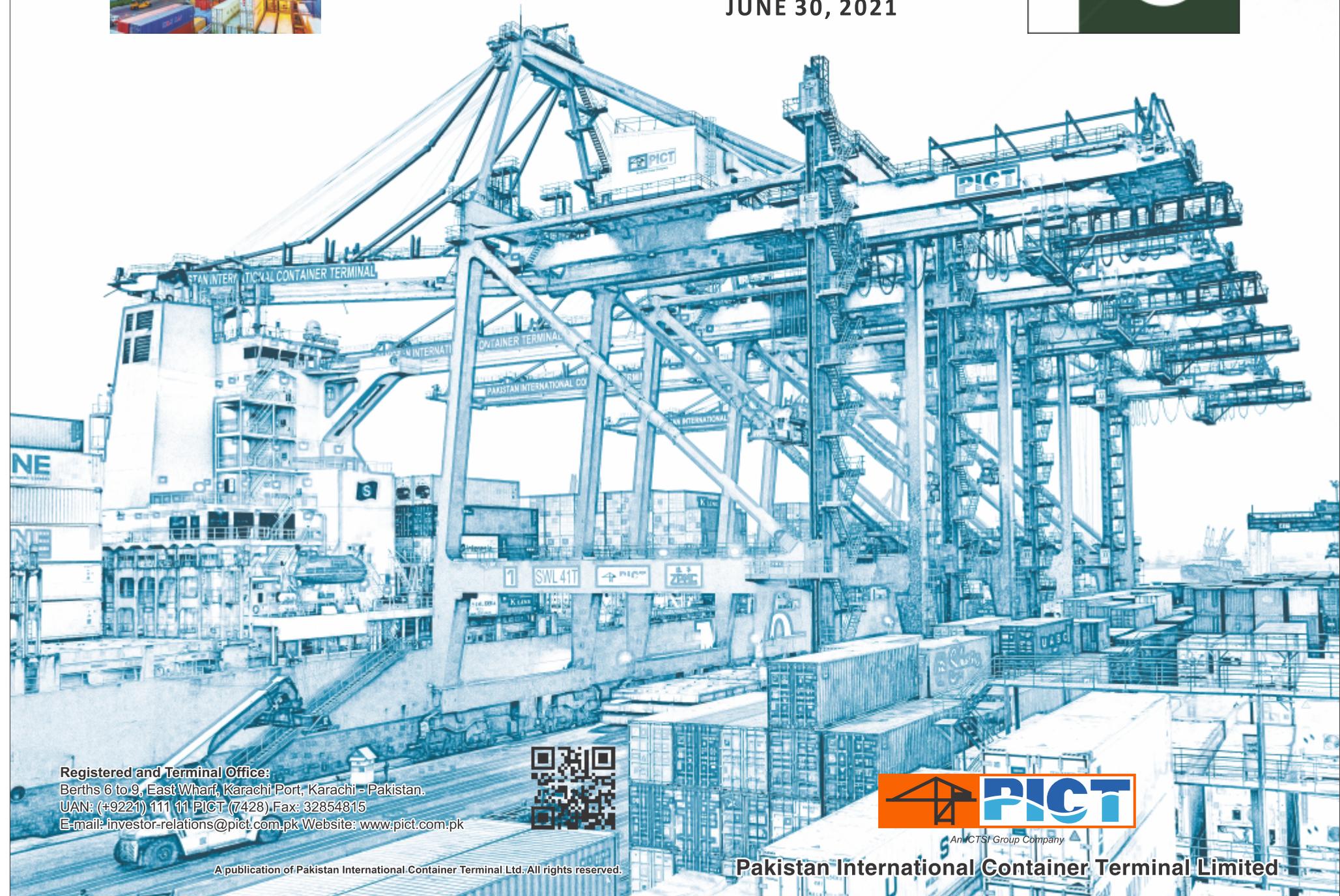
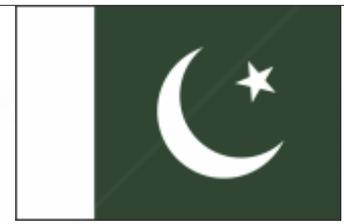




