



# Shaping a **Brighter Future**

*Continuity that drives endless opportunity*



An ICTSI Group Company

The thematic essence of the cover page of Pakistan International Container Terminal's (PICT) report, "Shaping a Brighter Future - Continuity that Drives Endless Opportunity," epitomizes the company's unwavering focus on providing unparalleled customer service. Renowned for its customer-centric approach, PICT remains steadfast in its pursuit of operational excellence, as well as its commitment to expanding its services to meet the ever-changing demands of the industry. Through its unwavering dedication to continuity and innovation, PICT is primed to lead the charge in revolutionizing the container terminal landscape in Pakistan, heralding boundless possibilities for its customers and stakeholders alike.

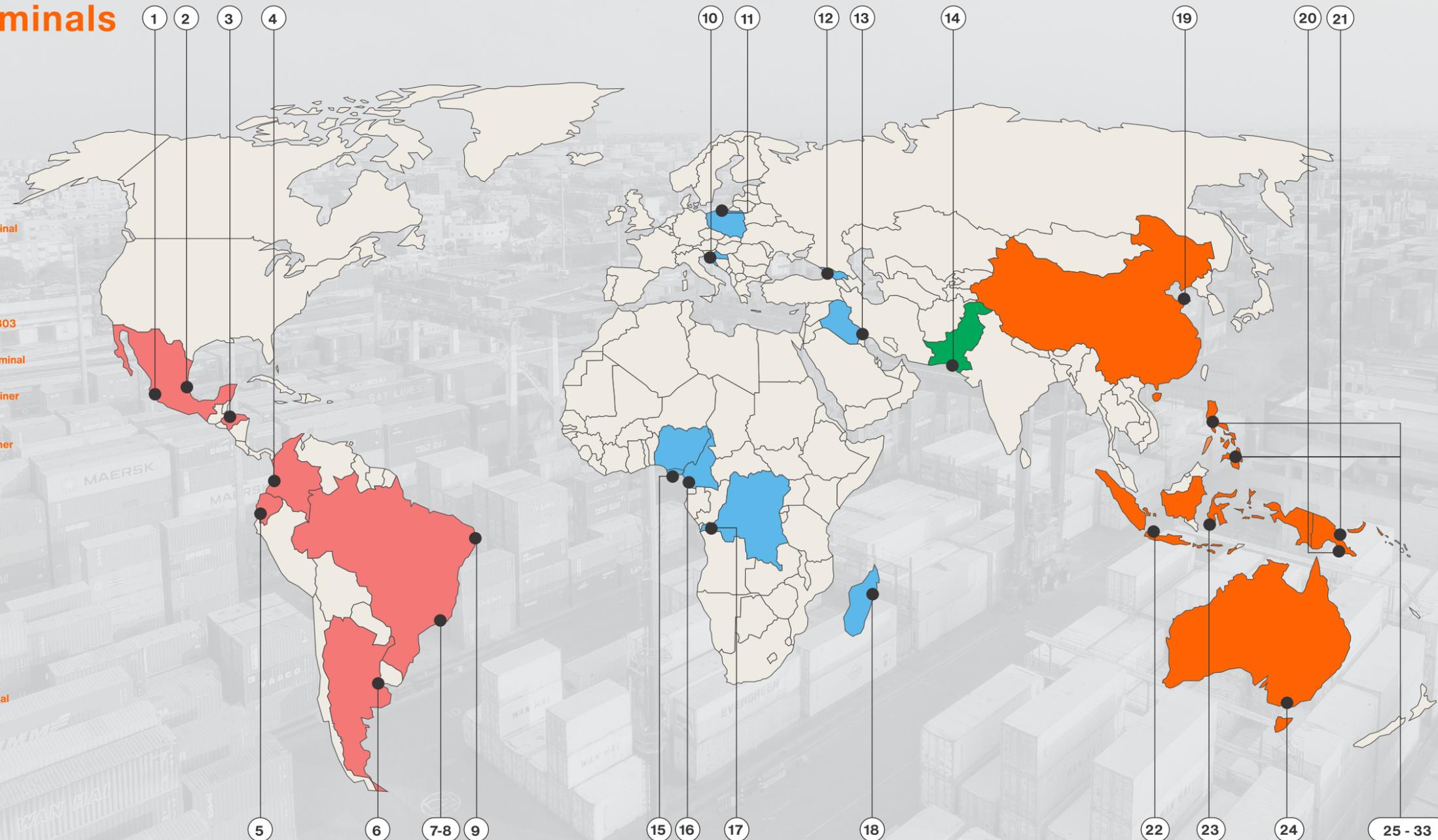
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## ICTSI Ports and Terminals

<b>34</b> YEARS	<b>33</b> TERMINALS	<b>20</b> COUNTRIES	<b>06</b> CONTINENTS
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1. **Contecon Manzanillo**  
Manzanillo, Mexico
2. **Tuxpan Maritime Terminal**  
Veracruz, Mexico
3. **Puerto Cortés**  
Cortés, Honduras
4. **Puerto Aguadulce**  
Buenaventura, Colombia
5. **Contecon Guayaquil**  
Guayaquil, Ecuador
6. **TecPlata**  
Buenos Aires, Argentina
7. **Rio Brasil Terminal**  
Rio de Janeiro, Brazil
8. **iTracker**  
Rio de Janeiro and Barra Mansa, Brazil
9. **Tecon Suape**  
Pernambuco, Brazil
10. **Adriatic Gate Container Terminal**  
Rijeka, Croatia
11. **Baltic Container Terminal**  
Gdynia, Poland
12. **Batumi International Container Terminal**  
Adjara, Georgia
13. **Basra Gateway Terminal**  
Umm Qasr, Iraq
14. **Pakistan International Container Terminal**  
Karachi, Pakistan
15. **Onne Multipurpose Terminal**  
Port Harcourt, Nigeria
16. **Kribi Multipurpose Terminal**  
Kribi, Cameroon
17. **Matadi Gateway Terminal**  
Kongo Central, D.R. Congo
18. **Madagascar International Container Terminal**  
Toamasina, Madagascar
19. **Yantai International Container Terminals**  
Shandong, China
20. **Motukea International Terminal**  
Port Moresby, Papua New Guinea
21. **South Pacific International Container Terminal**  
Lae, Papua New Guinea
22. **Tanjung Priok Berths 300-303**  
Jakarta, Indonesia
23. **East Java Multipurpose Terminal**  
Lamongan, Indonesia
24. **Victoria International Container Terminal**  
Melbourne, Australia
25. **Manila International Container Terminal**
26. **North Port**
27. **Manila Harbor Center**
28. **Cavite Gateway Terminal**  
Tanza, Cavite
29. **Subic Bay International Terminals (NCT 1 and 2)**  
Olongapo City
30. **Laguna Gateway Inland Container Terminal**  
Calamba City
31. **Bauan International Port**  
Bauan, Batangas
32. **Mindanao Container Terminal**  
Tagoloan, Misamis Oriental
33. **Makar Wharf**  
General Santos City



# 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



## CORE VALUES



### GROWTH

Our purpose in doing our work is to grow: grow as individuals, expand as a business, and progress as a global organisation. More than sustaining lives, we work because of self-worth and dignity. As we further improve ourselves personally and professionally, we believe that the stability and continuous growth of PICT follows.



### DILIGENCE

We work hard at our tasks, believing in performing dutifully, and in committing to first-rate work. Beyond duty, we are willing to go the extra mile. Our company has no room for mediocrity. Focused, punctual and dedicated are a few indisputable attributes PICT employees possess.



### COMPASSION

We care; we respect. We support each other to ensure that PICT remains viable, and that relations with stakeholders of the port community are stable. We work to sustain our families, pay our dues, or help a relative or a neighbor in need. We value and strive to promote workplace harmony, recognising the vital role that interdependence has played in PICT's ceaseless effort to achieve excellence.



### ACCOUNTABILITY

We value our work and take responsibility for our actions. We also carry a positive attitude, believing that by working with optimism and self-fulfillment, we produce positive results for the company and for ourselves. PICT management and employees give worth to being employed.

# Company Information

## Board of Directors

### Chairman

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

### Directors (in alphabetical order)

Mr. Arnie D. 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 C. Mora-Suarez  
(Non-Executive Director)

Mr. Rune Rasmussen  
(Independent Director)

## Company Secretary

Mr. Umair Iqbal Siddiqui

## Audit Committee

### Chairman

Mr. Rune Rasmussen

### Members

Mr. Arnie D. 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 C. Mora-Suarez

## Key Management

### Chief Executive Officer

Mr. Khurram Khan

### Chief Financial Officer

Mr. Muhammad Hunain

## External Auditors

EY Ford Rhodes

Chartered Accountants,

Progressive Plaza, Beaumont Road,

P.O. Box 15541, Karachi-75530

## Legal Advisor

Usmani & Iqbal

## Bankers

Bank Islami Pakistan Limited

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 Shakra-e-Faisal,

Karachi- 74400

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

Fax: +92-21-34326053



## Profile of the Board of Directors



**Mr. Hans-Ole Madsen** has over 37 years of international experience within the Port, Shipping & Logistic industry. Mr. Madsen is the Senior Vice President, Regional Head for Europe, Middle East and Africa of International Container Terminal Services, Inc. Alongside he is a Director of several other ICTSI group companies. Mr. Madsen spent 27 years with the A.P. Moller Maersk Group in various international senior positions.

**Mr. Gordon Alan P. Joseph, FICD** is a Fellow of the Institute of Corporate Directors. Mr. Joseph is the Honorary Consul of Kingdom of the Netherlands to the Philippines and has served as the Chairman of the Executive Committee of the Metro Cebu Development Coordinating Board and as Chairman of the Infrastructure and Power Committees of the Regional Development Council, for Region VII in the Central Philippines. He has also served as a Director of the Mactan Cebu International Airport Authority. He is a major shareholder and CEO of Philpacific Insurance Brokers, Inc., the 5th largest insurance broker and risk management advisory company in the Philippines. Mr. Joseph has a Bachelor's degree from De La Salle University, Manila in 1979.



**Mr. Rune Rasmussen** has more than 17 years of extensive experience in Asset Management, directing large investment projects and portfolios, business transformations and facilitating change management. He had been holding senior management roles in Valais Investment Management, Dexia Bank and Acuma Wealth Management in past. Mr. Rasmussen holds Master's degree in economics from University of Copenhagen.

**Mr. Bilal Shahid** has more than 16 years of diversified professional experience in the development of seaports, managing port operations, multinational logistics services, transport, warehousing, stevedoring, and off-dock container terminal operations. He has been the Director in numerous companies of the Bilal Group. He is a Certified Public Accountant (CPA) from New Jersey, US and also holds B.Sc. in Accounting from Louisiana State University (LSU).



**Ms. Lirene C. Mora-Suarez** has been associated with ICTSI since April 2007. She is currently serving as the Director, Global Corporate Legal Affairs Department of ICTSI. She is a seasoned lawyer with more than 18 years of experience. She was awarded "2019 Woman Lawyer of the year" and was Young Lawyer of the Year 2019 finalist by Asian Legal Business Philippine Law Awards. Ms. Lirene received her Juris Doctor degree in Law and Bachelor of Arts degree in Philosophy (Summa Cum Laude) from the University of Philippines.

**Mr. Jacob Christian Gulmann** has been associated with ICTSI since 2013, first as Director of Business Development and presently as Managing Director of ICTSI's terminal operations in Onne, Nigeria. Prior to this Mr. Gulmann was with the A.P. Moller Maersk Group where he held positions in finance and business development. Mr. Gulmann is a graduate of Oxford University.



**Mr. Arnie D. Tablante** was appointed on September 15, 2021 as the Treasurer of ICTSI. Prior to such role, he was the Risk and Capital Director of ICTSI. Concurrently, he is a Director and Treasurer of Cavite Gateway Terminal, Inc., Falconer Aircraft Management, Inc., IW Cargo Handlers, Inc., South Cotabato Integrated Port Services, Inc., Abbotsford Holdings, Inc., Cordilla Property Holdings, Inc., a Treasurer of Intermodal Terminal Holdings, Inc., Motukea International Terminal Ltd., South Pacific International Container Terminal Ltd., Aeolina Investments Limited and Crixus Limited. Prior to joining ICTSI, he was already a seasoned banker, having been connected with Union Bank of the Philippines. Mr. Tablante received his Master's Degree in Business Administration from the Asian Institute of Management and holds a Bachelor of Science degree in Industrial Management Engineering from the De La Salle University.

# Chairman's Review

For the year ended December 31, 2022

# چیئر مین کا جائزہ



## Dear Shareholders

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of Pakistan International Container Terminal Limited (PICT) for the year ended December 31, 2022.

## Industry Overview and Future Outlook

During 2022, the global economy faced significant headwinds. The global slowdown due to supply chain disruptions, higher inflation, and monetary tightening has toned down the overall demand at the international level, which has implications on the trade in Pakistan. Concurrently, demand compression policies followed in Pakistan to correct imbalances and tame inflation, coupled with damages incurred by flooding, have further affected trade in the country.

The container market in Pakistan witnessed a significant downturn in its trade activity compared to last year, largely due to the challenges faced by the global economy and the obstacles in the local market. This reduction has further escalated the already intense competition in the market, making it more challenging for companies to maintain their market share.

Despite the obstacles faced by the industry, your Company has demonstrated its commitment to success through untiring efforts put in by the management, employees, and other stakeholders. With a sustained focus on innovation, cost-efficiency, and quality, your Company has been able to retain a sustainable market share in this challenging environment.

## Review of Financial Performance

Combating numerous challenging factors, it is commendable how your Company has shown great resistance and managed to sustain the financial performance. The details of the same have been covered in Directors' Report.

## Governance and Culture Review of Board's Performance

The Board understands that it needs members who bring core competencies, diversity, requisite skills and experience for effective governance of the Company. The Board includes diversified professionals having expertise in the fields of port, shipping & logistics, financial management, strategy, business development, assets management, business transformations, risk management, and insurance. The Board has also constituted an independent Audit Committee, Human Resource and Remuneration Committee, and Risk Management Committee for further strengthening the governance structure of the Company.

The Board acknowledges its responsibilities to maintain effective oversight of the operations of the Company through quarterly meetings of the Board and its Committees. All the Directors, including the Independent Directors, fully participated in, and made contributions to the decision-making process of the Board.

