



An ICTSI Group Company

Pakistan International Container Terminal Limited

Investing in the Future



Quarterly Report
September 30, 2021

Registered and Terminal Office:

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

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

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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 Iuminada Miguel
(Non-Executive Director)

Mr. Gordon Alan P. Joseph
(Independent Director)

Mr. Jacob Christian Gulmann
(Non-Executive Director)

Mr. Rune Rasmussen
(Independent Director)

Bilal Shahid
(Non-Executive Director)
(Appointed on October 14, 2021)

Mr. Sharique Azim Siddiqui
(Non-Executive Director)
(Resigned on October 13, 2021)

Capt. Zafar Iqbal Awan
(Non-Executive Director)
(Resigned on October 13, 2021)

Company Secretary

Mr. Adil Siddique

Audit Committee

Chairman

Mr. Rune Rasmussen

Members

Mr. Sharique Azim Siddiqui
(Resigned on October 13, 2021)

Ms. Gigi Iuminada 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
(Resigned on October 13, 2021)

Human Resource & Remuneration Committee

Chairman

Mr. Gordon Alan P. Joseph

Members

Mr. Hans-Ole Madsen

Capt. Zafar Iqbal Awan
(Resigned on October 13, 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 NINE MONTHS ENDED SEPTEMBER 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 nine months ended September 30, 2021.

BUSINESS PERFORMANCE REVIEW

Government of Pakistan's persistence on nationwide vaccination drive has been effective in reducing positive Covid-19 cases. This lead to easing out restrictions and lockdown, thereby guiding the economy to recovery path backed up by promising growth in industry and service sector. The Pakistan Container market also depicted 18% growth for the nine months ended September 30, 2021 compared to the same period last year.

Your Company outgrew the market growth, handling 367,302 containers during the nine months ended September 30, 2021 [269,870 containers were handled in the same period last year]. Your Company's customer centric approach and value added services helped in increasing market share to 20%. Excess capacity available with the competitors remains a challenge that is being mitigated through various commercial and operational initiatives.

OPERATING AND FINANCIAL RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

(Rupees in million)

Revenue	8,301
Gross Profit	3,827
Profit before taxation	3,630
Profit after taxation	2,577
Unappropriated profit brought forward	1,184
Unappropriated profit carried forward	2,779
Earnings per Ordinary Share – Basic and Diluted	(Rupees) 23.61

36% growth in Container volumes helped the Company in generating Revenue of 8,301 million during the nine months ended September 30, 2021 [30% higher as compared to same period last year]. Through concerted efforts for costs optimizations, the Company concluded the nine months period with impressive Net Profit of Rs 2,577 million [36% higher as compared to same period last year].

FUTURE OUTLOOK

Global pandemic evolution, fluctuating demand and supply patterns alongwith the external trade conditions will be the key factor for the global and domestic economic outlook. Schedule reliability, congestion and delays at Global ports still remains a global issue for the Maritime industry. These container shipping supply chain disruptions are expected to normalize by the end of year 2022. Your Company remains committed in retaining sustainable market share at Karachi Port by delivering enduring value for all its stakeholders.

CONCESSION AGREEMENT

The Board draws your attention to Note 1.3 of the condensed interim financial statements which states that your Company has the concession agreement with the 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.



Based on the precedence existing at Karachi Port, the Company has submitted its request for early extension of the concession agreement and expansion of the infrastructure. To date KPT has not replied positively to Company's request of early extension.

EVENTS AFTER THE BALANCE SHEET DATE

Your Company has received intimations on October 5 and October 8, 2021 from International Container Terminal Services, Inc [ICTSI], the ultimate parent company of your Company, regarding further acquisition of 17,332,267 shares in Pakistan International Container Terminal. The shareholding of ICTSI in your Company has now increased to 80.41% from 64.54%. This increase in investment of ICTSI reaffirms their commitment to support and improve Pakistan's port industry and will help your company in leveraging on global expertise and explore for new opportunities to increase shareholder value.

