

Resilience for Sustainability



Quarterly Report

March 31, 2022



An ICTSI Group Company

Pakistan International Container Terminal Limited

CONTENTS

■ Vision & Mission Statements	2
■ Company Information	3
■ Directors' Report	4
■ بیانِ نظام	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

Mr. Arnie Dizon Tablante
(Non-Executive Director)

Mr. Bilal Shahid

(Non-Executive Director)

Mr. Gordon Alan P. Joseph
(Independent Director)

Mr. Jacob Christian Gulmann
(Non-Executive Director)

Ms. Lirene Coloquio Mora-Suarez
(Non-Executive Director)

Mr. Rune Rasmussen
(Independent Director)

Company Secretary

Mr. Adil Siddique

Audit Committee

Chairman

Mr. Rune Rasmussen

Members

Mr. Arnie Dizon Tablante

Mr. Bilal Shahid

Chief Internal Auditor

Mr. Moammar Raza

Risk Management Committee

Chairman

Mr. Gordon Alan P. Joseph

Members

Mr. Bilal Shahid

Mr. Hans-Ole Madsen

Human Resource &

Remuneration Committee

Chairman

Mr. Gordon Alan P. Joseph

Members

Mr. Hans-Ole Madsen

Ms. Lirene Coloquio Mora-Suarez

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, 2022

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, 2022.

BUSINESS PERFORMANCE REVIEW

Global container terminal industry continues to experience Covid-19 disruptions during 2022 in the form of lockdowns, port congestions and low vessels schedule reliability. Resultantly Pakistan container market declined during Q1 2022. The uncertain political situation, growing inflation and Pak Rupee depreciation has further impacted the trade.

These Global and local factors have also impacted the Volumes handled by your Company, which handled 108,824 containers during Q1-2022 as compared to 126,528 containers handled in the corresponding period last year.

Excess capacity available at Karachi Port remains a challenge that is being mitigated through various commercial and operational strategies backed up by continued quality services. Your Company remains determined in providing enduring value for all its stakeholders and has continually endeavoured to retain sustainable market share.

OPERATING AND FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2022

	(Rupees in million)
Revenue	3,036
Gross Profit	1,392
Profit before taxation	1,309
Profit after taxation	929
Un appropriated profit brought forward	1,452
Un appropriated profit carried forward	2,381
Earnings per Ordinary Share – Basic and Diluted	(Rupees) 8.51

Your Company recorded revenue of Rs. 3,036 million which is 4% higher than the same period last year. Through operational excellence and concerted efforts for cost optimization, your Company posted a Gross Profit of Rs 1,392 million. The Net Profit for the quarter remained at Rs. 929 million which is 3% lower than the corresponding period last year.

FUTURE OUTLOOK

Geopolitical events are negatively impacting previous expectations for Global trade growth in 2022. Shocks to the sourcing of key materials and higher global transportation costs will depress trade growth further than the current expectations. Elevated sea freight rates and international port congestion remain major sources of trade disruption. These logistics obstacles are not expected to dissipate until late 2022.



CONCESSION AGREEMENT

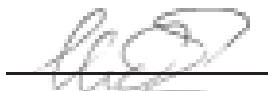
The Board draws your attention to Note 2.3 of the un-audited condensed interim financial statements of the Company for the quarter ended March 31, 2022, which contains information about the expiry of the Concession Agreement and going concern assumption.

The Company is still in the process of discussions with KPT on the possibilities of renewal / extension of the Concession Agreement including period and other commercial terms and conditions, which we believe to be in the interest of the Company as well as Karachi Port Trust.

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 are 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



Mr. Khurram Aziz Khan
Chief Executive Officer

Karachi,

Dated: April 19, 2022



بیان نظام

ہم مجلس نظام کی جانب سے 31 مارچ 2022 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۔

کاروباری کارکردگی کا جائزہ

عالمی کنٹینر فریٹل انڈسٹری 2022 کے دوران بھی کووڈ-19 کی رکاوٹوں، جیسا کہ ہندوستان پر بھیڑ، لاک ڈاؤن اور شیڈول میں رکاوٹوں کا سامنا کر رہی ہے۔ جس کے نتیجے میں پاکستان کنٹینر مارکیٹ 2022 کی پہلی سہ ماہی کے دوران زوال پذیر رہی۔ غیر یقینی سیاسی صورتحال، بڑھتی ہوئی مہنگائی اور پاکستانی روپے کی قدر میں کمی نے تجارت کو مزید متاثر کیا ہے۔

ان عالمی اور مقامی عوامل نے آپ کی کمپنی کے کنٹینرز سمبھالنے کی تعداد کو متاثر کیا، اور آپ کی کمپنی نے اس سہ ماہی کے دوران 108,824 کنٹینرز سمبھالے جو کہ گزشتہ سال کی اسی مدت میں 126,528 کنٹینرز تھے۔