The Board, its Committees, and individual Directors carried out self-evaluation of their performance during the year and found it to be satisfactory. The overall aim was to measure the current performance of the Board and identify areas for improvement in future years.

## Acknowledgments

I would like to thank my fellow board members for their active contributions during this year which enabled the Company in achieving its objectives while continuing to create long-term value for the shareholders. I would also like to acknowledge our CEO, Mr. Khurram Khan, his executive team, and all the employees of the Company for their leadership, commitment, and hard work.

I also express my gratitude to our esteemed investors and other stakeholders including Karachi Port Trust, Ministry of Maritime Affairs, Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange for their unwavering support and continued trust in the Company which has enabled PICT to achieve new heights in a socially responsible manner.

Hans-Ole Madsen  
Chairman of the Board  
Karachi,  
Dated: May 03, 2023



## عزیز حصص یافتگان

مجھے مجلسِ نظاماء کی جانب سے پاکستان انٹرنیشنل کنٹینر ٹرمینل لمیٹید کے 31 دسمبر 2022 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ کو پیش کرتے ہوئے بہت خوشی محسوس ہو رہی ہے۔

## صنعتی جائزہ اور مستقبل کا منظر نامہ

2022 کے دوران عالمی معیشت کو اہم زکاوٹوں کا سامنا کرنا پڑا، عالمی سطح پر سپلائی چین میں خلل، مہنگائی کے بڑھتے ہوئے شدید اثرات، اور مونیٹری پابندیوں کے باعث بین الاقوامی سطح پر مجموعی طلب کی کمی ہو گئی، جو پاکستان کی تجارت پر بھی اثرات کی بنیاد بنی۔ ساتھ ہی پاکستان میں عدم توازن اور اس سے متعلق افراط زر کو درست کرنے کے لئے کپیریشن پالیسیوں کا نفاذ اور سیلابی بارشوں کی نقصانات نے مل کر ملک کی تجارت کو مزید متاثر کیا۔

اس سال پاکستانی کنٹینر مارکیٹ کی تجارتی سرگرمیوں میں نمایاں کمی دیکھی گئی ہے، یہ کمی بڑی حد تک عالمی معیشت کو درپیش مشکلات اور مقامی مارکیٹ میں رکاوٹوں کی وجہ سے ہوئی ہے۔ اس کمی کی وجہ سے مارکیٹ میں پہلے سے موجود مقابلے کی شدت میں مزید اضافہ کر دیا ہے، جس کی وجہ سے کمپنیوں کا، ان کی مارکیٹ شیئر برقرار رکھنا مزید مشکل ہو گیا ہے۔ صنعت کو درپیش رکاوٹوں کے باوجود، آپ کی کمپنی نے انتظامیہ، ملازمین اور دیگر اسٹیک ہولڈرز کی طرف سے کی جانے والی غیر مستحکم کوششوں کے ذریعے کامیابی کے عزم کا مظاہرہ کیا ہے جدت، لاگت کی استعداد اور معیار پر مستقل توجہ کے ساتھ، آپ کی کمپنی اس مشکل ماحول میں پائیدار مارکیٹ شیئر برقرار رکھنے میں کامیاب رہی ہے۔

## مالیاتی کارکردگی کا جائزہ

متعدد مشکلات کا مقابلہ کرتے ہوئے، یہ قابل تحسین ہے کہ آپ کی کمپنی نے کس طرح زبردست مزاحمت کا مظاہرہ کیا ہے اور مالی کارکردگی کو برقرار رکھنے میں کامیاب ہوئی ہے۔ اس کی تفصیلات ڈائریکٹرز رپورٹ میں شامل کی گئیں ہیں۔

## گورننس اور ثقافت - مجلس کی کارکردگی کا جائزہ

بورڈ اس بات کو سمجھتا ہے کہ کمپنی کو کامیاب انداز میں چلانے کیلئے انہیں ایسے ممبران کی ضرورت ہے جو بنیادی اہلیت مددگار، مطلوبہ صلاحیت اور تجربہ رکھتے ہوں۔ مجلسِ نظاماء میں متنوع پیشہ ور افراد شامل ہیں جو بندرگاہ، شپنگ اور رسد، مالیاتی انتظام، حکمت عملی، کاروباری ترقی، اثاثوں کا انتظام، کاروباری تبدیلی، رسک مینجمنٹ اور انشورنس کے شعبوں میں مہارت رکھتے ہیں۔ مجلس نے کمپنی کے گورننس کو مضبوط کرنے کیلئے محاسبہ کمیٹی، ہیومن ریسورسز اور ریسورسز کمیٹی اور خطرات انتظامی کمیٹی تشکیل دی ہے۔

مجلسِ نظاماء ہر سہ ماہ میں مجلس اور کمیٹی کے اجلاس کے ذریعے کمپنی کے آپریشن کی مؤثر نگرانی کی اپنی ذمہ داری کو تسلیم کرتی ہے تمام ڈائریکٹرز بشمول انڈیپنڈنٹ ڈائریکٹرز نے فیصلہ سازی کے عمل میں بھرپور حصہ لیا۔ بورڈ اور کمیٹی کے ڈائریکٹرز نے دوران سال خود تشخصی کے ذریعے اپنی کارکردگی کو تسلی بخش پایا۔ مجلس کا مجموعی مقصد موجودہ کارکردگی کو جانچنا اور آنے والے سالوں میں بہتری کے مواقعوں کی نشاندہی کرنا ہے۔

## اظہار تشکر

میں اپنے ساتھی مجلسِ نظاماء کے ممبران کی دوران سال فعال شراکت کیلئے انکا شکریہ ادا کرنا چاہتا ہوں جسکی وجہ سے کمپنی نے اپنے مقاصد کا حصول کیا اور کمپنی کے حصص یافتگان کے طویل مدتی قیمت پیدا کی۔ میں ہمارے ہی ای او جناب خرم خان، ان کی انتظامی ٹیم اور کمپنی کے تمام ملازمین کو ان کی محنت، عزم اور قیادت کیلئے شکریہ ادا کرنا چاہتا ہوں۔

میں اپنے قابل احترام سرمایہ کاروں اور کراچی پورٹ ٹرسٹ، وزارت سمندری امور، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج سمیت دیگر اسٹیک ہولڈرز سے بھی ان کا غیر متزلزل تعاون اور کمپنی میں مسلسل اعتماد پر اظہار تشکر کرتا ہوں۔ جنہوں نے معاشرتی طور پر ذمہ دارانہ انداز میں پی آئی سی ٹی کو نئی بلندیوں کو حاصل کرنے کے قابل بنایا۔

ہنس اول مڈسن

مجلسِ نظاماء کے چیئر مین

بتاریخ: 03- مئی 2023

# Directors' Report



The Board of Directors of Pakistan International Container Terminal Limited are pleased to submit the Annual Report of your Company including the audited financial statements for the year ended December 31, 2022.

## BUSINESS PERFORMANCE REVIEW

During the year 2022, the global economy faced significant headwinds. The global slowdown due to supply chain disruptions, higher inflation, and monetary tightening has toned down the overall demand at the international level, and has implications on the trade in Pakistan. Concurrently, demand compression policies followed in Pakistan to correct imbalances and tame inflation, coupled with damages incurred by flooding, have further affected trade in the country.

During the year, the State Bank of Pakistan placed strict restrictions on import payments which led to a backlog of goods at ports awaiting clearance with a decline in large-scale manufacturing in the country and resulted in the sharp drop in demand for products. Consequently, the container market in Pakistan has been severely impacted by almost 10% decline in 2022. This intensified the already intense competition in the market, making it more challenging for the container terminals to maintain their market share.

Despite the challenges faced by the container terminal industry in Pakistan, your Company has shown a steadfast commitment to success through innovation, cost-efficiency, and quality services. With a sustained focus on these areas, your Company has been able to maintain a sustainable market share in the face of intense competition and a challenging operating environment. As a result, your Company remains determined to provide enduring value for all its stakeholders and to continue striving for excellence in the face of adversity.

## OPERATING AND FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2022

During the year ended December 31, 2022, your Company handled 371,028 containers as compared to 476,577 containers handled in the year 2021. Your Company recorded revenue of Rs. 12,024 million which is 8.33 % higher over the same period last year. Through operational excellence and cost optimizations, your Company posted a Gross Profit of Rs. 5,161 million. The year ended with a net profit of Rs. 2,729 million which was lower by 19.50 % in comparison to last year, including imposition of super tax with a retrospective effect through Finance Act, 2022.

	2022	2021
	(Rs in millions)	
Revenue	12,024	11,099
Gross Profit	5,161	5,160
Profit before taxation	5,003	4,776
Profit after taxation	2,729	3,390
Unappropriated profit brought forward	1,452	1,184
Profit available for appropriation	4,181	4,574
<b>Appropriations:</b>		
- Final cash dividend for the year-end December 31, 2021 @ Rs. 9.00 per share (December 31, 2020 @ Rs. 5.00 per share)	(982)	(546)
- Interim cash dividends for the year-end December 31, 2022 @ Rs. 21.10 per share (December 31, 2021 @ Rs. 23.60 per share)	(2,303)	(2,576)
Unappropriated profit carried forward	896	1,452
Basic and Diluted Earnings Per Share	25.01	31.05

## FUTURE OUTLOOK

The global economy is facing a mixed outlook in 2023 due to extraordinary inflation, supply chain disruptions and the continued geo-political conflicts causing record-high commodity prices. Major economies are implementing measures to combat demand-driven inflation and avoid contraction, but these challenges will likely continue to impact Pakistan's already struggling economy facing challenges of high inflation, slow growth and low levels of foreign exchange reserves. The World Bank has downgraded Pakistan's economic growth for 2023 to 2% from 4%, which is likely to affect the country's domestic output and put pressure on the container terminal industry.

Your Company remains committed to mitigating the adverse impacts and providing sustainable results for the benefit of its stakeholders through continued focus on innovation, cost-efficiency, and quality to maintain a sustainable market share.

## CONCESSION AGREEMENT

The Board draws your attention to Note 2.3 of the annual audited financial statements which states in detail about the current status of the Concession Agreement with the Karachi Port Trust (KPT) and the legal suit filed by the Company for the early extension of the Concession Agreement.

The Company is currently in negotiations with KPT for finalizing the terms and conditions for operating during the intervening period. Moreover, the Company is committed to exercise the right of first refusal when-ever granted by the KPT for exercising.

Accordingly, the financial statements are prepared on going concern basis subject to inherent uncertainties caused by events and conditions as disclosed in detail in Note 2.3 of the annual audited financial statements.

## CORPORATE ENVIRONMENTAL SUSTAINABILITY AND IMPACTS OF BUSINESS ON ENVIRONMENT

Health, Safety and Environment [HSE] considerations are an integral part of the day-to-day operations of your

# Directors' Report

Company. The HSE Management system at your Company includes continuous measurement of occupational safety against strict target-setting. In order to ensure minimal impact of terminal operations on the health and safety of our stakeholders and on the environment, your Company has achieved an Integrated Management System (IMS) Certification that is consisted of ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) & ISO 45001 (Occupational Health & Safety Management System).

Your Company has taken various significant measures including initiatives to reduce emissions, waste management and treatment methods, fire-fighting arrangements, emergency preparedness drills, dedicated ambulance service, first aid facilities, load testing of equipments, leaky containers storage area, HSE induction of staff and other associated persons, training, and awareness programs, etc.

## CORPORATE SOCIAL RESPONSIBILITY

Your Company recognizes the importance of creating sustainable value chains and aims to contribute to the well-being of its stakeholders. As part of this philosophy, the company has established Corporate Social Responsibility (CSR) programs that are in line with the United Nations' Sustainable Development Goals (SDGs).

### Climate Action - Affordable and Clean Energy

Your Company took a significant step towards raising awareness amongst the younger generation through the launch of the Climate Champion Contest. Under the theme "Our Actions Matter | Step up for Earth and Climate," children were encouraged to showcase their ideas on reducing carbon footprint through their artistic expressions. The initiative aimed to empower and inspire young minds to take responsibility for the planet by embracing solar energy, green initiatives, and controlling greenhouse gas emissions. The contest was a huge success and is a shining example of our commitment to building a sustainable future.



### Clean Water and Sanitation

The Company launched a water filter installation drive in government schools. This program, titled 'Transforming Lives through Clean Drinking Water' is intended to scale up a sustainable society where easy access to clean drinking water is assured for students and deserving members of neighboring communities.



### Gender Equality

Your Company remains an ardent supporter of women empowerment for a better-balanced world. Understanding the importance of breaking stereotypes in the terminal industry, your organization has taken conscious steps to add female-centric diversity to its talent pool.



### Responsible Consumption and Production

Your Company is committed to promoting sustainable practices and minimizing the environmental impact of its business operations. In line with this philosophy, it has collaborated with the relevant organization under the theme of World Soil Day to launch an exclusive initiative focused on sustainability. The initiative aims to move towards zero waste in-house operations by recycling waste to create organic soil for subsequent consumption. Awareness sessions have also been conducted to educate employees and the general public about responsible consumption and waste management, emphasizing the principles of "Reduce, Reuse, Recycle" and converting waste into organic soil for plantation.



### Decent work and Economic Growth

Your Company is dedicated to empowering individuals with the skills and opportunities they need to succeed in the professional world. To this end, your Company offers a range of programs and initiatives, including need-based merit scholarships, employability skills campaigns, internship programs, and educational visits. In recognition of outstanding scholarship holders, your Company also provided laptops to support their academic journeys. These efforts fosters a culture of learning and equips the coming generation for future challenges.



As part of its commitment to promote sustainable socio-economic growth and fostering an inclusive society, your Company has partnered with the Pakistan Association of the Blind (PAB) to empower the specially abled communities. Through the Braille Books Sponsorship initiative, your Company aims to enhance access to educational resources and promote equality. The initiative not only provides free Braille books to deserving members and students of society but also creates employment opportunities for blind people, who are involved in the printing and proofreading process.



### Community Care and Empowerment

With an aim to provide a learning experience beyond the classroom, your Company initiated a fun-filled zoo trip for the underprivileged children of neighboring communities.



In addition, your Company also partnered with the Pakistan Armed Forces to offer support to those affected by devastating floods. This collaboration aimed to aid relief efforts, ease difficulties and bring hope to communities.

## CORPORATE AWARDS AND RECOGNITIONS

Your Company has been steadfast in its commitment to upholding and improving business standards and effective management, which has been recognized through various prestigious corporate awards and accolades.