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 our 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.

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: October 21, 2021



بیان نظام

جلس نظام، پاکستان انٹرنیشنل کنٹینر ٹرمینل کے 30 ستمبر 2021 کو ختم ہونے والی نوامی مدت کے غیر محاسب شدہ مختصر عبوری مالیاتی گوشوارے پیش کرنے پر مسرور ہیں۔

کاروباری کارکردگی کا جائزہ

حکومت پاکستان کی ملک گیر ویکسینیشن مہم پر ثابت قدمی نے کووڈ 19 کے مثبت کیسز کو کم کرنے میں اہم کردار ادا کیا ہے۔ جس کے باعث پابندیوں اور لاک ڈاؤن میں کمی ہوئی ہے، اور اس کے ذریعے صنعتی اور سروس کے شعبے کی پر امید ترقی معیشت کو بحالی کی راہ پر گامزن کرنے میں مددگار ثابت ہوئی ہے۔ موجودہ نوامی کے دوران پاکستان کی کنٹینر مارکیٹ کے حجم میں گزشتہ سال کی اسی مدت کے مقابلہ میں 18 فیصد اضافہ ہوا ہے۔

آپ کی کمپنی نے پاکستان کی کنٹینر مارکیٹ کے حجم سے بڑھ کر کارکردگی کا مظاہرہ کیا اور موجودہ نوامہ کے دوران 367,302 کنٹینرز سنبھالے جو کہ گزشتہ سال کی اسی مدت میں 269,870 کنٹینرز زرتھے۔ آپ کی کمپنی کی کسٹمر سینٹرک اپروچ اور ویلویو ایڈڈ سروسز نے کنٹینر مارکیٹ میں اپنے حصے کو 20 فیصد تک بڑھانے میں مددگار ثابت ہوئی۔ کراچی پورٹ پر اضافی صلاحیت اب بھی آپ کی کمپنی کے لیے ایک چیلنج بنی ہوئی ہے جسے مسلسل معیاری خدمت، مختلف تجارتی اور آپریشنل اقدامات کے ذریعے کم کیا جا رہا ہے۔

30 ستمبر 2021 کو ختم ہونے والے نوامی مدت کے کاروباری اور مالیاتی نتائج

(روپے ملین میں)

8,301

محاصل

3,827

مجموعی منافع

3,630

محصولات سے قبل منافع

2,577

بعد از محصولات منافع

1,184

آگے لایا گیا غیر منقسم منافع

2,779

غیر مختص منافع فرستادہ

23.61 (روپے)

بنیادی اور خفیف آمدنی فی عمومی حصص

حجم میں 36 فیصد اضافہ، آپ کی کمپنی کو 30 ستمبر 2021 کو ختم ہونے والے نوامہ کے دوران 8,301 ملین روپے کی آمدنی حاصل کرنے میں مددگار ثابت ہوئی (گزشتہ سال کی اسی مدت کے مقابلہ میں 30 فیصد زیادہ)۔ اخراجات کی اصلاح کے ساتھ کمپنی نے 2,577 ملین روپے کا منافع حاصل کیا (گزشتہ سال کے اسی مدت کے مقابلہ میں 36 فیصد زیادہ)۔



مستقبل کا منظر نامہ

عالمی وبائی ارتقا، ویکسین انتظامیہ، بیرونی تجارتی حالات کے ساتھ ساتھ طلب اور رسد کے اتار چڑھاؤ، بیرونی اور مقامی معاشی حالات کے کلیدی عنصر ہوں گے۔ قابل اعتماد شیڈول، عالمی بندرگاہوں پر بھیڑ اور تاخیر اب بھی سمندری صنعت کے لیے ایک عالمی مسئلہ بنی ہوئی ہے۔ کنٹینر شپنگ سلائی چین میں رکاوٹیں 2022 کے آخر تک معمول پر آنے کی توقع ہے۔ آپ کی کمپنی اپنی خدمات کی پیشکش کے ذریعے کراچی پورٹ پر پائیدار مارکیٹ کو برقرار رکھنے کی اپنی پوری کوشش کرے گی۔