کرچی پورٹ پراضافی صلاحیت اب بھی ایک چیلنج ہے، جسے مسلسل معیاری خدمات، مختلف تجارتی اور آپریشنل حکمت عملی کے ذریعے کم کیا جا رہا ہے۔ آپ کی کمپنی اپنے تمام اسٹیک ہولڈرز کے لئے پائیدار قدر فراہم کرنے اور اپنے مارکیٹ شیئر کو برقرار رکھنے کے لئے پرعزم ہے۔

31 مارچ 2022 کو ختم ہونے والی سہ ماہی مدت کے کاروباری اور مالیاتی نتائج

(روپے ملین میں)

3,036

1,392

1,309

929

1,452

2,381

8.51

(روپے)

محاصل

خام منافع

محصولات منافع

بعد از محصولات منافع

آگے لایا گیا غیر منقسم منافع

غیر مختص منافع فرستادہ

بنیادی اور خفیف آمدنی فی عمومی حصص

آپ کی کمپنی نے دوران سہ ماہی 3,036 ملین روپے کی آمدنی ریکارڈ کی ہے، جو کہ پچھلے سال کی اسی مدت کے مقابلے میں 4% زیادہ ہے۔ آپریشنل برتری اور لاگات کی اصلاح کے لیے مشترکہ کوششوں کے ذریعے، آپ کی کمپنی نے اس سہ ماہی میں 1,392 ملین روپے کا خام منافع حاصل کیا۔ اس سہ ماہی کے دوران خالص منافع 929 ملین روپے رہا، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 3% کم ہے۔



مستقبل کا منظر نامہ

2022 میں جب پولیٹیکل واقعات عالمی تجارتی نمو کی توقعات پر منفی اثر ڈال رہے ہیں۔ کلیدی مواد کی سورشنگ میں رکاوٹوں اور عالمی نقل و حمل کے بڑھتے ہوئے اخراجات، تجارتی ترقی کو مزید کم کریں گے۔ سمندری فریٹ ریٹز کا اضافہ اور بین الاقوامی بندرگاہوں کی بھیڑ تجارت میں رکاوٹ کے اہم ذرائع ہیں۔ لاجسٹکس کی ان رکاوٹوں کا 2022 کے آخر تک ختم ہونے کی توقع نہیں ہے۔

کنسیشن ایگریمنٹ

مجلسِ نظامہ آپ کی توجہ 31 مارچ 2022 کو ختم ہونے والی سہ ماہی مدت کے لئے آپ کی کمپنی کے غیر محاسب شدہ ملخص عبوری مالیاتی گوشواروں کے نوٹ 2.3 کی طرف مبذول کراتی ہے، جس میں کنسیشن ایگریمنٹ کی میعاد ختم ہونے اور چلتے ہوئے کاروباری ادارے کی حیثیت کی بنیاد کے بارے میں معلومات شامل ہیں۔

کمپنی ابھی بھی KPT کے ساتھ کنسیشن ایگریمنٹ کی ممکنہ تجدید / توسیع بشمول مدت اور دیگر تجارتی شرائط و ضوابط پر بات چیت کے عمل میں ہے، جو کہ آپ کی کمپنی اور کراچی پورٹ ٹرسٹ کے مفاد میں ہے۔


اظہار تشکر

مجلسِ نظامہ تمام کمپنی کے شیئر ہولڈر 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 حکومتِ پاکستان کی وزارت سمندری امور، سیکورٹیز اینڈ اینڈ اسپیچ کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں سے بھی ان کی ہدایات اور مسلسل حمایت کیلئے مشکور ہے۔

مجلسِ نظامہ کی جانب سے



خرم عزیز خان
کمپنی کے سربراہ



بائس اول میڈن
مجلسِ نظامہ کے چیئرمین
کراچی

بتاریخ: 19 اپریل 2022



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

		March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	----- (Rs in thousands) -----	
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,028,975	1,133,045
Intangibles		17,771	21,579
Long-term deposits		7,665	5,544
Deferred taxation – net	6	223,896	199,190
		1,278,307	1,359,358
CURRENT ASSETS			
Stores, spare parts and loose tools - net		508,491	485,795
Trade debts - net	7	720,721	626,955
Advances		45,250	30,159
Deposits, prepayments and other receivables		211,055	203,690
Short-term investments - net	8	-	-
Cash and bank balances		3,320,685	4,132,425
		4,806,202	5,479,024
TOTAL ASSETS		6,084,509	6,838,382
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital		1,091,532	1,091,532
Reserves		2,561,029	1,631,943
		3,652,561	2,723,475
NON-CURRENT LIABILITIES			
Deferred Liability		65,705	63,597
CURRENT LIABILITIES			
Trade and other payables	9	2,226,124	2,436,143
Unclaimed dividends		71,047	71,431
Unpaid dividends		-	1,517,481
Taxation – net		69,072	26,255
		2,366,243	4,051,310
TOTAL EQUITY AND LIABILITIES		6,084,509	6,838,382
CONTINGENCIES AND COMMITMENTS	10		