### Corporate Excellence

Continuing its legacy of responsible business practices and dedication to sustainable operations, your Company was awarded the Corporate Excellence Award by the Management Association of Pakistan for the seventh consecutive year. This award is a testament to the Company's unwavering efforts to provide excellent service while incorporating the best business practices.

### Best Business Practices

In recognition of the Company's conscious efforts to elevate employment practices and align business operations with the United Nations Sustainable Development Goals (SDGs) for the betterment of society, it was also accredited for its best business practices by the Employers' Federation of Pakistan, standing among premium multinational companies in Pakistan in uplifting business and societal stakeholders.

### Best Practices in Occupational Safety & Health

Your Company has been consistently recognized for its best practices in Occupational Safety and Health by the Employers' Federation of Pakistan in esteemed ceremonies. The prestigious award, presented by His Excellency President of Pakistan, Dr. Arif Alvi, acknowledges the value addition the Company has been making in the health and safety arena. The continuous recognition affirms the synchronized efforts of the Company's leadership and cross-functional teams in ensuring a sustainable work environment.

The Company takes great pride in these recognitions and will continue to uphold its high standards of corporate excellence and best business practices, while remaining committed to the well-being of its employees, society, and the environment.

## ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal controls policy is designed to provide reasonable assurance regarding the effectiveness and efficiency of the Company's operations, reliability of financial information, and compliance with applicable laws and regulations. Management ensures efficient and effective Internal Controls by identifying controls, reviewing pertinent policies/procedures, and establishing relevant control procedures and monitoring systems. The Internal Control System has been designed to provide reasonable assurance to the shareholders and Board of Directors. The Management considers that the existing Internal Control System is adequate and has been effectively implemented and monitored.

## DIRECTORS' RESPONSIBILITY IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors acknowledges their responsibility towards the implementation of an effective internal control environment throughout the organization. The Company has set up an effective and efficient Internal

# Directors' Report

Audit function that rigorously monitors the control environment of the Company. This function conducts comprehensive quarterly reviews of the activities of your Company. Broader targets of the said reviews are establishment and observance of internal controls for ensuring operational efficiencies and safeguard of profitability.

The activities of the Internal Audit department are overseen by the Audit Committee which regularly monitors the performance of the department through review of the internal audit reports on a quarterly basis and accordingly apprising the Board of its findings and recommendations.

The Board reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, and other financial information.

## PATTERN OF SHAREHOLDING

The Pattern of shareholding as at December 31, 2022, is annexed to this Report.

The Directors, Chief Executive Officer, Executives, and their spouses and minor children have made no transactions in the Company's shares during the year. Executives for this purpose means Chief Executive Officer, Chief Financial Officer, Chief Internal Auditor, Company Secretary, and other employees of the Company designated as executives by the Board. The Board of Directors has set a threshold of the annual basic salary of Rs. 1,200,000 for terming as Executive.

## BOARD OF DIRECTORS

As of the date of the Directors' Report, the Board of Directors comprises of one female and seven male Directors. In respect of the executive, non-executive, and independent directors, the Board comprises the following:

### a) Independent Directors:

- i. Mr. Gordon Alan P. Joseph
- ii. Mr. Rune Rasmussen

### b) Non-executive Directors

- i. Mr. Hans-Ole-Madsen
- ii. Mr. Arnie Dizon Tablante
- iii. Mr. Bilal Shahid
- iv. Mr. Jacob Christian Gulmann
- v. Ms. Lirene Coloquio Mora-Suarez [Female Director]

### c) Executive Director/Chief Executive Officer

Mr. Khurram Khan

All the directors take a keen interest in the proper stewardship of the Company's affairs. During the year, four Board Meetings, four Audit Committee Meetings, one Human Resource and Remuneration [HR&R] Committee Meeting, and two Risk Management Committee meetings were held. The names of Directors and their attendance in Board and Committee meetings held during the year are presented below:

S. No	Name of Director	Meetings Attended				Member of		
		Board	Audit Committee	HR&R Committee	Risk Management Committee	Audit Committee	HR&R Committee	Risk Management Committee
1	Mr. Hans-Ole-Madsen	4	-	1	2	-	✓	✓
2	Mr. Arnie Dizon Tablante	4	3	-	-	✓	-	-
3	Mr. Bilal Shahid	4	4	-	2	✓	-	✓
4	Mr. Gordon Alan P. Joseph	3	-	1	2	-	✓	✓
5	Mr. Jacob Christian Gulmann	3	-	-	-	-	-	-
6	Ms. Lirene Coloquio Mora- Suarez	4	-	-	-	-	✓	-
7	Mr. Rune Rasmussen	4	4	-	-	✓	-	-
8	Ms. Gigi Iuminada Miguel*	-	-	-	-	-	-	-

\* Ms. Gigi Iuminada Miguel resigned from the Board of Directors on January 07, 2022.

Leave of absence was granted to the Directors who could not attend the Board Meeting.

## Directors Remuneration Policy

The Board has a duly approved policy for the remuneration of the members of the Board for attending the Board and Committee Meetings, the salient features of which are mentioned below:

- i- Non-executive Directors:  
Each Non-executive director is only entitled to a fee for attending the Board meeting of USD 1,000 per Board meeting.
- ii- Independent Directors:  
Each Independent director is only entitled to a fee for attending the Board meeting of USD 2,000 per Board meeting and USD 1,000 for attending each Committee meeting.
- iii- Directors are also entitled to reimbursement of expenses incurred in connection to the attendance of the Board and/or Board Committee meetings.

Details of remuneration of Directors and the Chief Executive Officer are disclosed in note 28 to the financial statements.

## PARENT COMPANY

Your Company is a subsidiary of ICTSI Mauritius Limited, whereas its ultimate holding Company is International Container Terminal Services Inc., a Company incorporated in the Philippines.

## AUDITORS

The present auditors, EY Ford Rhodes Chartered Accountants stand retired at the conclusion of the upcoming Annual General Meeting and being eligible have offered themselves for reappointment. The Audit Committee has recommended the reappointment of the retiring auditors for the year ending December 31, 2023, with an increase of up to 10% of the previous year's remuneration. The Board has endorsed the recommendation of the Audit Committee.

## RISKS AND UNCERTAINTIES AND THEIR MITIGATIONS

The Board of Directors through its Risk Management Committee has devised a robust framework of Enterprise Risk Management Framework. The Company addresses risks individually in the course of its business operations and manages the risk in support of the company's vision, mission, goals, and objectives as set out in the strategic plans. The management determines response strategies for such risks which include avoid, transfer, reduce or accept strategy. Financial risks have been described in detail in note 26 to the financial statements that cover credit risk, liquidity risk, foreign currency risk, interest rate risk, equity price risk, and capital risks.

## COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Governance set out by the Listed Companies (Code of Corporate Governance) Regulations, 2019 relevant for the year ended December 31, 2022, has been duly complied with. A statement to this effect is annexed to the Annual Report.

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the results of its operations, cash flows, and changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards and the Companies Act, 2017, as applicable in Pakistan, as also stated in note 2.1 of the financial statements have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- As discussed earlier, the inherent uncertainties related to events and conditions impacting the Concession Agreement are of critical significance for the future of the Company. The Company is optimistic that it will remain operational for the foreseeable future and accordingly financial

statements have been prepared on a going concern basis. The Auditors have in their Report also drawn attention to this matter.

- There has been no material departure from Pakistan Stock Exchange Limited Regulations (PSX Regulations).
- A summary of key operating and financial data of last six years is annexed to this Report.
- Information about contribution to the national exchequer in the form of taxes and levies is given in the respective notes to the Financial Statements.
- The Company operates a contributory Provident Fund Scheme for its eligible permanent employees. The value of its investments based on the audited accounts as at June 30, 2022, is Rs. 556 million.

## CODE OF CONDUCT

The underlying values of the Company's Code of Conduct are based on honesty, integrity, and openness along with respect for the human rights and interests of the employees. The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflict of interest, employee rights, etc. The Board ensures that the Code of Conduct is disseminated to, understood, and observed by employees. The Code is also available on the Company's website.

## MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which has occurred between December 31, 2022, and the date of this report.

## COMMUNICATION

Communication with the members is given high priority. Annual reports are distributed to them within the time specified in the Companies Act, 2017. The Company also has a website, [www.pict.com.pk](http://www.pict.com.pk) which contains up-to-date information on the Company's activities and financial reports.

## CHAIRMAN'S REVIEW

The Chairman's review included in the Annual Report deals inter alia with the overall performance of the Board of Directors and the effectiveness of the role played by the Board of Directors in achieving the Company's objectives for the year ended December 31, 2022. The Board of Directors endorses the contents of the Chairman's Review.

## ACKNOWLEDGEMENTS

On behalf of the Board, we would like to extend our sincerest appreciation and gratitude to our valued shareholders and customers for their unwavering trust and support. We recognize that the success of our company is a reflection of the trust and confidence placed in us by our stakeholders, and we are grateful for this ongoing partnership. Our employees are an integral part of our organization and we appreciate their unwavering commitment and dedication to our mission. Their hard work and contributions have been instrumental to our growth and continued success. Thank you for your continued trust and support in our 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  
Karachi  
Dated: May 03, 2023



**Mr. Khurram Khan**  
Chief Executive Officer



خرم خان  
کمپنی کے سربراہ



ہانس اول مڈسن  
مجلسِ نظماً کے چیئر مین  
کراچی

تاریخ: 03 مئی 2023

\* ٹیکس اور لیوی کی شکل میں قومی خزانے میں شراکت کے بارے میں معلومات مالی گوشواروں کے متعلقہ نوٹس میں دی گئی ہیں۔

\* کمپنی تمام اہل ملازمین کے لئے ایک پرائیڈنٹ فنڈ اسکیم چلاتی ہے۔ 30 جون 2022 کے محاسب شدہ گوشوارے کے مطابق اس فنڈ کی سرمایہ کاری کی مالیت 556 ملین روپے ہے۔

## ضابطہ اخلاق

کمپنی کے ضابطہ اخلاق کی بنیادی اقدار ایمانداری، دیانتداری اور کثادگی بمعہ انسانی حقوق کا احترام اور ملازمین کی بہتری پر مبنی ہے۔ کمپنی کا ضابطہ اخلاق اخلاقی اقدار سے متعلق رہنما اصولوں کو فروغ دیتا ہے جس میں مفادات کا تصادم، ملازمین کے حقوق، وغیرہ سے متعلق اصول شامل ہیں۔ مجلسِ نظماً اس بات کو یقینی بناتا ہے کہ ضابطہ اخلاق تمام ملازمین تک پہنچے، وہ اس کو سمجھیں اور اس پر عمل کریں۔ ضابطہ اخلاق کے نفاذ اور اس کی نگرانی کے لئے ذمہ داری اعلیٰ قیادت کو سونپی گئی ہے۔ ضابطہ اخلاق کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

## نمایاں تبدیلیاں اور معاہدے

31 دسمبر 2022 کے درمیان سے اس رپورٹ کی تاریخ تک کوئی نمایاں تبدیلیاں اور معاہدے، کمپنی کے مالیاتی گوشواروں پر اثر انداز نہیں ہوئے۔

## ترسیل

ارکین کے ساتھ رابطے کو اعلیٰ ترجیح دی جاتی ہے۔ سالانہ رپورٹ کمپنیز ایکٹ 2017 کے مطابق مخصوص اوقات کے اندر حصص یافتگان کو تقسیم کردی جاتی ہیں۔ جو کہ کمپنی کی ویب سائٹ [www.pict.com.pk](http://www.pict.com.pk) پر بھی موجود ہے جس پر کمپنی کی حالیہ سرگرمیوں کی معلومات اور مالیاتی رپورٹس موجود ہیں۔

## چیئر مین کا جائزہ

چیئر مین کا سالانہ جائزہ کمپنی اور مجلسِ نظماً کی مجموعی کارکردگی اور کمپنی کے مقاصد کی تعمیل کے لئے مؤثر حکمت عملی اور ختم شدہ سال 31 دسمبر 2022 کی کارکردگی کے معاملات کے بارے میں ذکر کر رہا ہے جو کہ سالانہ مالیاتی معلومات میں شامل ہے۔ مجلسِ نظماً چیئر مین کی جائزہ رپورٹ کے مندرجات کی توثیق کرتی ہے۔

## اظہار تشکر

مجلسِ نظماً کی جانب سے، ہم اپنے قابل قدر حصص یافتگان اور صارفین کے اہل اعتماد اور تعاون کے لیے ان کی تہہ دل سے تعریف اور شکر ادا کرنا چاہتے ہیں۔ ہم تسلیم کرتے ہیں کہ ہماری کمپنی کی کامیابی ہمارے اسٹیک ہولڈرز کی طرف سے ہم پر رکھے گئے اعتماد کی عکاسی ہے، اور ہم اس جاری شراکت داری کے لیے شکر گزار ہیں۔ ہمارے ملازمین ہمارا ایک لازمی حصہ ہیں اور ہم اپنے حدف کے حصول کیلئے ان کی غیر متزلزل عزم اور لگن کو سراہتے ہیں۔ ان کی محنت اور شراکت ہماری ترقی اور مسلسل کامیابی کے لیے اہم رہی ہے۔ ہماری کمپنی میں آپ کے مسلسل اعتماد اور تعاون کے لیے آپ کا شکریہ۔ بورڈ حکومت پاکستان، وزارت سمندری امور، سیکورٹیز اینڈ ایکسچینج کمیشن اور دیگر ریگولیٹری اداروں کی جانب سے ان کی رہنمائی اور مسلسل تعاون کے لیے مشکور ہے۔

مجلسِ نظماً کی جانب سے

3) ناظمین، مجلسِ نظماً، یا کمیٹی کے اجلاسوں میں شرکت کے سلسلے میں ہونے والے اخراجات کی ادائیگی کے بھی حقدار ہیں۔ ناظمین اور چیف ایگزیکٹو آفیسر کے لئے معاوضہ کی مجموعی رقم کی تفصیلات مالیاتی بیانات کے نوٹ نمبر 28 میں بیان کی گئی ہے۔

## پیرنٹ کمپنی

آپ کی کمپنی آئی سی ٹی ایس آئی مارش لمیٹڈ کے ماتحت ہے جبکہ اس کی حتمی مالک انٹرنیشنل کنٹینر ٹرمینل سروسز، انکارپوریشن، فلپائن میں رجسٹرڈ ایک کمپنی ہے۔