کنٹینر انگریجمنٹ

مجلسِ نظامہ آپ کی توجہ مختصر عبوری مالیاتی گوشوارے کے نوٹ 1.3 کی طرف مبذول کرواتی ہے جس میں یہ بتایا گیا ہے کہ آپ کی کمپنی کا کراچی پورٹ ٹرسٹ (کے پی ٹی) کے ساتھ 21 سالہ معاہدہ ہے۔ 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 کی قبل از وقت توسیع اور بنیادی ڈھانچے کی توسیع کی درخواست پیش کی ہوئی ہے جس کا کے پی ٹی نے آج تک مثبت جواب نہیں دیا۔

گوشوارے کی تاریخ کے بعد کے واقعات

آپ کی کمپنی کو 15 اکتوبر اور 8 اکتوبر 2021 کو انٹرنیشنل کنٹینر ٹرمینل سروسز، [آئی سی ٹی ایس آئی]، جو کہ آپ کی کمپنی کی حتمی بنیادی کمپنی ہے، کی طرف سے آپ کی کمپنی میں مزید 17,332,267 حصص کے حصول کی اطلاع دی گئی۔ آپ کی کمپنی میں آئی سی ٹی ایس آئی کے حصص کی شرح اب 64.54 فیصد سے بڑھ کر 80.41 فیصد ہو گئی ہے۔ آئی سی ٹی ایس آئی کی یہ سرمایہ کاری میں اضافہ پاکستان کی پورٹ انڈسٹری کو بہتر بنانے کے ان کے عزم کی تصدیق کرتا ہے اور آپ کی کمپنی کو عالمی مہارت سے فائدہ اٹھانے اور آپ کی کمپنی کی قدر میں اضافے کے نئے مواقع تلاش کرنے میں مددگار ثابت ہوگا۔

اظہار تشکر

مجلسِ نظامہ تمام کمپنی کے شیئرز، بولڈر اور گاہکوں کی جانب سے مسلسل اعتماد اور بھروسے کے لیے ان کا مخلصانہ شکریہ ادا کرتے ہیں۔ ہم اپنے ملازمین کے عزم اور لگن کو سہراتے ہیں جو آپ کی کمپنی کو کامیابی کے تسلسل کی طرف گامزن کر رہے ہیں۔ مجلسِ نظامہ حکومت پاکستان کی وزارتِ سمندری امور، سکیورٹیز اینڈ ایچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں سے بھی ان کی ہدایت اور مسلسل حمایت کیلئے مشکور ہے۔

مضامین مجلسِ نظامہ



جناب فرخ عزیز خان
کمپنی کے سربراہ



جناب ہانس اول میڈن
مجلسِ نظامہ کے چیئرمین

کراچی

تاریخ: 21 اکتوبر 2021



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

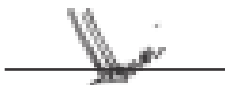
		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
Note		----- (Rs in thousands) -----	
NON-CURRENT ASSETS			
	Property, plant and equipment	5 1,037,422	1,545,677
	Intangibles	26,986	45,633
	Long-term deposits	5,544	10,424
	Deferred taxation - net	6 163,525	43,836
		1,233,477	1,645,570
CURRENT ASSETS			
	Stores, spare parts and loose tools - net	472,377	437,651
	Trade debts - net	7 536,830	672,761
	Advances	40,637	22,199
	Deposits, prepayments and other receivables	248,028	178,954
	Short-term investments - net	8 -	-
	Cash and bank balances	4,099,818	1,875,085
		5,397,690	3,186,650
	TOTAL ASSETS	6,631,167	4,832,220
SHARE CAPITAL AND RESERVES			
	Issued, subscribed and paid-up capital	1,091,532	1,091,532
	Reserves	2,958,670	1,364,061
		4,050,202	2,455,593
NON-CURRENT LIABILITIES			
	Long-term employee benefits	61,269	58,166
CURRENT LIABILITIES			
	Trade and other payables	9 2,196,802	2,223,884
	Unpaid/unclaimed dividends	283,313	63,704
	Taxation - net	39,581	30,873
		2,519,696	2,318,461
	TOTAL EQUITY AND LIABILITIES	6,631,167	4,832,220
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 NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2021
(UN-AUDITED)**