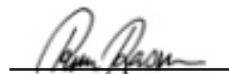
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED MARCH 31, 2022
(UN-AUDITED)**

	Quarter Ended	
	March 31, 2022	March 31, 2021
	----- (Rs in thousands) -----	
Revenue – net	3,036,016	2,918,961
Cost of services	(1,643,847)	(1,491,628)
Gross profit	1,392,169	1,427,333
Administrative expenses	(150,844)	(132,982)
Other income / (expenses) - net	67,729	48,657
Finance costs	(414)	(244)
Profit before taxation	1,308,640	1,342,764
Taxation	(379,554)	(389,835)
Profit after taxation	929,086	952,929
	----- (Rupees) -----	
Earnings per ordinary share - basic and diluted	8.51	8.73

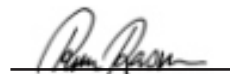
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31, 2022
(UN-AUDITED)**

	Quarter Ended	
	March 31, 2022	March 31, 2021
	----- (Rs in thousands) -----	
Profit after taxation	929,086	952,929
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>929,086</u>	<u>952,929</u>

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



 Chief Financial Officer



 Chief Executive Officer



 Director


**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2022
(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, 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	<u>1,091,532</u>	<u>180,000</u>	<u>2,136,990</u>	<u>2,316,990</u>	<u>3,408,522</u>
Balance as at January 01, 2022	1,091,532	180,000	1,451,943	1,631,943	2,723,475
Profit after taxation	-	-	929,086	929,086	929,086
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	929,086	929,086	929,086
Balance as at March 31, 2022	<u>1,091,532</u>	<u>180,000</u>	<u>2,381,029</u>	<u>2,561,029</u>	<u>3,652,561</u>

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



 Chief Financial Officer



 Chief Executive Officer



 Director


**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED MARCH 31, 2022
(UN-AUDITED)**

		Quarter Ended	
		March 31, 2022	March 31, 2021
Note		----- (Rs in thousands) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	13	1,071,084	1,236,976
	Taxes paid	(361,443)	(403,369)
	Compensated leave absences paid	(353)	(1,065)
	Finance costs paid	(414)	(244)
	Net cash generated from operating activities	708,874	832,298
CASH FLOWS FROM INVESTING ACTIVITIES			
	Capital expenditure	(84,113)	(1,309)
	Proceeds from disposal of operating fixed assets	265	166
	Markup on savings accounts received	81,099	31,850
	Net cash (used) in / generated from investing activities	(2,749)	30,707
CASH FLOWS FROM FINANCING ACTIVITIES			
	Dividends paid	(1,517,865)	(488)
	Net cash used in financing activities	(1,517,865)	(488)
Net (decrease) / increase in cash and cash equivalents		(811,740)	862,517
Cash and cash equivalents at the beginning of the period		4,132,425	1,875,085
Cash and cash equivalents at the end of the period		3,320,685	2,737,602


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



Chief Financial Officer



Chief Executive 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) "Concession Agreement" 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.** 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, 2021.

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, 2021, whereas the comparative 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 have been extracted from the un-audited condensed interim financial statements of the Company for the quarter ended March 31, 2021.

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.

2.3. Expiry of Concession Agreement and Going Concern Assumption

The existing Concession Agreement with KPT is for a period of twenty-one years commencing June 18, 2002.

Based on the precedence existing at Karachi Port whereby KPT has provided early extension in the Concession term and expansion in the infrastructure to another Container Terminal, the Company has already taken-up the matter for early extension in Concession term and expansion of infrastructure with KPT and other relevant quarters of the Government of Pakistan; since the past several years. In order to further safeguard the Company's interest against KPT's inequitable behaviour, the Company has filed a legal suit before the Honorable High Court of Sindh during December 2021 and has obtained interim injunction / stay order for status quo whereby KPT is restrained from terminating the Concession Agreement or inviting bids for award of contract for relevant terminal operation.



The Company is still in the process of discussions with KPT on the possibilities of renewal / extension of the Concession Agreement including period and other commercial terms and conditions; in the wider national interest and interests of both the Company and KPT.

In view of the above, the Company is optimistic about the extension of Concession Agreement and, accordingly, these condensed interim financial statements have been prepared on a going concern basis, subject to the inherent uncertainties caused by the above events and conditions that are of critical significance for the future of the Company.

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, 2021.

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, 2021. 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, 2021.