## قانونی محاسب

موجودہ محاسبین ای وائے فورڈ رھوڈس (EY Ford Rhodes)، چارٹرڈ اکاؤنٹنٹس آئی بی سی آئی، سالانہ اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں اور بوجاہل ہونے کے خود کو دوبارہ تقرری کے لیے پیش کر رہے ہیں۔ محاسبہ کمیٹی نے سال 31 دسمبر 2023 کے لیے دوبارہ تقرری کی سفارش کی ہے جس کی مجلسِ نظماً نے توثیق کر دی ہے۔

## خدشات اور غیر یقینی کیفیات اور ان کی تخفیف

مجلسِ نظماً نے رسک مینجمنٹ کمیٹی کے ذریعے ایک مضبوط فریم ورک تیار کیا ہے۔ کمیٹی اپنے کاروباری معاملات کو درپیش خدشات کو انفرادی طور پر توجہ دیتی ہے۔ انتظامیہ ان ادراک کیلئے حکمت عملی کا تعین کرتی ہے جس میں پچھنا، منتقل کرنا، کم کرنا اور قبول کرنا جیسی حکمت عملی شامل ہوتی ہیں۔ مالیاتی خدشات کے بارے میں مالیاتی گوشوارے کے نوٹ 26 میں تفصیل بیان کی گئی ہے جس میں قرضے، سیالیت، شرح مبادلہ، شرح سود اور ایکویٹی کی قیمت کے خطرات اور سرمائے سے متعلق خدشات کے بارے میں بیان کیا گیا ہے۔

## ضابطہ برائے نظم و نسق کی تعمیل

31 دسمبر 2022 کو ختم ہونے والے سال میں، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں موجود ضابطہ برائے نظم و نسق کے تمام تقاضوں پر کلی طور پر عمل درآمد کیا گیا ہے۔ اس سے متعلقہ بیان سالانہ رپورٹ کے ساتھ منسلک ہے۔

## کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- \* کمپنی کی انتظامیہ کی جانب سے تیار کیے جانے والے مالیاتی گوشوارے شفافیت کے ساتھ کمپنی کے معاملات اور حالات، کاروباری نتائج، نقدی بہاؤ اور اکونٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- \* کمپنی مالیاتی کھاتوں کو مناسب طریقے سے ترتیب دیتی ہے۔
- \* مالیاتی گوشواروں کی تیاری میں مناسب حساب داری پالیسیاں مسلسل لاگو کی گئی ہیں اور حساب داری اندازے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- \* مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو ہونے والے انٹرنیشنل فنانسشل رپورٹنگ اسٹینڈرڈز اور کمپنیز ایکٹ، 2017 جن کی تفصیلات مالیاتی بیانات کے نوٹ نمبر 1.2 میں موجود ہیں ان پر عملدرآمد کیا گیا ہے۔

- \* اندرونی کنٹرول کا نظام نہ صرف بہترین انداز میں مرتب اور لاگو کیا گیا ہے بلکہ اس بات کی باقاعدہ نگرانی بھی کی جاتی ہے۔
- \* جیسا کہ پہلے گفتگو کی گئی، کنسلیشن ایگریمنٹ پر اثر انداز ہونے والے واقعات اور حالات سے متعلق موروثی غیر یقینی صورتحال کمپنی کے مستقبل کے لیے اہمیت رکھتے ہیں۔ کمپنی کنسلیشن ایگریمنٹ کی توسیع کے بارے میں پرامید ہے اور اس کے مطابق مالیاتی بیانات چلنے ہوئے کاروباری ادارے کی حیثیت کی بنیاد پر تیار کیے گئے ہیں۔ محاسبین نے اپنے بیانیہ میں بھی اس معاملے کی طرف توجہ مبذول کروائی ہے۔
- \* پی ایس ایکس کی ضابطے سے کوئی میٹرل ڈیپارچمنٹ نہیں کیا گیا۔
- \* گزشتہ چھ سالوں کے اہم کاروباری اور مالیاتی اعداد و شمار کا ایک خلاصہ اس رپورٹ کے ساتھ ملحق ہے۔

## b۔ غیر ایگزیکٹو ناظمین

i۔ جناب ہانس اول میڈسن \*\*

ii۔ جناب آرنی ڈائیزون تیلانتے

iii۔ جناب بلال شاہد

iv۔ جناب جیکب کریسٹنگ گلن

v۔ محترمہ لائیرین کولو قیوموراسواریز

c۔ ایگزیکٹو ناظمین/ چیف ایگزیکٹو آفیسر

جناب خرم خان

تمام ناظمین کمپنی کے معاملات کی مناسب نگہبانی میں گہری دلچسپی لیتے ہیں۔

دوران سال مجلسِ نظماً کے چار محاسبہ کمیٹی کے چار کمیٹی برائے انسانی وسائل و معاوضہ کے ایک اور کمیٹی برائے رسک مینجمنٹ کے دو اجلاس منعقد کیے گئے، ناظمین کے نام اور ان کی مجلس اور کمیٹی اجلاس سال میں شرکت ذیل میں پیش کئے گئے ہیں:

نمبر	ناظمین کے نام	ممبر			اجلاس میں شرکت		
		مجلس	رسک مینجمنٹ کمیٹی	انسانی وسائل و معاوضہ	مجلس نظماً	رسک مینجمنٹ کمیٹی	انسانی وسائل و معاوضہ
1	جناب ہانس اول میڈسن	X	X	-	4	1	2
2	جناب آرنی ڈائیزون تیلانتے	X	-	-	4	-	-
3	جناب بلال شاہد	X	-	-	4	-	2
4	جناب گورڈن ایبلن پی جوزف	X	X	-	3	1	2
5	جناب جیکب کریسٹنگ گلن	-	-	-	3	-	-
6	محترمہ لائیرین کولو قیوموراسواریز	X	-	-	4	-	-
7	جناب رون راسون	X	-	-	4	-	-
8	محترمہ جی جی ایویٹا ڈامیگل *	-	-	-	-	-	-

\* محترمہ جی جی ایویٹا ڈامیگل نے 07 جنوری کو مجلسِ نظماً سے استعفیٰ دے دیا تھا

وہ ناظمین جو مجلسِ نظماً کے کچھ اجلاس میں شرکت نہیں کر سکے، ان کو اجازت برائے عدم موجودگی دی گئی۔

## ناظمین کے معاوضے کی پالیسی

مجلسِ نظماً نے آزاد ناظمین اور غیر ایگزیکٹو ناظمین کے لئے، مجلسِ نظماً اور اس کی کمیٹیوں کے اجلاس میں شرکت کے لئے معاوضے کی پالیسی منظور کی ہے۔ جس کی نمایاں خصوصیات مندرجہ ذیل بیان کی گئی ہیں:

(1) غیر ایگزیکٹو ناظمین

ہر غیر ایگزیکٹو ناظم صرف بورڈ میٹنگ میں شرکت کے لئے ایک ہزار ڈالر فی بورڈ میٹنگ معاوضے کا حقدار ہے۔

(2) آزاد ناظمین

ہر آزاد ناظم بورڈ میٹنگ میں شرکت کے لئے دو ہزار ڈالر فی بورڈ میٹنگ اور ہر کمیٹی میٹنگ میں شرکت کئے ایک ہزار ڈالر فی کمیٹی میٹنگ معاوضے کا حقدار ہے۔

## (4) ذمہ دار کھپت اور پیداوار

آپ کی کمپنی پائیدار طریقوں کو فروغ دینے اور اپنے کاروبار کے ماحولیاتی اثرات کو کم کرنے کے لیے پرعزم ہے۔ اسی سوچ کے مطابق، آپ کی کمپنی نے ورلڈ سٹول ڈے کے موقع پر متعلقہ تنظیم کے ساتھ مل کر پائیداری پر توجہ مرکوز کرنے والے ایک خصوصی اقدام کا آغاز کیا۔ اس پہل کا مقصد کچرے کی ری سائیکلنگ کے ذریعے زیرو ویسٹ کی طرف بڑھنا ہے۔ ملازمین اور دیگر لوگوں کو ذمہ دارانہ استعمال اور فضلہ کے انتظام کے بارے میں آگاہی دینے کے لیے آگاہی سیشن بھی منعقد کیے گئے جس میں فضلہ کے اخراج کو کم کرنے اور دوبارہ استعمال کے قابل بنانے کے اصولوں پر زور دیا گیا ہے تاکہ بعد میں اسی فضلہ کو نامیاتی مٹی میں تبدیل کیا جاسکے۔



## (5) مہذب کام اور اقتصادی ترقی

آپ کی کمپنی بے شمار افراد کو کامیابی کے لیے ضروری مہارتوں اور مواقع فراہم کرنے پر توجہ دی ہوئی ہے۔ اس مقصد کے لیے، آپ کی کمپنی بہت سے پروگرامز بشمول ضرورت پر مبنی میرٹ اسکالرشپس، بہتر روزگار کیلئے مہارت کو سکھانے کی مہم، انٹرن شپ پروگرامز، تعلیمی دورے اور دیگر اقدامات پیش کرتی رہی ہے۔ اس سال کمپنی کی جانب سے اپنے بہترین اسکالرشپ ہولڈرز طلباء کے تعلیمی سفر میں مدد کے لیے، لپ ٹاپ بھی فراہم کیے گئے ہیں۔ یہ کوششیں کیسے کے فضاء کو فروغ دیتی ہیں اور آنے والی نسل کو مستقبل کی مشکلات کے لیے تیار کرتی ہیں۔



پائیدار سماجی و اقتصادی ترقی کو فروغ دینے اور ایک جامع معاشرے کو فروغ دینے کے اپنے عزم کے حصے کے طور پر، آپ کی کمپنی نے خصوصی طور پر معذور کیونٹیز کو بااختیار بنانے کے لیے پاکستان ایسوسی ایشن آف دی بلائنڈ (PAB) کے ساتھ شراکت داری کی ہے۔ بریل بکس سپانسر شپ اقدام کے ذریعے، آپ کی کمپنی کا مقصد تعلیمی وسائل تک رسائی کو بڑھانا اور مساوات کو فروغ دینا ہے۔ یہ اقدام نہ صرف معاشرے کے مستحق افراد اور طلباء کو مفت بریل کتابیں فراہم کرتا ہے بلکہ نابینا افراد کے لیے پرنٹنگ اور پروف ریڈنگ جیسے روزگار کے مواقع بھی پیدا کرتا ہے۔



## (6) کمیونٹی کی ترقی اور اختیار

کلاس روم سے آگے تعلیمی تجربہ فراہم کرنے کے مقصد کو مدنظر رکھتے ہوئے، آپ کی کمپنی نے پسماندہ کمیونٹیز میں رہائش پذیر بچوں کے لیے چیز یا گھر کی ایک تفریحی اور علم سے بھر پور سیر کا انتظام کیا۔ اس کے علاوہ، آپ کی کمپنی نے تباہ کن سیلاب سے متاثرہ افراد کی مدد کے لیے پاکستان کی مسلح افواج کے ساتھ بھی شراکت کی۔ اس تعاون کا مقصد امدادی سرگرمیوں میں مدد کرنا، سیلابی متاثرین کی مشکلات کو کم کرنا اور کمیونٹیز میں امید لانا ہے۔



## کارپوریٹ اعزازات اور اعترافات

آپ کی کمپنی کاروباری معیارات اور موثر انتظام کو برقرار رکھنے اور بہتر بنانے کے اپنے عزم میں ثابت قدم رہی ہے، جسے مختلف نامور کارپوریٹ ایوارڈز اور اعترافات کے ذریعے تسلیم کیا گیا ہے۔

## (1) کاروباری برتری

ذمہ دارانہ کاروباری طریقوں اور پائیدار نظام کے لیے لگن کی وراثت کو جاری رکھتے ہوئے، آپ کی کمپنی کو مینجمنٹ ایسوسی ایشن آف پاکستان (MAP) کی طرف سے مسلسل ساتویں سال کارپوریٹ ایکسیلنس ایوارڈ سے نوازا گیا۔ یہ ایوارڈ بہترین کاروباری طریقوں کو شامل کرتے ہوئے بہترین سروس فراہم کرنے کے لیے کمپنی کی غیر متزلزل کوششوں کا ثبوت ہے۔

## (2) بہترین کاروباری طرز عمل

معاشرے کی بہتری کے لیے روزگار کے طریقوں کو بلند کرنے اور کاروباری کارروائیوں کو اقوام متحدہ کے پائیدار ترقی کے اہداف (SDGs) کے ساتھ ہم آہنگ کرنے کے لیے کمپنی کی شعوری کوششوں کے اعتراف میں اسے ایمپلائرز فیڈریشن آف پاکستان کی طرف سے اس کے بہترین کاروباری طریقوں کے لیے تسلیم کیا گیا ہے۔

## (3) پیشہ ورانہ حفاظت اور صحت میں بہترین طرز عمل

آپ کی کمپنی کو ایمپلائرز فیڈریشن آف پاکستان کی جانب سے پیشہ ورانہ حفاظت اور صحت میں اس کے بہترین طریقوں کے لیے مسلسل تسلیم کیا گیا ہے۔ پاکستان کے محترم صدر ڈاکٹر عارف علوی کی طرف سے پیش کیا جانے والا یہ پروتھار اعزاز، صحت اور حفاظت کے میدان میں کمپنی کی جانب سے کی گئی کاوشوں کا اعتراف کرتا ہے۔ مسلسل اعزازات، ایک پائیدار کام کے ماحول کو یقینی بنانے میں کمپنی کی قیادت اور متعدد جماعتوں کی ہم آہنگی کی کوششوں کی تصدیق کرتی ہے۔

کمپنی کو اپنے ان اعزازات پر بہت فخر ہے اور وہ اپنے ملازمین، معاشرے اور ماحول کی فلاح و بہبود کے لیے پرعزم رہتے ہوئے اپنی کارپوریٹ فضیلت اور بہترین کاروباری طریقوں کے اعلیٰ معیارات کو برقرار رکھے گی۔