HALF YEARLY REPORT

JUNE 30, 2021



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 نظاماء	6
■ Auditor's Report to the Members on review of condensed Interim Financial Statements	8
■ Condensed Interim Financial Statements	9





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 HALF YEAR ENDED JUNE 30, 2021

The Board of Directors of Pakistan International Container Terminal are pleased to present un-audited condensed interim financial statements of the Company for the half-year ended June 30, 2021, together with the Auditor's Review Report thereon.

BUSINESS PERFORMANCE REVIEW AND BUSINESS CONTINUITY DURING COVID-19

Covid-19 remains the unprecedented globally shared phenomenon with impacts on domestic as well as global economy during 2021. Government of Pakistan's effective containment measures and strict policies on nationwide vaccination drive has been an impetus for restricting the adverse impacts of Covid-19 nationwide.

In this backdrop of Covid-19 pandemic, health and safety of our employees remains one of the utmost priorities and hence the Company made arrangement for Covid-19 vaccination of all its employees during this half year. To mitigate the risk of possible business interruptions, the Company continued to implement comprehensive continuity strategies with strict Covid-19 SOPs implementation.

Despite being grappled with third and fourth contagious waves of Covid-19, Pakistan's economy is moving progressively on a higher inclusive and sustainable growth path. Pakistan Container market also depicted growth in volume handled for the half year ended by 18% as compared to the same period last year. Excess capacity available with competitors at Karachi Port still pose a challenge to your Company which is effectively managed through various commercial and operational initiatives backed up by continued quality services. Resultantly your Company retained a sustainable market share of 245,999 containers during first half of 2021 as compared to 175,925 containers handled in the same period last year.

OPERATING AND FINANCIAL RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2021

(Rupees in million)

Revenue	5,569
Gross Profit	2,586
Profit before taxation	2,433
Profit after taxation	1,728
Unappropriated profit brought forward	1,184
Unappropriated profit carried forward	2,148

Earnings per Ordinary Share – Basic and Diluted

(Rupees) 15.83

The Company recorded a Revenue growth of 35% during the half year ended June 30, 2021, as compared to the same period last year through increasing market share and costs optimizations despite rising competition at Karachi Port. Net profit of Rs 1,728 million has been achieved which is 47% higher as compared to same period last year.

FUTURE OUTLOOK

Congestion at Global ports still remains a phenomenon due to strong demand levels combined with disruptions related to Covid-19 pandemic. Evolution of the pandemic, availability and accessibility of the vaccine, fluctuating demand and supply patterns along with the external trade conditions will be the key factors for the global and domestic economic outlook.



World Trade is expected to recover higher than the pre-pandemic levels and container terminal industry would also realize its benefits. Your Company remains committed to retaining sustainable market share of Karachi Port by delivering enduring value for all its stakeholders.

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 renewal of subsequent term, the Company has first right of refusal subject to certain conditions. The Company has submitted its request for early extension of the concession agreement and expansion of the infrastructure based on the precedence existing at Karachi Port. To date KPT has not replied positively to Company's request of early extension.

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 the general public to stay safe from the recent waves of 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: August 26, 2021



بیانِ نظماً

مجلسِ نظماً، پاکستان انٹرنیشنل کنٹینر ٹرمینل کے 30 جون 2021 کو ختم ہونے والی ششماہی مدت کے غیر محاسب شدہ مختصر مالیاتی گوشوارے بعد محاسب کی جائزہ رپورٹ پیش کرنے پر مسرور ہیں۔

