس میں بہتری آنا شروع ہو گئی ہے۔ اس کے پیش نظر، کنٹینرز مارکیٹ کا مستقبل نامہ مستحکم اور غیر متوقع ہے۔ عالمی تجارتی تنظیم کو عالمی تجارت میں 8 فیصد اضافہ کی توقع ہے۔ تاہم اس وبا کی بیماری کے اثرات آگے آنے والے سالوں میں ترقی کی رفتار اس وباء سے پہلے کے ترقی کے رجحان میں کمی واقع ہوگی۔ آپ کی کمپنی ڈیجیٹلائزیشن اور سٹرمر مرکزی خدمات کی پیشکش کے ذریعے کراچی پورٹ پر پائیدار مارکیٹ کو برقرار رکھنے کی اپنی پوری کوشش کرے گی۔

کنسین انیگریٹ

آپ کی کمپنی کا کراچی پورٹ ٹرسٹ (کے پی ٹی) کے ساتھ 21 سالہ معاہدہ ہے جو 18 جون 2002 کو شروع ہوا تھا۔ معاہدے کی تجدید کی روشنی میں کچھ شرائط کی بناء پر کمپنی کو معاہدے کی توسیع کا پہلا حق حاصل ہے۔ مزید یہ کہ کے پی ٹی کی تاریخ کی قبل از وقت توسیع کی تاریخ کے پیش نظر، آپ کی کمپنی کے پی ٹی اور وزارت سمندری امور سے معاہدہ کی مدت ختم ہونے سے پہلے اس کی توسیع کے لئے سرگرم عمل ہے۔ کے پی ٹی نے معاہدے کی مدت ختم ہونے سے قبل معاہدے کی توسیع کی کمپنی کی درخواست کا ابھی تک مثبت جواب نہیں دیا ہے۔

اظہار تشکر

مجلس نظماء اپنے قابل قدر حصص یافتگان اور صارفین کے اعتماد کا تہہ دل سے شکریہ ادا کرتی ہے۔ ہم ملازمین کے عزم اور لگن کو سہراتے ہیں جس نے آپ کی کمپنی کو کامیابی کی طرف گامزن کر دیا ہے۔ مجلس نظماء حکومت پاکستان کی وزارت سمندری امور، سیکپو ریشیز اینڈ ایئر ٹرانسپورٹیشن کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں سے بھی ان کی ہدایت اور جاری مدد کیلئے تشکر کرنا چاہتی ہے۔

بورڈ اور انتظامیہ اس بات کی خواہش مند ہے کہ عام عوام کو کووڈ 19 کی عالمی وباء سے محفوظ رہیں۔

منجانب مجلس نظماء



جناب خرم عزیز خان
کمپنی کے سربراہ



جناب ہانس اولمڈین
مجلس نظماء کے چیئرمین

کراچی

بتاریخ: 29 اپریل 2021



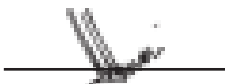
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021**

		March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
Note		----- (Rs in thousands) -----	
NON-CURRENT ASSETS			
	Property, plant and equipment	5 1,368,576	1,545,677
	Intangibles	39,397	45,633
	Long-term deposits	10,424	10,424
	Deferred taxation - net	6 78,994	43,836
		<u>1,497,391</u>	<u>1,645,570</u>
CURRENT ASSETS			
	Stores, spare parts and loose tools - net	491,072	437,651
	Trade debts - net	7 737,776	672,761
	Advances	40,374	22,199
	Deposits, prepayments and other receivables	199,072	178,954
	Short-term investments - net	8 -	-
	Cash and bank balances	2,737,602	1,875,085
		<u>4,205,896</u>	<u>3,186,650</u>
TOTAL ASSETS		<u>5,703,287</u>	<u>4,832,220</u>
SHARE CAPITAL AND RESERVES			
	Issued, subscribed and paid-up capital	1,091,532	1,091,532
	Reserves	2,316,990	1,364,061
		<u>3,408,522</u>	<u>2,455,593</u>
NON-CURRENT LIABILITIES			
	Long-term employee benefits	60,289	58,166
CURRENT LIABILITIES			
	Trade and other payables	9 2,118,763	2,223,884
	Unclaimed dividends	63,216	63,704
	Taxation - net	52,497	30,873
		<u>2,234,476</u>	<u>2,318,461</u>
TOTAL EQUITY AND LIABILITIES		<u>5,703,287</u>	<u>4,832,220</u>
CONTINGENCIES AND COMMITMENTS			
		10	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director




**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED MARCH 31, 2021
(UN-AUDITED)**

	Quarter Ended	
	March 31, 2021	March 31, 2020
	----- (Rs in thousands) -----	
Revenue - net	2,918,961	2,225,820
Cost of services	(1,491,628)	(1,218,516)
Gross profit	1,427,333	1,007,304
Administrative expenses	(132,982)	(148,480)
Other income / (expenses) - net	48,657	48,044
Finance costs	(244)	(262)
Profit before taxation	1,342,764	906,606
Taxation	(389,835)	(263,027)
Profit after taxation	952,929	643,579
	----- (Rupees) -----	
Earnings per ordinary share - basic and diluted	8.73	5.90