	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
Note	----- (Rs in thousands) -----	

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	853,785	857,758
Capital work-in-progress (CWIP)		175,190	275,287
		<u>1,028,975</u>	<u>1,133,045</u>

5.1. Operating fixed assets

Written down value at the beginning of the period / year		857,758	1,457,635
Additions / transfers from CWIP during the period / year	5.1.1	184,210	110,318
		<u>1,041,968</u>	<u>1,567,953</u>
Less:			
Disposals during the period / year at written down value	5.1.2	(538)	(585)
Depreciation charged during the period / year		<u>(188,183)</u>	<u>(710,195)</u>
		<u>853,785</u>	<u>857,758</u>



March 31, 2022 (Un-audited) ----- (Rs in thousands) -----

December 31, 2021 (Audited)

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

Leasehold improvements	-	31,081
Container / terminal handling / workshop equipment	172,000	33,760
Port power generation	2,376	12,353
Vehicles	723	-
Computers and other equipment	9,111	32,609
Furniture and fixtures	-	515
	<u>184,210</u>	<u>110,318</u>

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

Leasehold improvements	5	-
Container / terminal handling / workshop equipment	-	507
Computers and other equipment	157	78
Furniture and fixtures	376	-
	<u>538</u>	<u>585</u>

6. DEFERRED TAXATION - net

Deductible / (taxable) timing differences arising in respect of:

Accelerated tax depreciation and amortisation	104,700	76,309
Provisions	119,196	122,881
	<u>223,896</u>	<u>199,190</u>

7. TRADE DEBTS - net

Includes Rs 1.70 million (December 31, 2021: Rs 1.35 million) receivable from related parties.

Note

March 31, 2022 (Un-audited) ----- (Rs in thousands) -----

December 31, 2021 (Audited)

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 326.76 million (December 31, 2021: Rs 309.44 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, 2022, 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, 2021.

10.1.2. In 2021, the 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 who partly decided the appeals in favor of the Company in both tax years. Being aggrieved by the decision of CIR (A), the Company filed the appeals before ATIR which are pending for adjudication.

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.

	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
	----- (Rs in thousands) -----	
10.2. Commitments		
10.2.1. Commitments for capital expenditure	<u>71,473</u>	<u>71,739</u>
10.2.2. Outstanding letters of guarantees	<u>180,354</u>	<u>159,354</u>
10.2.3. Outstanding letters of credit		
Utilised	178,665	90,674
Unutilised	<u>21,335</u>	<u>109,326</u>

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of long-term deposits, bank balances, advances to employees, trade deposits, other receivables and short-term investments. Financial liabilities consist of trade and other payables and unpaid 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 instruments 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 condensed interim financial statements, are as follows:

	Quarter Ended	
	March 31, 2022	March 31, 2021
	----- (Un-audited) -----	
	----- (Rs in thousands) -----	
Holding Company		
Technical services fee	178,589	171,704
Dividends paid	1,369,027	-
Associated companies / other related parties		
Terminal handling services and rent	7,793	148,398
Revenue from container handling	863	5,310
Dividends paid	336,251	-
Key management personnel		
Managerial Remuneration	48,726	40,811
Company's contribution to provident fund	2,238	2,065
Staff retirement contribution plan		
Provident fund contribution	6,996	6,162
Directors		
Fee for attending meetings	2,673	2,285

13. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	1,308,640	1,342,764
Adjustments for non-cash items:		
Depreciation and amortisation	191,450	184,140
Finance cost	414	244
Accrual for compensated leave absences	2,461	3,188
Exchange loss / (gain) - net	13,310	(7,825)
Mark-up on saving accounts	(72,462)	(37,589)
Loss on disposals of operating fixed assets - net	273	340
	135,446	142,498
Operating profit before working capital changes	1,444,086	1,485,262
Increase in current assets		
Stores, spare parts and loose tools - net	(22,696)	(53,421)
Trade debts - net	(93,766)	(65,015)
Advances, deposits, prepayments and other receivables	(33,211)	(32,554)
	(149,673)	(150,990)
Decrease in current liabilities		
Trade and other payables	(223,329)	(97,296)
Cash generated from operations	1,071,084	1,236,976



14. DIVIDEND AND APPROPRIATION

The Board of Directors in their board meeting held on April 19, 2022 have recommended an interim cash dividend of Rs 8.50 (December 31, 2021: Rs 32.60) per ordinary share for the year ending December 31, 2022.

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 19, 2022.

16. GENERAL

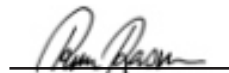
Certain figures in these condensed interim financial statements have been rearranged / reclassified for better presentation, the effect of which is immaterial. Figures have been rounded off to the nearest thousand rupees.



Chief Financial Officer



Chief Executive Officer



Director



Registered and Terminal Office:

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