	Nine Months Ended		Quarter Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(Rs in thousands)			
Revenue - net	8,300,541	6,408,220	2,731,242	2,292,237
Cost of services	(4,473,178)	(3,489,878)	(1,489,380)	(1,207,040)
Gross profit	3,827,363	2,918,342	1,241,862	1,085,197
Administrative expenses	(405,708)	(398,753)	(139,837)	(130,836)
Other expenses	(18,570)	(10,466)	(18,230)	(5,904)
Finance costs	(451)	(420)	(114)	(92)
Other income	227,072	157,141	112,759	67,115
Profit before taxation	3,629,706	2,665,844	1,196,440	1,015,480
Taxation	(1,052,718)	(773,328)	(347,076)	(294,760)
Profit after taxation	2,576,988	1,892,516	849,364	720,720
	(Rupees)			
Earnings per ordinary share - basic and diluted	23.61	17.34	7.78	6.61

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



Chief Executive Officer



Chief Financial Officer



Director



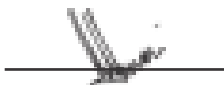
**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2021
(UN-AUDITED)**

	Nine Months Ended		Quarter Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(Rs in thousands)			
Profit after taxation	2,576,988	1,892,516	849,364	720,720
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	2,576,988	1,892,516	849,364	720,720

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 NINE MONTHS ENDED SEPTEMBER 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	-	-	1,892,516	1,892,516	1,892,516
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,892,516	1,892,516	1,892,516
Final cash dividend for the year ended December 31, 2019 @ Rs 7.50/- per ordinary share	-	-	(818,649)	(818,649)	(818,649)
Interim cash dividends for the year ended December 31, 2020 @ Rs 13.74/- per ordinary share	-	-	(1,499,764)	(1,499,764)	(1,499,764)
Balance as at September 30, 2020	1,091,532	180,000	1,146,301	1,326,301	2,417,833
Balance as at January 01, 2021	1,091,532	180,000	1,184,061	1,364,061	2,455,593
Profit after taxation	-	-	2,576,988	2,576,988	2,576,988
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	2,576,988	2,576,988	2,576,988
Final cash dividend for the year ended December 31, 2020 @ Rs 5.00/- per ordinary share	-	-	(545,766)	(545,766)	(545,766)
Interim cash dividends for the year ending December 31, 2021 @ Rs 4.00/- per ordinary share	-	-	(436,613)	(436,613)	(436,613)
Balance as at September 30, 2021	1,091,532	180,000	2,778,670	2,958,670	4,050,202

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



Chief Executive Officer



Chief Financial Officer



Director



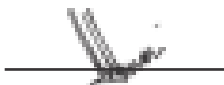
**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(UN-AUDITED)**

		Nine Months Ended	
		September 30, 2021	September 30, 2020
Note		(Rs in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
	13	4,045,068	3,413,170
Taxes paid		(1,163,699)	(876,749)
Long-term employee benefits paid		(1,731)	(4,519)
Finance costs paid		(451)	(420)
Net cash generated from operating activities		2,879,187	2,531,482
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(25,888)	(72,183)
Proceeds from disposal of operating fixed assets		166	349
Markup on savings accounts received		134,038	122,369
Net cash generated from investing activities		108,316	50,535
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(762,770)	(2,312,963)
Net cash used in financing activities		(762,770)	(2,312,963)
Net increase in cash and cash equivalents		2,224,733	269,054
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		4,099,818	1,584,689

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 NINE MONTHS ENDED SEPTEMBER 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. To date KPT has not replied positively to Company's request of early extension.
- 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 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 September 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.