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director



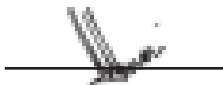
**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31, 2021
(UN-AUDITED)**

	Quarter Ended	
	March 31, 2021	March 31, 2020
	----- (Rs in thousands) -----	
Profit after taxation	952,929	643,579
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>952,929</u>	<u>643,579</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director




**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2021
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Capital reserve Capital redemption reserve fund	Revenue reserve Unappropriated profits	Total reserves	Total
(Rs in thousands)					
Balance as at January 01, 2020	1,091,532	180,000	1,572,198	1,752,198	2,843,730
Profit after taxation	-	-	643,579	643,579	643,579
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	643,579	643,579	643,579
Balance as at March 31, 2020	1,091,532	180,000	2,215,777	2,395,777	3,487,309
Balance as at January 01, 2021	1,091,532	180,000	1,184,061	1,364,061	2,455,593
Profit after taxation	-	-	952,929	952,929	952,929
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	952,929	952,929	952,929
Balance as at March 31, 2021	1,091,532	180,000	2,136,990	2,136,990	3,408,522

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director



**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED MARCH 31, 2021
(UN-AUDITED)**

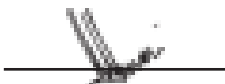
(UN-AUDITED)

		Quarter Ended	
		March 31, 2021	March 31, 2020
Note		----- (Rs in thousands) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	13	1,236,976	891,066
Taxes paid		(403,369)	(312,358)
Long-term employee benefits paid		(1,065)	(774)
Finance costs paid		(244)	(262)
Net cash generated from operating activities		832,298	577,672
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(1,309)	(32,284)
Proceeds from disposal of operating fixed assets		166	26
Markup on savings accounts received		31,850	50,451
Net cash generated from investing activities		30,707	18,193
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(488)	(555)
Net cash used in financing activities		(488)	(555)
Net increase in cash and cash equivalents		862,517	595,310
Cash and cash equivalents at the beginning of the period		1,875,085	1,315,635
Cash and cash equivalents at the end of the period		2,737,602	1,910,945

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2021
(UN-AUDITED)**

1. CORPORATE INFORMATION AND OPERATIONS

- 1.1.** Pakistan International Container Terminal Limited (the Company) was incorporated in Pakistan and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Berths 6 - 9, East Wharf, Karachi Port, Karachi.
- 1.2.** The Company is mainly engaged in providing container terminal management services. Currently the Company has a Build, Operate and 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, 2002. For renewal of subsequent term in light with concession agreement, the Company has first right of refusal subject to certain conditions.
- 1.3.** The Company is a subsidiary of ICTSI Mauritius Limited whereas its ultimate parent company is International Container Terminal Services Inc., a company incorporated in Philippines.

2. BASIS OF PREPARATION

2.1. Statement of compliance

These condensed interim financial statements of the Company have been prepared in accordance with the requirements of the International Accounting Standard (IAS 34) "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and the provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

These condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Act. These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2020.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2020, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements of the Company for the quarter ended March 31, 2020.

2.2. Functional and presentation currency

These condensed interim financial statements are presented in Pakistani 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 condensed interim financial statements are consistent with those followed in the preparation of the annual audited financial statements for the year ended December 31, 2020.



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

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. 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 annual audited financial statements as at and for the year ended December 31, 2020. The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended December 31, 2020.

		March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
Note		----- (Rs in thousands) -----	

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	1,290,062	1,457,635
Capital work-in-progress (CWIP)		78,514	88,042
		<u>1,368,576</u>	<u>1,545,677</u>

5.1. Operating fixed assets

Written down value at the beginning of the period / year		1,457,635	1,901,008
Additions / transfers from CWIP during the period / year	5.1.1	10,837	246,402
		1,468,472	2,147,410
Less:			
Disposals during the period / year at written down value	5.1.2	(506)	(811)
Depreciation charged during the period / year		(177,904)	(688,964)
		(178,410)	(689,775)
		<u>1,290,062</u>	<u>1,457,635</u>

5.1.1. Additions / transfers from CWIP during the period / year

Leasehold improvements	468	24,322
Container / terminal handling / workshop equipment	-	132,254
Port power generation	306	75,738
Computers and other equipment	10,063	13,905
Furniture and fixtures	-	183
	<u>10,837</u>	<u>246,402</u>

5.1.2. Disposals during the period / year at written down value

Container / terminal handling / workshop equipment	506	209
Computers and other equipment	-	428
Furniture and fixtures	-	174
	<u>506</u>	<u>811</u>