## اندرونی مالی کنٹرولز کی موزنیت

اندرونی کنٹرولز کی پالیسیاں آپ کے آپریشنز کی اہلیت اور موثر ہونے، مالی معلومات پر انحصار اور لاگو قوانین اور ریگولیشنز کے متعلق مناسب ضمانت دینے کی غرض سے تیار کی گئی ہیں۔ مینجمنٹ اپنے رسک کے اندازوں، کنٹرولز کی نشاندہی مخصوص پالیسیوں پر نظر ثانی اور متعلقہ کنٹرولز کے طریقہ کار اور مانیٹرنگ کے نظام کو قائم کرتے ہوئے اندرونی کنٹرولز کے نظام کے اہل اور موثر ہونے کو یقینی بناتی ہے۔ انٹرنل کنٹرول سسٹم حصص یافتگان اور مجلسِ نظماً کو مناسب ضمانت دینے کی خاطر تیار کیا گیا ہے۔ مینجمنٹ سمجھتی ہے کہ موجودہ انٹرنل کنٹرول سسٹم موزوں ہے اور اس پر موثر طریقے سے مانیٹرنگ اور عملدرآمد کیا گیا ہے۔

## انٹرنل کنٹرولز کی موزنیت سے متعلق ناظمین کی ذمہ داری

مجلسِ نظماً اور موثر اندرونی اختیار کے ماحول کو پوری کمپنی پر نافذ کرنے کی اپنی ذمہ داری کو تسلیم کرتی ہے۔ کمپنی نے موثر اور تسلی بخش اندرونی بحاسب کا فنکشن تشکیل دیا ہے جو سختی سے اختیارات پر نظر رکھتا ہے۔ یہ شعبہ سہ ماہی بنیادوں پر کمپنی کی سرگرمیوں کا جائزہ لیتا رہتا ہے۔ ان جائزوں کے بنیادی اہداف کمپنی کی موثر عمل کاری، منافع اور مفادات کی حفاظت اور اندرونی اختیارات کا قیام اور مشاہدے کا تسلسل برقرار رکھنا ہے۔

اندرونی بحاسب کی رپورٹ کی بنیاد پر بحاسب کمیٹی اندرونی بحاسب کے شعبے کی کارکردگی کی سہ ماہی مدت میں نگرانی کرتی ہے، اور اس کے مطابق مجلس کو انکشافات اور سفارشات کے بارے میں آگاہ کرتی ہے۔

مجلس، عبوری حسابات، بیان اور دیگر مالیاتی اور اعداد و شمار کی معلومات سے مالیاتی کارکردگی اور حیثیت کا جائزہ لیتی ہے۔

## حصص داروں کا خاکہ

31 دسمبر 2022 کو حصص داروں کا خاکہ اس رپورٹ کے ساتھ منسلک ہے۔

ناظمین، چیف ایگزیکٹو آفیسر، ایگزیکٹوز اور ان کے شریک حیات اور ان کے نابالغ بچوں نے دوران سال کمپنی کے حصص کی خرید و فروخت نہیں کی ہے۔ ایگزیکٹوز کا مطلب اس حوالے سے کمپنی کے سربراہ، حسابدار اعلیٰ، داخلی حسابہ کے سربراہ، کمپنی سیکریٹری اور دیگر ایگزیکٹوز جنہیں مجلسِ نظماً نے اس مقصد کے لیے نامزد کیا ہے۔ مجلسِ نظماً کی جانب سے تنخواہ بنیادی حد 1,200,000 روپے مقرر کی گئی ہے جن کو ایگزیکٹوز مقرر کیا گیا ہے۔

## مجلسِ نظماً

بیانِ نظماً کی تاریخ کے مطابق مجلسِ نظماً ایک خاتون اور سات مرد ناظمین پر مشتمل ہے۔ اس سلسلے میں ایگزیکٹو، غیر ایگزیکٹو ناظمین اور آزاد ناظمین، بورڈ مندرجہ ذیل پر مشتمل ہے:

### a- آزاد ناظمین

- i- جناب گورڈن ایلین پی جوزف
- ii- جناب رون راسمون \*

شعبوں پر مستقل توجہ کی بدولت، آپ کی کمپنی نے شدید مسابقت اور سخت مشکل ماحول کے باوجود ایک پائیدار مارکیٹ شیئر کو برقرار رکھنے میں کامیابی حاصل کی ہے۔ نتیجے کے طور پر، آپ کی کمپنی اپنے تمام اسٹیک ہولڈرز کے لیے پائیدار قدر فراہم کرنے اور بہترین کارکردگی کے لیے جدوجہد جاری رکھنے کے لیے پرعزم ہے۔

## 31 دسمبر 2022 کو ختم ہونے والے مالی سال کے کاروباری اور مالیاتی نتائج

31 دسمبر 2022 کو ختم ہونے والے سال میں، آپ کی کمپنی 311,028 کنٹینرز کو سنبھالنے میں کامیاب رہی، جو کہ گزشتہ سال کی اسی مدت میں 476,577 کنٹینرز تھے۔ آپ کی کمپنی نے 12,024 ملین روپے کی آمدنی درج کی جو پچھلے سال کے مقابلے میں 8.33 فیصد زیادہ ہے۔ عملیاتی برتری اور لاگتوں کی کمی کے ذریعہ، آپ کی کمپنی نے 5,161 ملین روپے کا مجموعی منافع حاصل کیا۔ سال کا ختم 2,729 ملین روپے کے خالص منافع کے ساتھ ہوا جو پچھلے سال کے مقابلے میں 19.50 فیصد کم ہے، فنانس ایکٹ 2022 کے ذریعے سے سہولتوں کی عائدیت اس میں شامل ہے۔

2021	2022
11,099	12,024
5,160	5,161
4,776	5,003
3,390	2,729
1,184	1,452
4,574	4,181
(546)	(982)
(2,576)	(2,303)
1,452	896
31.05	25.01

روپے ملین میں

محاصل  
مجموعی منافع  
محصولات سے قبل منافع  
بعد از محصولات منافع  
آگے لایا گیا غیر منقسم منافع  
تخصیصات کے بعد دستیاب منافع  
تخصیصات

حتمی پیش ڈیویڈنڈ ختم شدہ سال 31 دسمبر 2021 @ 9.00 روپے فی حصص  
(31 دسمبر 2020 @ 5.00 روپے فی حصص)  
عبوری پیش ڈیویڈنڈ ختم شدہ سال 31 دسمبر 2022 @ 21.10 روپے فی حصص  
(31 دسمبر 2021 @ 23.60 روپے فی حصص)  
غیر مختص منافع فرستادہ  
بنیادی اور خفیف آمدنی فی عمومی حصص

## مستقبل کا منظر نامہ

عالمی معیشت کو 2023 میں غیر معمولی افراط زر، تریسیلی نظام میں خلل اور مسلسل جغرافیائی سیاسی تنازعات سے درپیش اجناس کی بلند ترین قیمتوں کی وجہ سے ملے جلے نقطہ نظر کا سامنا ہے۔ بڑی معیشتیں مانگ پر مبنی افراط زر کا مقابلہ کرنے اور تنگی سے بچنے کے لیے اقدامات پر عمل درآمد کر رہی ہیں، لیکن یہ مشکلات ممکنہ طور پر پاکستان کی پہلے سے ہی جدوجہد کر رہی معیشت کو اور متاثر کرتے رہیں گے۔ ورلڈ بینک نے 2023 کے لیے پاکستان کی اقتصادی ترقی کو 4 فیصد سے گھٹا کر 2 فیصد کر دیا ہے، جس سے ملک کی مقامی پیداوار متاثر ہونے اور کنٹینر ٹرمینل انڈسٹری پر دباؤ پڑنے کا خدشہ ہے۔

آپ کی کمپنی منفی اثرات کو کم کرنے اور پائیدار مارکیٹ شیئر کو برقرار رکھنے کے لیے جدت، لاگت کی کارکردگی اور معیار پر مسلسل توجہ کے ذریعے اپنے اسٹیک ہولڈرز کے فائدے کے لیے پائیدار نتائج فراہم کرنے کے لیے پرعزم ہے۔

## کنٹینر انگریجمنٹ

بورڈ آپ کی توجہ سالانہ آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 2.3 کی طرف مبذول کراتا ہے جس میں کراچی پورٹ ٹرسٹ (KPT) کے ساتھ معاہدے کی موجودہ حیثیت اور کمپنی کی طرف سے معاہدے کی جلد توسیع کے لیے دائر قانونی مقدمہ کے بارے میں تفصیل سے بتایا گیا ہے۔

کمپنی فی الحال درمیانی مدت کے دوران کام کرنے کے لیے شرائط و ضوابط کو حتمی شکل دینے کے لیے KPT کے ساتھ بات چیت کر رہی ہے۔ اس کے علاوہ کمپنی، کے پی ٹی کی جانب سے دیے جانے والے پہلے انکار کا حق استعمال کرنے کے لیے پرعزم ہے۔

اس کے مطابق، مالیاتی گوشواروں کو چلتے ہوئے کاروباری ادارے کی بنیاد پر تیار کیا گیا ہے۔ جو کہ مندرجہ بالا واقعات اور حالات کی وجہ سے پیدا ہونے والی غیر یقینی اور موروثی صورتحال سے مشروط ہے، جیسا کہ سالانہ آڈٹ شدہ مالیاتی بیانات کے نوٹ 2.3 میں تفصیل سے بتایا گیا ہے۔

## کارپوریٹ ماحولیاتی استحکام اور ماحولیات پر کاروبار کے اثرات

صحت، حفاظت اور ماحولیات [HSE] کے تحفظات آپ کی کمپنی کے روزمرہ کے کاموں کا ایک لازمی حصہ ہیں۔ آپ کی کمپنی میں [HSE] مینجمنٹ سسٹم میں سخت ٹارگٹ سیٹنگ کے خلاف پیشہ ورانہ حفاظت کی مسلسل پیمائش شامل ہے۔ ہمارے اسٹیک ہولڈرز کی صحت اور حفاظت اور ماحولیات پر ٹرمینل آپریشنز کے کم سے کم اثر کو یقینی بنانے کے لیے، آپ کی کمپنی نے ایک مربوط انتظامی سسٹم کی سرٹیفیکیشن حاصل کی ہوئی ہے، جو کہ ISO 9001 (کوالٹی مینجمنٹ سسٹم)، ISO 14001 (ماحولیاتی نظام)، اور ISO 45001 (پیشہ ورانہ صحت اور سیفٹی مینجمنٹ سسٹم) پر مشتمل ہے۔

آپ کی کمپنی نے اخراج کو کم کرنے کے اقدامات، فضلہ کے انتظام اور علاج کے طریقے، آگ بجھانے کے انتظامات، ہنگامی تیاریوں کی مشقیں، وقف ایسیویٹس سروس، ابتدائی طبی امداد کی سہولیات، آلات کی لوڈ ٹیسٹنگ، ایک کنٹینرز اسٹوریج ایریا، اور عملے کی شمولیت کے وقت HSE سے متعلق تربیت، اور آگاہی پروگرام جیسے اہم اقدامات کیے ہیں۔

## ادارے کی سماجی ذمہ داری

آپ کی کمپنی پائیدار ویلیو چیئر بنانے کی اہمیت کو تسلیم کرتی ہے جس کا مقصد اپنے اسٹیک ہولڈرز کی فلاح و بہبود کیلئے کوشاں رہنا ہے۔ اسی فلسفے کو مد نظر رکھتے ہوئے کمپنی نے کارپوریٹ سماجی ذمہ داری (CSR) پروگرام قائم کیے ہیں۔ جو اقوام متحدہ کے پائیدار ترقی کے اہداف (SDGs) کے مطابق ہیں۔

## 1) کلائمٹ ایکشن (ماحول کی حفاظت) - سستی اور صاف توانائی

آپ کی کمپنی نے کلائمٹ چیمپینئن مقابلہ کے آغاز کے ذریعے نوجوان نسل میں بیداری پیدا کرنے کی جانب ایک اہم قدم اٹھایا۔ اسی مرکزی خیال "ہمارے اعمال زمین اور آب و ہوا کے لیے قدم بڑھائیں" کے تحت بچوں کی حوصلہ افزائی کی گئی کہ وہ اپنے فنکارانہ اظہار کے ذریعے کاربن فوٹ پرنٹ کو کم کرنے کے بارے میں اپنے خیالات کو ظاہر کریں۔ اس اقدام کا مقصد نوجوان ذہنوں کو سستی توانائی، سبز اقدامات، اور گرین ہاؤس گیس کے اخراج کو کنٹرول کر کے کرہ ارض کی ذمہ داری لینے کے لیے بااختیار بنانا اور ان کی حوصلہ افزائی کرنا ہے۔ یہ مقابلہ ایک بہت بڑی کامیابی کا حامل رہا جو کہ ایک پائیدار مستقبل کی تعمیر کے لیے ہمارے عزم کی روشن مثال ہے۔

## 2) صاف پانی اور صحت مند بنداشت

کمپنی نے حکومتی اسکولوں میں پانی کے فلٹر کی تنصیب کی ایک مہم کا آغاز کیا۔ اس پروگرام کو صاف پینے کے پانی کے ذریعے زندگیوں کی تبدیلی کا عنوان دیا گیا۔ اس پروگرام کا مقصد ایک پائیدار معاشرے کی تکمیل ہے جہاں طلباء اور پڑوسی برادریوں کے مستحق افراد کیلئے صاف پینے کے پانی کی آسان رسائی کو ممکن بنایا جائے۔

## 3) جنسی مساوات

آپ کی کمپنی ایک بہتر متوازن دنیا کے لیے خواتین کو بااختیار بنانے کی حامی ہے۔ ٹرمینل انڈسٹری میں دقیانوسی تصورات کے برعکس، آپ کی کمپنی نے اپنے ٹیلنٹ پول میں خواتین کو شامل کرنے کے لیے شعوری اقدامات کیے ہیں۔