کووڈ 19 کے دوران کاروباری کارکردگی اور تسلسل کا جائزہ

2021 کے دوران بھی کووڈ 19 عالمی سطح پر غیر معمولی صورتحال کے ساتھ ملکی اور عالمی معیشت پر اصرار انداز رہا ہے۔ حکومت پاکستان کے کووڈ 19 کی روک تھام کے لئے موثر اقدامات اور ملک گیر ویکسینیشن مہم کی سخت پالیسیوں کے تحت حکومت پاکستان کووڈ 19 کے منفی اثرات کو محدود کرنے میں کامیاب رہی۔

کووڈ 19 وبائی مرض کے پس منظر میں، ہمارے ملازمین کی صحت اور حفاظت اہم ترجیحات میں شامل ہیں اور اسی وجہ سے کمپنی نے اس ششماہی مدت میں اپنے تمام ملازمین کو کووڈ 19 کی ویکسینیشن کا انتظام کیا۔ کووڈ 19 کی ایس او پیز کے ساتھ کمپنی نے کاروباری تسلسل کی جامع حکمت عملی پر عمل درآمد جاری رکھا اور بلا تعلق آپریشن کو یقینی بنایا۔

کووڈ 19 کی تیسری اور چوتھی لہروں کا سامنا کرنے کے باوجود، پاکستان کی معیشت ترقیاتی طور پر اعلیٰ اور پائیدار راہ کی طرف گامزن ہے۔ اس ششماہی کے دوران پاکستان کی کنٹینر مارکیٹ کے حجم میں گزشتہ سال کی اسی مدت کے مقابلہ میں 18% اضافہ ہوا۔ کراچی پورٹ پر اضافی صلاحیت اب بھی آپ کی کمپنی کے لیے ایک چیلنج ہے۔ مسلسل معیاری خدمات اور متعدد تجارتی اور آپریشنل اقدامات کے ذریعے اس چیلنج کو کم کیا گیا ہے۔ جس کے نتیجے میں آپ کی کمپنی نے 2021 کے پہلے ششماہی کے دوران 245,999 کنٹینرز سنبھالے جو کہ گزشتہ سال کی اسی مدت میں 175,925 کنٹینرز رہے۔

30 جون 2021 کو ختم ہونے والے ششماہی مدت کے کاروباری اور مالیاتی نتائج

(روپے ملین میں)

5,569

محاصل

2,586

مجموعی منافع

2,433

محصولات سے قبل منافع

1,728

بعد از محصولات منافع

1,184

آگے لایا گیا غیر منقسمہ منافع

2,148

غیر مختص منافع فرستادہ

15.83 (روپے)

بنیادی اور خفیف آمدنی فی عمومی حصص



30 جون 2021 کو ختم ہونے والے ششماہی کے دوران کمپنی کی آمدنی میں گزشتہ سال اسی عرصے سے مقابلہ میں 35% اضافہ ہوا جس کی وجہ مارکیٹ شیئر میں اضافہ اور اخراجات کی اصلاح ہے۔ اس سال 1,728 ملین روپے کا منافع حاصل ہوا جو کہ گزشتہ سال کے اسی مدت کے مقابلہ میں 47% فیصد زیادہ ہے۔

مستقبل کا منظر نامہ

کووڈ 19 کی بنا پر رکاوٹوں اور بڑھتی ہوئی طلب کی سطح کی وجہ سے عالمی بندرگاہوں پر ابھی بھی بھیڑ کا رجحان ہے۔ وبائی امراض کا ارتقا، ویکسین کی دستیابی، طلب اور رسد کے اتار چڑھاؤ کے ساتھ ساتھ بیرونی اور مقامی حالات معاشی نقطہ نظر کے اہم عوامل ہوں گے۔ خاص طور پر ایشیا میں مختلف اقسام کے ڈیلٹا وائرس کو روکنے کی صلاحیت دوسرے نصف حصے میں عالمی تجارت کی کارگر دگی کا تعین کرے گے۔ آپ کی کمپنی اپنی خدمات کی پیشکش کے ذریعے کراچی پورٹ پر پائیدار مارکیٹ کو برقرار رکھنے کی اپنی پوری کوشش کرے گی۔