		March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
		----- (Rs in thousands) -----	
6.	DEFERRED TAXATION - net		
	Debit balances arising in respect of timing differences relating to:		
	Accelerated tax depreciation and amortisation Provisions	35,624 (114,618) <u>(78,994)</u>	74,071 (117,907) <u>(43,836)</u>
7.	TRADE DEBTS - net		
	Includes Rs 2.5 million (December 31, 2020: Rs 7.5 million) receivable from related parties.		
	Note	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
		----- (Rs in thousands) -----	
8.	SHORT-TERM INVESTMENTS - net		
	Amortised cost		
	Certificate of investments (COIs)	8.1 43,000	43,000
	Allowance for expected credit losses	<u>(43,000)</u>	<u>(43,000)</u>
		<u>-</u>	<u>-</u>
8.1	Represents investment in COIs of Saudi Pak Leasing Company (the Investee Company). The Investee Company made default in repayment against COIs in August 2009 due to serious financial and liquidity crunch reportedly being faced by it. Due to uncertainties involved, the Company as a matter of prudence has carried impairment provision in these condensed interim financial statements. However, the Company is continuously pursuing for the recovery of investment amount.		
9.	TRADE AND OTHER PAYABLES		
	Includes Rs 193.5 million (December 31, 2020: Rs 191.8 million) payable to related parties.		
10.	CONTINGENCIES AND COMMITMENTS		
10.1.	Contingencies		
10.1.1.	Except for the contingency mentioned below, as at March 31, 2021, there is no material change in the status of matters reported in note 16.1 as contingencies in audited financial statements for the year ended December 31, 2020.		
10.1.2.	In 2021, the Additional Commissioner Inland Revenue (ACIR) amended the deemed assessment of the Company for the tax year 2019 by passing an order under section 122(5A) of the Income Tax Ordinance, 2001 and made certain disallowances / additions to the taxable income and tax credits claimed by the Company and raised an income tax demand of Rs. 420.619 million. The Company filed an appeal before CIR-A which is pending for adjudication. The Company has also obtained stay from HCS against the demand created by ACIR. HCS vide its order directed ACIR not to take any coercive recovery measures till the finalization of appeal before the CIR-A.		
	The tax advisor of the Company is of the view that the issues involved in the appeal will be decided in favor of the Company. Accordingly, no provision in respect of the aforementioned demand raised by ACIR has been made in these condensed interim financial statements.		



March 31,
2021
(Un-audited)
----- (Rs in thousands) -----

December 31,
2020
(Audited)
----- (Rs in thousands) -----

10.2. Commitments

10.2.1. Commitments for capital expenditure	<u>4,190</u>	<u>30,401</u>
10.2.2. Outstanding letters of guarantee	<u>159,354</u>	<u>159,354</u>
10.2.3. Outstanding letters of credit		
Utilised	6,246	63,670
Unutilised	<u>193,754</u>	<u>136,330</u>

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of bank balances, advances, trade deposits, other receivables and short-term investments. Financial liabilities consist of trade and other payables and unclaimed dividends. The fair values of financial instruments are not materially different from their carrying values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As of the reporting date, the Company does not have any financial assets carried at fair value that required categorisation in Level 1, Level 2 and Level 3.

12. RELATED PARTY TRANSACTIONS

The related parties include the Holding Company, associated companies, and entities having directors in common with the Company, Staff Provident Fund, directors and other key management personnel. Detail of related parties with whom the Company has entered into transactions with or has arrangement / agreement in place during the period along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Quarter Ended	
	March 31, 2021	March 31, 2020
	----- (Un-audited) -----	
	----- (Rs in thousands) -----	
Holding Company		
Technical services fee	<u>171,704</u>	<u>130,931</u>
Associated companies / other related parties		
Terminal handling services and rent	<u>148,398</u>	<u>90,715</u>
Revenue from container handling	<u>5,310</u>	<u>6,347</u>
Key management personnel		
Remuneration	<u>42,876</u>	<u>66,771</u>



Staff retirement contribution plan

Provident fund contribution

Quarter Ended	
March 31, 2021	March 31, 2020
----- (Un-audited) -----	
----- (Rs in thousands) -----	
6,162	6,218
2,285	2,321

Directors

Fee for attending meetings

13. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	1,342,764	906,606
Adjustments for non-cash items:		
Depreciation and amortisation	184,140	173,012
Finance cost	244	262
Accrual for long-term employee benefits	3,188	429
Exchange (gain) / loss - net	(7,825)	4,140
Mark-up on saving accounts	(37,589)	(50,559)
Loss on disposals of operating fixed assets - net	340	-
	142,498	127,284
Operating profit before working capital changes	1,485,262	1,033,890

Increase in current assets

Stores, spare parts and loose tools - net
 Trade debts - net
 Advances, deposits, prepayments and other receivables

(53,421)	3,267
(65,015)	(127,400)
(32,554)	(20,022)
(150,990)	(144,155)

(Decrease) / increase in current liabilities

Trade and other payables

(97,296)	1,331
----------	-------

Cash generated from operations

1,236,976	891,066
-----------	---------

14. DIVIDEND AND APPROPRIATION

The Board of Directors in their board meeting held on April 29, 2021 have recommended an interim cash dividend of Rs 2 (December 31, 2020: Rs 25.54) per ordinary share for the year ending December 31, 2021.

15. 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 29, 2021.

16. GENERAL

Certain figures in these condensed interim financial statements have been rearranged / reclassified for better presentation, the effect of which is immaterial. Figures have been rounded off to the nearest thousand rupees.



Chief Executive Officer



Chief Financial Officer



Director