## بیانِ نظماً



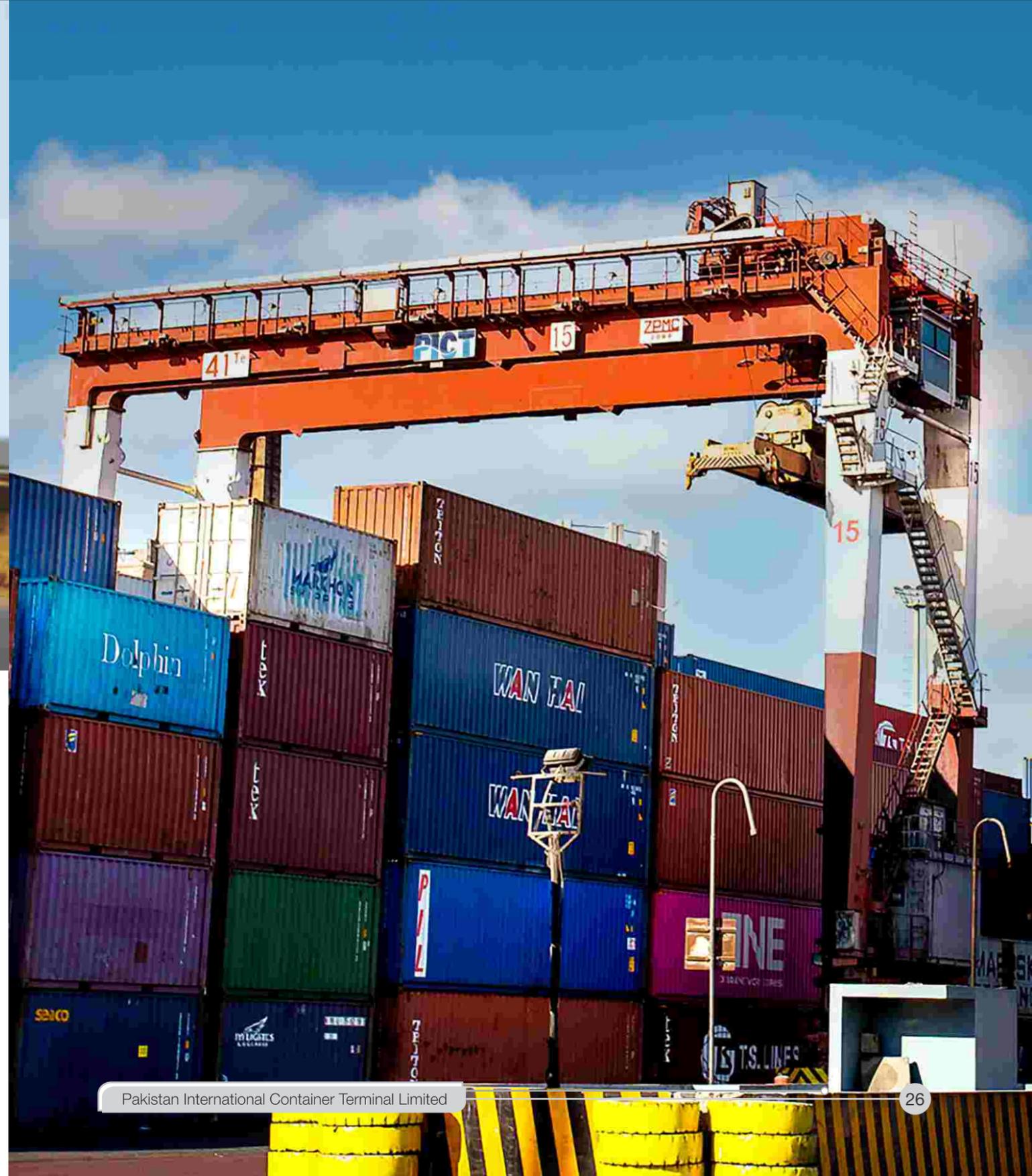
ہم مجلسِ نظماًء کی جانب سے اختتام مالی سال 31 دسمبر 2022 کے لئے آپ کی کمپنی کے محاسب شدہ مالیاتی گوشوارے پیش کرنے پر مسرور ہیں۔

### کاروباری کارکردگی کا جائزہ

2022 کے دوران عالمی معیشت کو اہم زکاتوں کا سامنا کرنا پڑا، عالمی سطح پر ترسیلی نظام میں خلل، مہنگائی کے بڑھتے ہوئے شدید اثرات، اور مونیٹری پابندیوں کے باعث بین الاقوامی سطح پر مجموعی طلب کی کمی ہو گئی، جو پاکستان کی تجارت پر بھی اثرات کی بنیاد بنی۔ ساتھ ہی، پاکستان میں عدم توازن اور اس سے متعلق افراتفر کو درست کرنے کے لئے کمپنیشن پالیسیوں کا نفاذ اور سیلابی بارشوں کی نقصانات نے مل کر ملک کی تجارت کو مزید متاثر کیا۔

دوران سال، اسٹیٹ بینک آف پاکستان نے درآمدات کی سخت پابندیاں عائد کیں جس کی وجہ سے بندرگاہوں پر رسید سامان میں قفل پیدا ہوا اور ملک میں بڑے کارخانوں کی پیداوار میں کمی واقع ہوئی۔ ملک میں مصنوعات کی مانگ میں بھی تیزی سے کمی آئی جس کے نتیجے میں، پاکستان میں کنٹینر مارکیٹ میں تقریباً 10 فیصد کمی آئی۔ اس تمام صورت حال نے مارکیٹ میں پہلے سے موجود تنازع کو اور بڑھا دیا۔ نتیجے کے طور پر کنٹینر ٹرمینل کمپنیوں کے لئے ان کے مارکیٹ شیئر کو برقرار رکھنا مزید مشکل ہو گیا۔

پاکستان میں کنٹینر ٹرمینل انڈسٹری کو درپیش مشکلات کے باوجود، آپ کی کمپنی نے جدت، لاگت اور معیاری خدمات کے ذریعے کامیابی کے سفر میں ثابت قدمی کا مظاہرہ کیا ہے۔ ان



# Key Operating & Financial Data



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

	2022	2021	2020	2019	2018	2017
<b>Statement of Profit or Loss (Rs. in Millions)</b>						
Revenue - net	12,024.18	11,098.67	9,009.17	7,927.13	8,250.37	9,291.44
Gross Profit	5,161.04	5,160.17	4,120.66	3,458.89	3,750.99	4,545.97
Profit Before Taxation	5,003.23	4,775.90	3,764.27	3,011.05	3,290.18	4,168.82
Profit After Taxation	2,729.44	3,389.66	2,672.52	2,137.41	2,134.92	2,797.87
<b>Statement of Financial Position (Rs. in Millions)</b>						
Share Capital and Reserves	2,167.41	2,723.48	2,455.59	2,843.73	2,299.96	2,340.45
Current Liabilities	6,072.74	4,051.31	2,318.46	1,607.39	1,608.30	1,452.16
Total Liabilities	6,142.30	4,114.91	2,376.63	1,752.59	1,868.59	1,837.74
Current Assets	7,642.81	5,479.02	3,186.65	2,406.81	1,558.58	1,205.16
Total Assets	8,309.70	6,838.38	4,832.22	4,596.32	4,168.55	4,178.20
<b>Ratios</b>						
Earnings Per Ordinary Share (Rs)	25.01	31.05	24.48	19.58	19.56	25.63
Return on Equity (%)	111.61	130.90	100.86	83.11	92.01	124.73
Debt Equity Ratio	0:100	0:100	0:100	0:100	0:100	0:100
Dividend Payout Ratio (%)	84	105	104	92	90	93.6

## INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Pakistan International Container Terminal Limited

**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 [the Regulations]**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Pakistan International Container Terminal Limited** (the Company) for the year ended **31 December 2022** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2022.

**Chartered Accountants**

**Place:** Karachi

**UDIN:** CR202210076W96Vum4Qp

**Date:** 05 May 2023

# Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended December 31, 2022

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred as 'the Regulations') in the following manner:

1. The total number of directors are 7 as per the following:
  - a) Male: Six (6)
  - b) Female: one (1)
2. The composition of the Board is as follows:
  - a) Independent Directors:
    - i. Mr. Gordon Alan P. Joseph
    - ii. Mr. Rune Rasmussen
  - b) Non-executive Directors:
    - i. Mr. Hans Ole Madsen - Chairman of the Board
    - ii. Mr. Arnie Dizon Tablante
    - iii. Mr. Jacob Christian Gulmann
    - iv. Mr. Bilal Shahid
    - v. Ms. Lirene Coloquio Mora-Suarez [**Female Director**]
  - c) Executive Director/ Chief Executive Officer:  
Mr. Khurram Khan

\* For the purposes of number of Independent Directors on the Board, the Company has not rounded up the fraction in one-third as one, since the Company contemplates that keeping in view the comparison of the number of non-executive Directors [five], Chief Executive Officer [One] with number of Independent Directors [two], the Board under the current composition is adequately independent.

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
9. During the year no Director has obtained Directors Training Certification;
10. The Board has approved appointment of the Company Secretary including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. There have been no changes in the position of the Chief Financial Officer (CFO) and the Head of Internal Audit during the year;
11. The Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed the following committees comprising of members given below:

- a) Audit Committee
  - i. Mr. Rune Rasmussen, Chairman
  - ii. Mr. Arnie Dizon Tablante, Member
  - iii. Mr. Bilal Shahid, Member
- b) Human Resource and Remuneration Committee
  - i. Mr. Gordon Alan P. Joseph, Chairman
  - ii. Mr. Hans-Ole Madsen, Member
  - iii. Ms. Lirene Coloquio Mora-Suarez, Member
- c) Risk Management Committee
  - i. Mr. Gordon Alan P. Joseph, Chairman
  - ii. Mr. Hans-Ole Madsen, Member
  - iii. Mr. Bilal Shahid, Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance;

14. The frequency of meetings of the committees were as per following:

- a) Audit Committee [Quarterly]
- b) Human Resource and Remuneration Committee [Yearly]
- c) Risk Management Committee [Semi-annually]

15. The Board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, the Chief Financial Officer, the Head of Internal Audit, the Company Secretary or the Directors of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



Mr. Hans-Ole Madsen  
Chairman of the Board  
Karachi  
Dated: May 03, 2023



Mr. Khurram Khan  
Chief Executive Officer



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 0017-11  
Fax: +9221 3568 1965  
ey.khi@pk.ey.com  
ey.com/pk

## INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan International Container Terminal Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **Pakistan International Container Terminal Limited** (the Company), which comprise the statement of financial position as at **31 December 2022**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of the profit and its comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to the matter disclosed in note 2.3 to the accompanying financial statements, which describes that the Company's Build, Operate and Transfer contract (Concession Agreement) with Karachi Port Trust (KPT) is expiring on 17 June 2023. In this regard, the Company instituted a legal suit before the Honorable High Court of Sindh (HCS) seeking early extension in concession terms and expansion of infrastructure and to provide status quo to restrain KPT from terminating the Concession Agreement. The HCS in December 2021, provided an interim injunction / stay order for status quo whereby KPT was restrained from terminating the Concession Agreement or inviting bids for award of contract for relevant terminal operation. However, in March 2023, the HCS dismissed the said interim order. While the Company intends to continue its operations even after the conclusion of the Concession Agreement for the purposes explained in the above referred note and has sufficient resources as well as commitment of financial support from the ultimate parent entity in this regard, the above events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

A member firm of Ernst & Young Global Limited

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S No.	Key audit matters	How our audit addressed the key audit matter
1.	<b>Contingencies</b>	
	<p>As at the reporting date, the Company has various contingent liabilities in respect of income tax and sales tax related matters and pending litigation from the concerned authorities as disclosed in note 17 of the financial statements.</p> <p>Due to the significance of the amounts involved in such matters and the inherent uncertainties in respect of their ultimate outcome, the management judgements and estimates in relation to such contingencies may be complex. Accordingly, we have considered the contingencies as a key audit matter.</p>	<p>Our key audit procedures on contingencies included, amongst others, obtained an understanding of the management's processes and controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Audit Committee:</p> <ul style="list-style-type: none"> <li>- Obtained and reviewed confirmations from the Company's external advisors for their views on the legal position of the Company in relation to the contingencies;</li> <li>- Involved our internal tax professionals to assess management's conclusions on tax matters and to evaluate the consistency of such conclusions with the views of the external tax advisors engaged by the Company; and</li> <li>- Evaluated the adequacy of disclosures made in respect of the contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.</li> </ul>
2.	<b>Revenue recognition</b>	
	<p>The Company's revenue is generated from rendering of container handling services to various customers in accordance with the terms of respective agreements. During the year, revenue of the Company increased by 8% as compared to the previous year.</p> <p>When identifying and assessing the risk relating to revenue recognition, we focused during our performance of audit procedures relating to revenue that whether the sales recorded by the management was occurred during the year</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the Company's process with respect to revenue recognition and tested design and operating effectiveness of controls relevant to such process, including general Information Technology (IT) controls, key application controls and IT dependent manual controls for the relevant IT systems which govern revenue recognition;</li> </ul>

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S No.	Key audit matters	How our audit addressed the key audit matter
	<p>and properly recorded in the correct accounting period.</p> <p>Considering the aforementioned reasons together with growth in revenue during the year, we have identified this area as a key audit matter.</p> <p>Refer to notes 3.16 and 18 accounting policy and relevant disclosures respectively in respect of revenue.</p>	<ul style="list-style-type: none"> <li>- Reviewed the terms and conditions of container handling with customers, on sample basis, and assessed the appropriateness of revenue recognition policies and practices followed by the Company;</li> <li>- For test of details, we selected sample of transactions and performed the following procedures: <ul style="list-style-type: none"> <li>• agreed the applied tariff to the respective terms in the contracts;</li> <li>• agreed container handling rates, used in the calculation of tariff, to the pre-billing vessel wise summary; and</li> <li>• tested revenue calculations and agreed the revenue recognized to the underlying accounting records.</li> </ul> </li> <li>- We also Performed cut-off procedures to check that revenue has been recognised in the appropriate accounting period;</li> <li>- Performed journal entry testing using a risk-based criterion, on a sample basis, relating to revenue transactions recorded by the Company and reviewed underlying documentation and business rationale of such journal entries; and</li> <li>- Assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

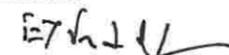
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of the Ordinance.