کنسیشن ایگریمنٹ

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 بنا پر کمپنی کو معاہدے کی توسیع کا پہلا حق حاصل ہے۔ کراچی پورٹ کی تاریخ میں قبل از وقت معاہدہ کی توسیع کے پیش نظر، کمپنی نے معاہدے اور بنیادی ڈھانچے کی قبل از وقت توسیع کی درخواست پیش کی ہے جس کا کے پی ٹی نے آج تک مثبت جواب نہیں دیا ہے۔

اظہار شکر

مجلسِ نظماء اپنے قابل قدر حصص یافتگان اور صارفین کے اعتماد کا تہدول سے شکر یہ 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۔ مجلسِ نظماء حکومت پاکستان کی وزارت سمندی امور، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں سے بھی ان کی ہدایت اور جاری مدت کیلئے تشکر کرنا چاہتی ہے۔

بوڈی اور انتظامیہ اس بات کی خواہش مند ہے کہ عوام کووڈ 19 کی عالمی وباء کی حالیہ لہروں سے محفوظ رہیں۔

منجانب مجلسِ نظماء



جناب ہانس اول میڈن
مجلسِ نظماء کے چیئرمین

جناب خرم عزیز خان
کمپنی کے سربراہ

کراچی

تاریخ: 26 اگست 2021





EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530,
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakistan International Container Terminal Limited Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pakistan International Container Terminal Limited as at 30 June 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 30 June 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures of the six-months period ended 30 June 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information 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 interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's review report is Mr. Shaikh Ahmed Salman.



Chartered Accountants
Place: Karachi
Date: 26 August 2021

A member firm of Ernst & Young Global Limited



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021**

	June 30, 2021 (Un-audited) ----- (Rs in thousands) -----	December 31, 2020 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	5 1,193,335	1,545,677
Intangibles	33,192	45,633
Long-term deposits	5,544	10,424
Deferred taxation - net	6 118,674	43,836
	<u>1,350,745</u>	<u>1,645,570</u>
CURRENT ASSETS		
Stores, spare parts and loose tools - net	489,280	437,651
Trade debts - net	7 621,950	672,761
Advances	32,973	22,199
Deposits, prepayments and other receivables	203,889	178,954
Short-term investments - net	8 -	-
Cash and bank balances	2,865,344	1,875,085
	<u>4,213,436</u>	<u>3,186,650</u>
TOTAL ASSETS	<u>5,564,181</u>	<u>4,832,220</u>
SHARE CAPITAL AND RESERVES		
Issued, subscribed and paid-up capital	1,091,532	1,091,532
Reserves	2,327,613	1,364,061
	<u>3,419,145</u>	<u>2,455,593</u>
NON-CURRENT LIABILITIES		
Long-term employee benefits	61,365	58,166
CURRENT LIABILITIES		
Trade and other payables	9 1,972,295	2,223,884
Unclaimed dividends	65,468	63,704
Taxation - net	45,908	30,873
	<u>2,083,671</u>	<u>2,318,461</u>
TOTAL EQUITY AND LIABILITIES	<u>5,564,181</u>	<u>4,832,220</u>
CONTINGENCIES AND COMMITMENTS	10	

The annexed notes from 1 to 19 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 HALF YEAR AND QUARTER ENDED JUNE 30, 2021
(UN-AUDITED)**

	Half Year Ended		Quarter Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Note	----- (Rs in thousands) -----			
Revenue - net	5,569,299	4,115,983	2,650,338	1,890,163
Cost of services	(2,983,798)	(2,282,838)	(1,492,170)	(1,064,322)
Gross profit	2,585,501	1,833,145	1,158,168	825,841
Administrative expenses	(265,871)	(267,917)	(132,889)	(119,437)
Other expenses	(340)	(4,562)	-	(604)
Finance costs	(337)	(328)	(93)	(66)
Other income	114,313	90,026	65,316	38,024
Profit before taxation	2,433,266	1,650,364	1,090,502	743,758
Taxation	(705,642)	(478,568)	(315,807)	(215,541)
Profit after taxation	1,727,624	1,171,796	774,695	528,217
	----- (Rupees) -----			
Earnings per ordinary share - basic and diluted	15.83	10.74	7.10	4.84