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

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	995,234	1,457,635
Capital work-in-progress (CWIP)		42,188	88,042
		<u>1,037,422</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	<u>71,743</u>	<u>246,402</u>
		1,529,378	2,147,410
Less:			
Disposals during the period / year at written down value	5.1.2	(506)	(811)
Depreciation charged during the period / year		<u>(533,637)</u>	<u>(688,964)</u>
		<u>(534,143)</u>	<u>(689,775)</u>
		<u>995,235</u>	<u>1,457,635</u>



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

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

Leasehold improvements	31,082	24,322
Container / terminal handling / workshop equipment	2,285	132,254
Port power generation	10,836	75,738
Computers and other equipment	27,025	13,905
Furniture and fixtures	515	183
	<u>71,743</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>

6. DEFERRED TAXATION - net

Debit balances arising in respect of timing differences relating to:

Accelerated tax depreciation and amortisation	41,505	(74,071)
Provisions	<u>122,020</u>	<u>117,907</u>
	<u>163,525</u>	<u>43,836</u>

7. TRADE DEBTS - net

Includes Rs 3.15 million (December 31, 2020: Rs. 7.53 million) receivable from related parties.

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

8. SHORT-TERM INVESTMENTS - net

At amortised cost

Certificate of investments (COIs)	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 the investment amount.

9. TRADE AND OTHER PAYABLES

Include Rs 256.36 million (December 31, 2020: Rs. 191.75 million) payable to related parties.



10. CONTINGENCIES AND COMMITMENTS

10.1. Contingencies

10.1.1. As at September 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.

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

10.2. Commitments

10.2.1. Commitments for capital expenditure	<u>132,036</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>198,839</u>	<u>63,670</u>
Unutilised	<u>1,161</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, 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:

	Nine Months Ended		Quarter Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(Un-audited)			
	(Rs in thousands)			
Holding Company				
Technical services fee	488,267	376,954	160,661	134,838
Dividends	367,612	1,115,441	-	669,054
Associated companies / other related parties				
Terminal handling services and rent	498,534	290,804	178,737	113,947
Revenue from container handling	19,558	21,101	8,145	6,881
Dividends	261,888	871,815	-	522,415
Key management personnel				
Managerial Remuneration	183,606	168,036	43,260	62,212
Company's contribution to provident fund	6,356	5,886	2,145	1,948
Staff retirement contribution plan				
Provident fund contribution	18,705	18,462	6,268	6,034
Directors				
Fee for attending meetings	6,502	6,250	2,292	2,104

	Nine Months Ended	
	September 30, 2021	September 30, 2020
	(Un-audited)	
	(Rs in thousands)	

13. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	3,629,706	2,665,844
Adjustments for non-cash items:		
Depreciation and amortization	552,284	529,230
Finance costs	451	420
Accrual for long-term employee benefits	4,834	5,913
Exchange loss - net	18,230	10,466
Mark-up on saving accounts	(137,045)	(122,442)
Loss on disposal of operating fixed assets - net	340	462
	439,094	424,049
Operating profit before working capital changes	4,068,800	3,089,893
Decrease / (increase) in current assets		
Stores, spare parts and loose tools - net	(34,726)	(17,323)
Trade debts - net	135,931	(58,342)
Advances, deposits, prepayments and other receivables	(79,625)	(6,858)
	21,580	(82,523)
(Decrease) / increase in current liabilities	4,090,380	3,007,370
Trade and other payables	(45,312)	405,800
Cash generated from operations	4,045,068	3,413,170



14. DIVIDEND AND APPROPRIATION

The Board of Directors in their board meeting held on October 21, 2021 have recommended an interim cash dividend of Rs 19.6 (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 October 21, 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