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



**Chartered Accountants**

**Place:** Karachi

**UDIN:** AR202210076oX8RTyUJE

**Date:** 05 May 2023

As at December 31, 2022



	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	623,717	1,133,045
Intangibles	5	43,176	21,579
Long-term deposits		-	5,544
Deferred taxation - net	6	-	199,190
		<b>666,893</b>	1,359,358
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools - net	7	571,821	485,795
Trade debts - net	8	648,929	626,955
Advances	9	7,270	30,159
Deposits, prepayments and other receivables	10	352,814	203,690
Short-term investments - net	11	-	-
Cash and bank balances	12	6,061,976	4,132,425
		<b>7,642,810</b>	5,479,024
		<b>8,309,703</b>	6,838,382
<b>TOTAL ASSETS</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up capital	13.2	1,091,532	1,091,532
Reserves	13.3	1,075,873	1,631,943
		<b>2,167,405</b>	2,723,475
<b>NON-CURRENT LIABILITIES</b>			
Deferred Liability	14	69,556	63,597
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	3,129,954	2,436,143
Unclaimed dividends		79,152	71,431
Unpaid dividends	16	2,330,418	1,517,481
Taxation - net		533,218	26,255
		<b>6,072,742</b>	4,051,310
		<b>8,309,703</b>	6,838,382
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
	17		

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

## Statement of Profit or Loss

For the year ended December 31, 2022

	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
Revenue - net	18	12,024,182	11,098,666
Cost of services	19	(6,863,138)	(5,938,493)
<b>Gross profit</b>		<b>5,161,044</b>	5,160,173
Administrative expenses	20	(625,980)	(576,192)
Other expenses	21	(76,518)	(27,157)
Finance costs	22	(1,625)	(713)
Other income	23	546,313	219,785
<b>Profit before taxation</b>		<b>5,003,234</b>	4,775,896
Taxation	24	(2,273,794)	(1,386,234)
<b>Profit after taxation</b>		<b>2,729,440</b>	3,389,662
		----- (Rupees) -----	
<b>Earnings per ordinary share - basic and diluted</b>	25	<b>25.01</b>	31.05

The annexed notes from 1 to 36 form an integral part of these financial statements.

## Statement of Comprehensive Income

For the year ended December 31, 2022

	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>Profit after taxation</b>	<b>2,729,440</b>	3,389,662
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>2,729,440</b>	3,389,662

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# Statement of Changes in Equity

For the year ended December 31, 2022

	Issued, subscribed and paid-up capital	Capital reserve Capital redemption reserve fund	Revenue reserve Unappropriated profits	Total reserves	Total
----- (Rs in thousands) -----					
<b>Balance as at December 31, 2020</b>	1,091,532	180,000	1,184,061	1,364,061	2,455,593
Profit after taxation	-	-	3,389,662	3,389,662	3,389,662
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	3,389,662	3,389,662	3,389,662
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 ended December 31, 2021 @ Rs 23.60/- per ordinary share	-	-	(2,576,014)	(2,576,014)	(2,576,014)
<b>Balance as at December 31, 2021</b>	<b>1,091,532</b>	<b>180,000</b>	<b>1,451,943</b>	<b>1,631,943</b>	<b>2,723,475</b>
Profit after taxation	-	-	2,729,440	2,729,440	2,729,440
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	2,729,440	2,729,440	2,729,440
Final cash dividend for the year ended December 31, 2021 @ Rs 9.00/- per ordinary share	-	-	(982,378)	(982,378)	(982,378)
Interim cash dividends for the year ended December 31, 2022 @ Rs 21.10/- per ordinary share	-	-	(2,303,132)	(2,303,132)	(2,303,132)
<b>Balance as at December 31, 2022</b>	<b>1,091,532</b>	<b>180,000</b>	<b>895,873</b>	<b>1,075,873</b>	<b>2,167,405</b>

The annexed notes from 1 to 36 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director



Chief Executive Officer



Chief Financial Officer



Director

# Statement of Cash Flows

For the year ended December 31, 2022

	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	30	<b>5,884,188</b>	5,501,630
Taxes paid		(1,567,641)	(1,546,206)
Compensated leaves paid	14.1	(1,954)	(2,068)
Finance costs paid		(1,625)	(713)
<b>Net cash generated from operating activities</b>		<b>4,312,968</b>	3,952,643
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(382,777)	(297,563)
Proceeds from disposal of operating fixed assets		19,367	278
Markup on savings accounts received		444,845	198,554
<b>Net cash generated from / (used in) investing activities</b>		<b>81,435</b>	(98,731)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(2,464,852)	(1,596,572)
<b>Net cash used in financing activities</b>		<b>(2,464,852)</b>	(1,596,572)
<b>Net increase in cash and cash equivalents</b>		<b>1,929,551</b>	2,257,340
Cash and cash equivalents at the beginning of the year		4,132,425	1,875,085
<b>Cash and cash equivalents at the end of the year</b>	12	<b>6,061,976</b>	4,132,425

The annexed notes from 1 to 36 form an integral part of these financial statements.

# Notes to the Financial Statements

For the year ended December 31, 2022

## 1. CORPORATE INFORMATION AND OPERATIONS

- 1.1.** Pakistan International Container Terminal Limited (the Company) was incorporated in Pakistan and is listed on 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. The Company has a Build, Operate and Transfer Contract (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.
- 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 financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act. In case requirements differ, the provisions and directives of the Act, shall prevail.

The Securities and Exchange Commission of Pakistan (SECP) in pursuance of the 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 facing the companies. The impact on the financial results of the Company due to application of IFRIC-12 is disclosed in note 35 to these financial statements.

### 2.2. Basis of measurement

These financial statements have been prepared under the historical cost convention unless otherwise specifically stated.

### 2.3. Expiry of Concession Agreement and Going Concern Assumption

- 2.3.1.** The existing Concession Agreement with KPT in respect of built, operate and transfer on existing berths 6 to 9 is for a period of twenty-one years commencing June 18, 2002. Under the terms of the agreement, in the event KPT does not intend to operate the terminal itself after the expiry date, it shall give the Company the first right of refusal to match the financial and other terms and conditions of the most successful bidder. In April 2023, KPT published a notice that it is required to commence the bidding process and during the intervening period, KPT intends to operate the terminal on arrangements to be decided by the Board of KPT. The Company is currently in negotiations with KPT for finalizing the terms and conditions for operating during the intervening period.

- 2.3.2.** Since the past several years, the Company has raised the matter for early extension in Concession term and expansion of infrastructure, with KPT and other relevant quarters of the Government of Pakistan based on the precedent existing whereby KPT had provided early extension in the Concession term and expansion in the infrastructure to another Container Terminal.

- 2.3.3.** Further, to safeguard the Company's interest against KPT's inequitable actions, the Company instituted a legal suit before the Honorable High Court of Sindh (HCS). The HCS vide its order in December 2021, provided an interim injunction / stay order for status quo whereby KPT was restrained from terminating the Concession Agreement or inviting bids for award of contract for relevant terminal operation.

- 2.3.4.** In March 2023, HCS dismissed the interim order with the observations that the Company has a right to exercise their right of first refusal to match the bid of a successful bidder, if so declared by KPT. Moreover, KPT may exercise their right to reject any bid before offering right of refusal to the Company if deemed fit and proper, subject to law. HCS also observed that the Company has no justification to continue occupying the terminal beyond 17 June 2023 and in case right of first refusal is exercised by the Company, it would be re-occupation and re-commencement of such fresh terms as agreed. The Company has filed an appeal before larger bench of HCS for setting-aside the order and restrain KPT from interfering in operations which is pending for hearing.

- 2.3.5.** The Company has an approved future operational plan in place keeping in consideration any action by KPT as discussed above. Accordingly, the Company intends to and has sufficient resources as well as commitment of financial support from the ultimate parent entity, to continue functioning as a legal entity for the foreseeable future. This continuity is also required to pursue the legal rights available to the Company in terms of the Concession Agreement which provides the Company with the first right of refusal as more fully explained above.

- 2.3.6.** In view of the above events and circumstances, the Company in accordance with its accounting policies has performed a comprehensive analysis of any potential financial adjustments in these financial statements and have incorporated the same where required.

- 2.3.7.** Accordingly, these financial statements are prepared on going concern basis subject to inherent uncertainties caused by the above events and conditions that are of critical significance for the future of the Company.

### 2.4. New standards, amendments to approved accounting standards and new interpretations

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

### 2.4.1. Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

# Notes to the Financial Statements

For the year ended December 31, 2022

## Standards, interpretations and amendments

		IASB Effective date (annual periods beginning on or after)
IAS 1	- Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	- Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	- Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023
IAS 1	- Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2024
IFRS 16	- Lease Liability in a Sale and Leaseback (Amendments)	January 01, 2024
IFRS 10 / IAS 28	- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, following new standards has been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

## Standards

		IASB Effective date (annual periods beginning on or after)
IFRS 1	- First time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17	- Insurance Contracts	January 01, 2023

## 2.5. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

- taxation (note 3.5);
- determining the method of depreciation, residual values and useful lives of operating fixed assets (note 4.1);
- intangibles (note 5);
- determining the provision for obsolescence of stores, spare parts and loose tools (note 7);
- determining the allowance for expected credit losses (note 8);
- recognition of provision of deferred liability (note 14); and
- expected outcome of contingencies (note 17.1).

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1. Property, plant and equipment

#### 3.1.1. Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to statement of profit or loss using straight line method so as to write off the historical cost of the assets less their estimated residual values over their estimated useful lives or the remaining term of the Concession Agreement, whichever is lower, at the rates specified in note 4.1 to these financial statements. The Company is bound to transfer certain assets to KPT under the Concession agreement.

Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month the respective asset was in use. Assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each reporting date.

The carrying values of property, plant and equipment are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the higher of fair value less cost to sell and value in use.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements, if any, are capitalised where they meet the definition of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the statement of profit or loss in the period in which they arise.

#### 3.1.2. Capital work-in-progress

These are stated at cost less any impairment in value. All expenditures connected with specific assets incurred during installation and construction period including advances to suppliers and contractors are carried under this head. These are transferred to specific assets as and when these assets are available for use.

### 3.2. Intangibles

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and that the cost of such asset can also be measured reliably.

Costs incurred on the acquisition of intangibles are capitalised and are amortised on straight line basis over their estimated useful life or the remaining term of the Concession Agreement, whichever is lower at the rates stated in note 5.1 to these financial statements. Amortisation is charged in the month in which the asset is available for use.

Useful lives of intangibles are reviewed, at each reporting date and adjusted if appropriate.

# Notes to the Financial Statements

For the year ended December 31, 2022

The carrying values of intangibles are reviewed for impairment at each reporting date for events or changes in circumstances that indicate the carrying value may not be recoverable.

### 3.3. Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at lower of net realisable value and cost. Cost is determined using first-in-first-out (FIFO) basis except for those in transit which are stated at invoice price plus other charges paid thereon up to the reporting date. Provision is made annually in the financial statements for slow moving and obsolete items if required.

### 3.4. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cheques, pay orders, cash in hand and balances with banks.

### 3.5. Taxation

#### Current

Provision for current taxation is based on taxable income at the current rates of taxation in accordance with the Income Tax Ordinance, 2001 after considering rebates and tax credits available, if any, and includes adjustments to charge for prior years, if any.

In making the estimates for income taxes, the Company takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

#### Deferred

Deferred tax is recognised using the balance sheet liability method, on all major temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. The management consider tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3.6. Loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs and have not been designated 'as at fair value through profit or losses. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using effective interest rate method.

Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the amortisation process.

### 3.7. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted prospectively to reflect the current best estimate.

### 3.8. Staff retirement benefits

The Company operates a recognised provident fund scheme (defined contribution plan) for all its eligible permanent employees. Equal monthly contributions are made by the Company and the employees to the fund in accordance with the rules of the provident fund scheme. Contributions from the Company are charged to statement of profit or loss for the year.

### 3.9. Provision for compensated leave absences

The Company provides a facility to its employees for accumulating their annual earned leave under an unfunded scheme.

Accruals are made to cover the obligation under the scheme on accrual basis and are charged to statement of profit or loss. Accrual for compensated absences for employees is calculated on the basis of one month's gross salary. The amount of liability recognised in the statement of financial position is calculated by the Company using the above basis.

### 3.10. Foreign currency translations

Foreign currency transactions are translated into Pakistani Rupee (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are re-translated into Pakistani Rupee using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to statement of profit or loss.

### 3.11. Dividend

Dividend is recognised as a liability in the period in which it is approved.

# Notes to the Financial Statements

For the year ended December 31, 2022

## 3.12. Impairment of non-financial assets

The carrying value of non-financial assets other than inventories and deferred tax assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of profit or loss, for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash generating units).

## 3.13. Segment reporting

These financial statements have been prepared on the basis of single reportable segment which is consistent with the internal reporting of the Company.

## 3.14. Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency.

## 3.15. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### i) Financial assets

#### Initial recognition and measurement

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of a debt instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in statement of other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price, determined under IFRS 15) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments). These are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in statement of profit or loss when the asset is derecognised, modified or impaired.
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at FVTPL.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

# Notes to the Financial Statements

For the year ended December 31, 2022

## Impairment / expected credit loss (ECL) on financial assets

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company considers a financial asset in default when contractual payments are 275 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company uses the standard's simplified approach and calculates ECL based on life-time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The ECLs are recognised in the statement of profit or loss.

## ii) Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### Subsequent measurement

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

#### Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

## Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. Income and expense arising from such assets and liabilities are also offset accordingly.

## 3.16. Revenue

As per the business principles, revenue from contracts with customers is recognised net of rebates, if any, when services are rendered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The performance obligations of port berth operations are satisfied, and payment is generally due upon completion and billing of the services.

## 3.17. Other income

Profit on deposits / saving accounts are recognised on effective interest rate basis.

Other income is recognised on accrual basis.