The annexed notes from 1 to 19 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 HALF YEAR AND QUARTER ENDED JUNE 30, 2021
(UN-AUDITED)**

	Half Year Ended		Quarter Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- (Rs in thousands) -----			
Profit after taxation	1,727,624	1,171,796	774,695	528,217
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	1,727,624	1,171,796	774,695	528,217

The annexed notes from 1 to 19 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 HALF YEAR ENDED JUNE 30, 2021
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Capital reserve Capital redemption reserve fund	Revenue reserve Unappropriated profit	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	-	-	1,171,796	1,171,796	1,171,796
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,171,796	1,171,796	1,171,796
Final cash dividend for the year ended December 31, 2019 @ Rs.7.50/- per ordinary share	-	-	(818,649)	(818,649)	(818,649)
Interim cash dividend for the year ended December 31, 2020 @ Re.1.00/- per ordinary share	-	-	(109,153)	(109,153)	(109,153)
Balance as at June 30, 2020	1,091,532	180,000	1,816,192	1,996,192	3,087,724
Balance as at January 01, 2021	1,091,532	180,000	1,184,061	1,364,061	2,455,593
Profit after taxation	-	-	1,727,624	1,727,624	1,727,624
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,727,624	1,727,624	1,727,624
Final cash dividend for the year ended December 31, 2020 @ Rs.5.00/- per ordinary share	-	-	(545,766)	(545,766)	(545,766)
Interim cash dividend for the year ending December 31, 2021 @ Rs.2.00/- per ordinary share	-	-	(218,306)	(218,306)	(218,306)
Balance as at June 30, 2021	1,091,532	180,000	2,147,613	2,327,613	3,419,145

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



 Chief Executive Officer



 Chief Financial Officer



 Director

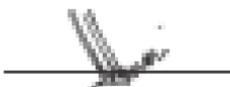

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED JUNE 30, 2021
(UN-AUDITED)**

	Note	Half Year Ended	
		June 30, 2021	June 30, 2020
----- (Rs in thousands) -----			
CASH FLOWS FROM OPERATING ACTIVITIES	15	2,444,675	1,953,897
Taxes paid		(765,445)	(509,997)
Long-term employee benefits paid		(1,423)	(1,576)
Finance costs paid		(337)	(328)
Net cash generated from operating activities		<u>1,677,470</u>	<u>1,441,996</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(3,732)	(55,739)
Proceeds from disposal of operating fixed assets		166	349
Markup on saving accounts received		78,663	87,475
Net cash inflow from investing activities		<u>75,097</u>	<u>32,085</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(762,308)	(925,918)
Net cash used in financing activities		<u>(762,308)</u>	<u>(925,918)</u>
Net increase in cash and cash equivalents		<u>990,259</u>	<u>548,163</u>
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		<u>2,865,344</u>	<u>1,863,798</u>

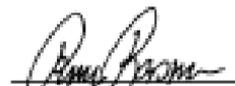
The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED JUNE 30, 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.
- 1.3. For renewal of subsequent term in accordance with concession agreement, the Company has first right of refusal subject to certain conditions. The Company has submitted its request for early extension of the concession agreement and expansion of the infrastructure based on the precedence existing at Karachi Port.
- 1.4. 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 but subject to limited scope review by the statutory auditors and is 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 period ended June 30, 2020.

The figures of the condensed interim statement of profit or loss for the quarter ended June 30, 2021 and June 30, 2020 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended June 30, 2021 and June 30, 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 except for the adoption of following new amendments to International Financial Reporting Frameworks (IFRSs) by the Company, which became effective for the current period:

IFRS 16 - Covid-19 Related Rent Concessions beyond June 30, 2021 (Amendments)

IFRS 9 / IAS 39 / IFRS 7 / IFRS 4 / IFRS 16 - Interest Rate Benchmark Reform – Phase 2 (Amendments)

The adoption of the above amendments to accounting standards did not have any material effect on the Company's condensed interim financial statements.

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.

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
Note	----- (Rs in thousands) -----	

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	1,131,224	1,457,635
Capital work-in-progress (CWIP)		62,111	88,042
		<u>1,193,335</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	29,663	246,402
		<u>1,487,298</u>	<u>2,147,410</u>
Less:			
Disposals during the period / year at written down value	5.1.2	(506)	(811)
Depreciation charged during the period / year		<u>(355,568)</u>	<u>(688,964)</u>
		<u>(356,074)</u>	<u>(689,775)</u>
		<u>1,131,224</u>	<u>1,457,635</u>



	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rs in thousands) -----	----- (Rs in thousands) -----

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

Leasehold improvements	4,150	24,322
Container / terminal handling / workshop equipment	-	132,254
Port power generation	306	75,738
Computers and other equipment	25,207	13,905
Furniture and fixtures	-	183
	29,663	246,402

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
	506	811

6. DEFERRED TAXATION - net
Debit balances arising in respect of timing differences relating to:

Accelerated tax depreciation and amortisation	2,491	(74,071)
Provisions	116,183	117,907
	118,674	43,836

7. TRADE DEBTS - net

Includes Rs. 1.78 million (December 31, 2020: Rs. 7.53 million) receivable from related parties.

	June 30, 2021 (Un-Audited)	December 31, 2020 (Audited)
	----- (Rs in thousands) -----	----- (Rs in thousands) -----

8. SHORT-TERM INVESTMENTS - net
At amortised cost

Certificate of investments (COIs)		43,000
Allowance for expected credit losses	8.1	(43,000)
		-

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 the investment amount.

9. TRADE AND OTHER PAYABLES

Include Rs. 230.65 million (December 31, 2020: Rs 191.75 million) payable to related parties.



10. CONTINGENCIES AND COMMITMENTS

10.1. Contingencies

10.1.1. As at June 30, 2021, except for the contingencies mentioned below, there is no material change in the status of matters reported in note 16.1 as contingencies in audited financial statements of the Company 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 years 2019 and 2020 by passing the orders 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 income tax demands of Rs. 420.619 million and Rs. 370.391 million respectively. The Company filed the appeals before CIR-A which are pending for adjudication. The Company has also obtained stay from HCS against the demands created by ACIR. HCS vide its orders directed ACIR not to take any coercive recovery measures till the finalization of appeals before CIR-A.

The tax advisor of the Company is of the view that the issues involved in the appeals will be decided in favor of the Company. Accordingly, no provision in respect of the aforementioned demands raised by ACIR has been made in these condensed interim financial statements.

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rs in thousands) -----	
10.2. Commitments		
10.2.1. Commitments for capital expenditure	<u>31,507</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	<u>165,642</u>	<u>63,670</u>
Unutilised	<u>34,358</u>	<u>136,330</u>
10.2.4. Commitments in respect of Handling, Marshalling and Storage charges to KPT		
Not later than one year	<u>205,408</u>	<u>204,852</u>
Later than one year but not later than five years	<u>210,676</u>	<u>313,380</u>
	<u>416,084</u>	<u>518,232</u>

11. OTHER INCOME

Includes Rs. 81.70 million (June 30, 2020: Rs. 87.81 million) markup on saving accounts.

	Half Year Ended		Quarter Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- (Un-audited) -----			
	----- (Rs in thousands) -----			

12. TAXATION

Current	780,480	547,495	355,487	247,302
Deferred	<u>(74,838)</u>	<u>(68,927)</u>	<u>(39,680)</u>	<u>(31,761)</u>
	<u>705,642</u>	<u>478,568</u>	<u>315,807</u>	<u>215,541</u>



13. 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.

14. RELATED PARTY TRANSACTIONS

The related parties include the Holding Company, associated companies, 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 condensed interim financial statements, are as follows:

	Half Year Ended		Quarter Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- (Un-audited) -----			
	----- (Rs in thousands) -----			
Holding Company				
Technical services fee	327,606	242,117	155,902	111,186
Dividends	367,612	446,386	367,612	446,386
Associated companies / other related parties				
Terminal handling services and rent	319,797	176,856	171,399	91,879
Revenue from container handling	11,413	14,220	6,103	7,873
Dividends	261,888	349,400	261,888	349,400
Key management personnel				
Managerial Remuneration	140,346	105,825	99,535	40,964
Company's contribution to provident fund	4,211	3,938	2,146	2,028
Staff retirement contribution plan				
Provident fund contribution	12,437	12,428	6,275	6,210
Directors				
Fee for attending meetings	4,210	4,145	1,925	1,824



Half Year Ended

June 30, 2021	June 30, 2020
----- (Un-audited) -----	
----- (Rs in thousands) -----	

15. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	2,433,266	1,650,364
Adjustments for non-cash items:		
Depreciation and amortization	368,009	348,208
Finance cost	337	328
Accrual for long-term employee benefits	4,622	5,858
Exchange (gain) / loss – net	(2,175)	4,562
Mark-up on saving accounts	(81,702)	(87,811)
Loss on disposal of operating fixed assets - net	340	462
	<u>289,431</u>	<u>271,607</u>
Operating profit before working capital changes	2,722,697	1,921,971
(Increase) / decrease in current assets		
Stores, spare parts and loose tools – net	(51,629)	(9,695)
Trade debts – net	50,811	20,483
Advances, deposits, prepayments and other receivables	(27,790)	26,355
	<u>(28,608)</u>	<u>37,143</u>
	2,694,089	1,959,114
Decrease in current liabilities		
Trade and other payables	(249,414)	(5,217)
	<u>(249,414)</u>	<u>(5,217)</u>
Cash generated from operations	2,444,675	1,953,897

16. EXEMPTION FROM APPLICABILITY OF IFRIC-12 "SERVICE CONCESSION ARRANGEMENTS"

The Securities and Exchange Commission of Pakistan (SECP) in pursuance of S.R.O No. 24(I)/2012 dated January 16, 2012 has given relaxation for the implementation of IFRIC-12 "Service Concession Arrangements" due to the practical difficulties faced by the companies. However, SECP made it mandatory to disclose the impact on the results due to application of IFRIC-12.

Under IFRIC-12, the consideration required to be made by operator (the Company) for the right to use the asset is to be accounted for as an intangible asset under IAS-38 "Intangible Assets". If the Company had to follow IFRIC-12, the effect on these condensed interim financial statements would be as follows:

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rs in thousands) -----	
Reclassification from property, plant and equipment (including CWIP) to intangible assets (Port Concession Rights) - written down value	<u>790,442</u>	<u>980,838</u>
Reclassification from spares to intangible assets	<u>26,815</u>	<u>27,956</u>
Recognition of intangible assets (Port Concession Rights) on account of handling and marshalling charges (HMS)	<u>172,027</u>	<u>215,034</u>
Recognition of present value of concession liability on account of intangibles (HMS)	<u>375,908</u>	<u>463,558</u>
Interest expense for the period / year on account of intangibles (HMS)	<u>12,748</u>	<u>34,334</u>
Amortisation expense for the period / year on account of intangibles (HMS)	<u>43,007</u>	<u>86,014</u>
Amortisation expense for the period / year on account of concession assets (PPE and spares)	<u>194,763</u>	<u>374,054</u>
Increase in profit before tax for the period / year on account of reversal of HMS	<u>100,398</u>	<u>195,034</u>



17. DIVIDEND AND APPROPRIATION

The Board of Directors in their board meeting held on August 26, 2021 have recommended an interim cash dividend of Rs 2.00 (December 31, 2020: Rs 25.54) per ordinary share for the year ending December 31, 2021.

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on August 26, 2021.

19. 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