	Note	December 31, 2022	December 31, 2021
----- (Rs in thousands) -----			
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	<b>375,833</b>	857,758
Capital work-in-progress	4.2	<b>247,884</b>	275,287
		<b>623,717</b>	1,133,045

# Notes to the Financial Statements

For the year ended December 31, 2022

## 4.1. Operating fixed assets

	DECEMBER 31, 2022									
	COST			ACCUMULATED DEPRECIATION				Written down value as at December 31, 2022	Depreciation rate per annum %	
	As at January 01, 2022	Additions / *transfers from capital work-in-progress	Disposals	As at December 31, 2022	As at January 01, 2022	Charge for the year (note 4.1.3)	Disposals			
	(Rs in thousands)									
Leasehold land & building (note 4.1.2)	247,547	-	-	247,547	214,749	23,152	-	237,901	9,646	8.33
Leasehold improvements	1,934,875	205 * 570	(23)	1,935,627	1,776,330	114,399	(19)	1,890,710	44,917	5-20
Container / terminal handling / workshop equipment**	5,633,257	40,207 * 263,983	(84,795)	5,852,652	5,096,281	582,368	(84,795)	5,593,854	258,798	5-20
Port power generation	664,037	460 * 22,880	-	687,377	576,020	79,158	-	655,178	32,199	5-10
Vehicles	20,097	6,805 * 686	(217)	27,371	18,731	2,639	(178)	21,192	6,179	20
Computers and other equipment	358,102	28,179 * 987	(2,351)	384,917	321,473	43,541	(1,989)	363,025	21,892	10-33.33
Furniture and fixtures	38,991	942	(6,472)	33,461	35,564	1,790	(6,095)	31,259	2,202	10-33.33
	<b>8,896,906</b>	<b>76,798 * 289,106</b>	<b>(93,858)</b>	<b>9,168,952</b>	<b>8,039,148</b>	<b>847,047</b>	<b>(93,076)</b>	<b>8,793,119</b>	<b>375,833</b>	
<b>Total</b>	<b>8,896,906</b>	<b>365,904</b>	<b>(93,858)</b>	<b>9,168,952</b>	<b>8,039,148</b>	<b>847,047</b>	<b>(93,076)</b>	<b>8,793,119</b>	<b>375,833</b>	

	DECEMBER 31, 2021									
	COST			ACCUMULATED DEPRECIATION				Written down value as at December 31, 2021	Depreciation rate per annum %	
	As at January 01, 2021	Additions / *transfers from capital work-in-progress	Disposals	As at December 31, 2021	As at January 01, 2021	Charge for the year (note 4.1.3)	Disposals			
	(Rs in thousands)									
Leasehold land & building (note 4.1.2)	247,547	-	-	247,547	191,597	23,152	-	214,749	32,798	8.33
Leasehold improvements	1,903,794	2,628 * 28,453	-	1,934,875	1,659,240	117,090	-	1,776,330	158,545	5-20
Container / terminal handling / workshop equipment**	5,600,910	8,733 * 25,027	(1,413)	5,633,257	4,633,500	463,687	(906)	5,096,281	536,976	5-20
Port power generation	651,684	10,530 * 1,823	-	664,037	512,637	63,383	-	576,020	88,017	5-10
Vehicles	20,097	-	-	20,097	17,027	1,704	-	18,731	1,366	20
Computers and other equipment	326,556	8,994 * 23,615	(1,063)	358,102	284,176	38,282	(985)	321,473	36,629	10-33.33
Furniture and fixtures	51,264	515	(12,788)	38,991	46,040	2,312	(12,788)	35,564	3,427	10-33.33
	<b>8,801,852</b>	<b>31,400 * 78,918</b>	<b>(15,264)</b>	<b>8,896,906</b>	<b>7,344,217</b>	<b>709,610</b>	<b>(14,679)</b>	<b>8,039,148</b>	<b>857,758</b>	
<b>Total</b>	<b>8,801,852</b>	<b>110,318</b>	<b>(15,264)</b>	<b>8,896,906</b>	<b>7,344,217</b>	<b>709,610</b>	<b>(14,679)</b>	<b>8,039,148</b>	<b>857,758</b>	

\* Transfers from capital work-in-progress.

\*\* Includes stand-by equipment having written down value of Rs 0.32 million (2021: Rs 6.15 million).

Included herein above are certain concession assets which the Company is bound to transfer to KPT under the Concession agreement at a token value of Re 1. There is a procedure defined in the Concession Agreement for the said transfer which is yet to be commenced and the Company believes that it will take substantial time to conclude the same. Further, all concession and non-concession assets will be fully depreciated by June 2023, although, these assets may continue to be used beyond June 2023 in the intervening period as discussed in note 2.3.

## 4.1.1. Disposals of operating fixed assets

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on disposals – net	Particulars of Buyer	Mode of Disposal
					(Rs in thousands)		
Items having written down value of less than Rs. 5,000,000/-							
<b>2022</b>	<b>93,858</b>	<b>93,076</b>	<b>782</b>	<b>19,367</b>	<b>18,585</b>	<b>Various</b>	<b>Various</b>
2021	15,264	14,679	585	278	(307)	Various	Various

4.1.2. This includes a leasehold land in the name of the Company having written down value of Rs1.6 million (2021: Rs 5.6 million) and area of approximately 6 by 6 acres situated at Deh Mai Gharhi, Tappo Manghopir, Gadap Town, Karachi which is depreciated over the lease term.

Note	December 31, 2022	December 31, 2021
	(Rs in thousands)	
4.1.3. Depreciation charge for the year has been allocated as under:		
Cost of services	19	762,342
Administrative expenses	20	84,705
		<b>847,047</b>
		638,649
		70,961
		<b>709,610</b>

## 4.2. Capital work-in-progress

### 4.2.1. Movement

Opening balance		275,287	88,042
Additions during the year	4.2.2	261,703	266,163
Transferred to operating fixed assets		(289,106)	(78,918)
Closing balance	4.2.3	<b>247,884</b>	<b>275,287</b>

4.2.2. This includes Rs 139.51 million (2021: Rs 237.76 million) in container / terminal handling / workshop equipment and Rs 122.19 million (2021: Rs 28.40 million) in other assets.

Note	December 31, 2022	December 31, 2021
	(Rs in thousands)	
4.2.3. Category wise breakup		
Leasehold improvements	38,903	22,536
Container / terminal handling / workshop equipment	112,028	236,498
Port power generation	89,890	10,332
Vehicles	-	660
Computers and other equipment	7,063	5,261
	<b>247,884</b>	<b>275,287</b>

## 5. INTANGIBLES

Intangibles	5.1	43,176	21,579
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# Notes to the Financial Statements

For the year ended December 31, 2022

## 5.1. Intangibles

	DECEMBER 31, 2022							
	COST		ACCUMULATED AMORTISATION					Amortisation rate per annum %
	As at January 01, 2022	Additions	As at December 31, 2022	As at January 01, 2022	Charge for the year (note 5.2)	As at December 31, 2022	Written down value as at December 31, 2022	
	(Rs in thousands)							
Computer software	241,404	44,276	285,680	219,825	22,679	242,504	43,176	20-33.33
Project development cost	37,889	-	37,889	37,889	-	37,889	-	20
<b>Total</b>	<b>279,293</b>	<b>44,276</b>	<b>323,569</b>	<b>257,714</b>	<b>22,679</b>	<b>280,393</b>	<b>43,176</b>	

	DECEMBER 31, 2021							
	COST		ACCUMULATED AMORTISATION					Amortisation rate per annum %
	As at January 01, 2021	Additions	As at December 31, 2021	As at January 01, 2021	Charge for the year (note 5.2)	As at December 31, 2021	Written down value as at December 31, 2021	
	(Rs in thousands)							
Computer software	241,404	-	241,404	195,771	24,054	219,825	21,579	20-33.33
Project development cost	37,889	-	37,889	37,889	-	37,889	-	20
<b>Total</b>	<b>279,293</b>	<b>-</b>	<b>279,293</b>	<b>233,660</b>	<b>24,054</b>	<b>257,714</b>	<b>21,579</b>	

5.2. Amortisation charge for the year has been allocated as under:

	Note	December 31, 2022	December 31, 2021
Cost of services	19	20,411	21,649
Administrative expenses	20	2,268	2,405
		<b>22,679</b>	<b>24,054</b>

## 6. DEFERRED TAXATION - net

Deductible timing differences arising in respect of:

Accelerated tax depreciation and amortisation Provisions	272,756	76,309
	155,944	122,881
	428,700	199,190
Deferred tax asset not recognized	(428,700)	-
	-	199,190

6.1. As disclosed in note 3.5 and note 2.3, the Company has not recognized deferred tax asset amounting to Rs 428.70 million.

Note  
December 31, 2022  
December 31, 2021  
----- (Rs in thousands) -----

## 7. STORES, SPARE PARTS AND LOOSE TOOLS - net

Stores, spare parts and loose tools	560,847	488,880
Fuel and lubricants	40,069	26,010
	600,916	514,890
Provision for obsolescence	(29,095)	(29,095)
	<b>571,821</b>	<b>485,795</b>

## 8. TRADE DEBTS - net

	Note	December 31, 2022	December 31, 2021
<b>Unsecured</b>			
Considered good	8.2, 8.3 & 8.4	650,404	628,430
Allowance for expected credit losses	8.1	(1,475)	(1,475)
		<b>648,929</b>	<b>626,955</b>

8.1. The aging of unimpaired trade debts as at December 31 is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			Within 90 days	91 to 180 days	Over 180 days
	----- (Rs in thousands) -----				
Related parties	3,278	2,255	665	-	358
Other than related parties	645,651	591,596	51,053	1,763	1,239
<b>2022</b>	<b>648,929</b>	<b>593,851</b>	<b>51,718</b>	<b>1,763</b>	<b>1,597</b>
Related parties	1,348	465	883	-	-
Other than related parties	625,607	603,118	19,339	2,152	998
<b>2021</b>	<b>626,955</b>	<b>603,583</b>	<b>20,222</b>	<b>2,152</b>	<b>998</b>

8.2. Related parties represent Rs 3.28 million (2021: Rs 1.35 million) due from Bilal Associates (Pvt) Limited.

8.3. The maximum amount outstanding at the end of any month during the year from Bilal Associates (Pvt) Limited was Rs 5.14 million (2021: Rs 1.35 million).

8.4. These are generally on a term ranging from 15 to 60 days.

## 9. ADVANCES

	December 31, 2022	December 31, 2021
<b>Unsecured, considered good</b>		
Suppliers and contractors	5,263	28,098
Employees	2,007	2,061
	<b>7,270</b>	<b>30,159</b>

# Notes to the Financial Statements

For the year ended December 31, 2022

	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>10. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Deposits		28,314	10,360
Prepayments		121,977	76,562
<b>Other Receivables - considered good</b>			
Insurance claim receivable		2,124	2,876
Accrued markup		72,560	9,538
Receivable from tax authorities	17.1.3	100,000	100,000
Others	10.1	27,839	4,354
		<u>202,523</u>	<u>116,768</u>
		<u>352,814</u>	<u>203,690</u>

10.1. This includes Rs 10.61 million due from ICTSI Mauritius Limited, Rs 7.93 million due from Aeolina Investments Limited and Rs 2.16 million due from Bilal Associates (Pvt) Limited.

	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>11. SHORT-TERM INVESTMENTS – net</b>			
<b>Amortised cost</b>			
Certificate of investments (COIs)		43,000	43,000
Allowance for expected credit losses	11.1	(43,000)	(43,000)
		<u>-</u>	<u>-</u>

11.1. 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 financial statements. However, the Company is continuously pursuing for the recovery of the investments amount.

	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>12. CASH AND BANK BALANCES</b>			
With banks in:			
current accounts		91,041	92,392
savings accounts	12.1	5,851,555	4,011,851
	12.2	5,942,596	4,104,243
Cash and pay orders in hand		119,380	28,182
		<u>6,061,976</u>	<u>4,132,425</u>

12.1. These carry profit at rates ranging from 8.25 to 15.80 percent (2021: 4.01 to 9.50 percent) per annum.

12.2. This includes Rs 5,557.34 million (2021: Rs 6.76 million) deposited with Islamic shariah compliant banks.

12.3. As at December 31, 2022, the Company has unutilised short-term running musharaka facility under profit arrangements aggregating Rs 265 million (2021: Rs 265 million) available from Islamic shariah compliant bank carrying profit rate based on 3 months KIBOR as benchmark rate plus 30 basis points (2021: 3 months KIBOR plus 30 basis points). This facility is secured against first pari passu hypothecation charge on all present and future current assets amounting to Rs 620 million (2021: Rs 620 million).

## 13. SHARE CAPITAL

### 13.1. Authorised capital

December 31, 2022 ----- (Number of shares) -----	December 31, 2021		December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
182,000,000	182,000,000	Ordinary shares of Rs 10/- each	1,820,000	1,820,000
18,000,000	18,000,000	Preference shares of Rs 10/- each	180,000	180,000
<u>200,000,000</u>	<u>200,000,000</u>		<u>2,000,000</u>	<u>2,000,000</u>

### 13.2. Issued, subscribed and paid-up capital

December 31, 2022 ----- (Number of shares) -----	December 31, 2021	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
63,761,200	63,761,200	Ordinary shares of Rs 10/- each issued for cash	637,612	637,612
33,352,352	33,352,352	issued as bonus shares	333,524	333,524
12,039,600	12,039,600	issued for consideration other than cash	120,396	120,396
<u>109,153,152</u>	<u>109,153,152</u>	13.2.1	<u>1,091,532</u>	<u>1,091,532</u>

13.2.1. Represent shares issued in consideration for mobile harbour cranes, port equipment and a vehicle to Premier Mercantile Services (Pvt) Limited.

13.2.2. The voting rights are in proportion to shareholding of the shareholders.

	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>13.3. Reserves</b>			
<b>Capital reserve</b>			
Capital redemption reserve fund	13.3.1	180,000	180,000
<b>Revenue reserve</b>			
Unappropriated profits	13.3.2	895,873	1,451,943
		<u>1,075,873</u>	<u>1,631,943</u>

# Notes to the Financial Statements

For the year ended December 31, 2022

- 13.3.1.** The capital redemption reserve fund can be utilized by the Company in accordance with the provisions of the Companies Act, 2017 and any applicable regulations therein.
- 13.3.2.** The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company.

	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>14. DEFERRED LIABILITY</b>			
Provision for compensated leave absences	14.1	<u>69,556</u>	<u>63,597</u>
<b>14.1. Movement</b>			
Opening balance		63,597	58,166
Accrual made during the year		<u>7,913</u>	<u>7,499</u>
		<u>71,510</u>	<u>65,665</u>
Payments made during the year		<u>(1,954)</u>	<u>(2,068)</u>
Closing balance		<u>69,556</u>	<u>63,597</u>
<b>15. TRADE AND OTHER PAYABLES</b>			
Trade creditors	15.1	<b>718,514</b>	517,331
Technical services fee payable	15.2	<b>309,513</b>	139,906
Staff related liabilities		<b>145,543</b>	178,172
Payable to port authorities	17.1.2	<b>574,876</b>	526,049
Accrued liabilities		<b>876,326</b>	509,849
Other liabilities:			
Advances from customers		<b>143,018</b>	127,038
Workers' Welfare Fund		<b>329,541</b>	329,541
Sales tax payable		<b>26,380</b>	103,284
Others		<b>6,243</b>	4,973
		<u>505,182</u>	<u>564,836</u>
		<u>3,129,954</u>	<u>2,436,143</u>

- 15.1.** This includes Rs 206.12 million (2021: Rs 133.96 million) payable to ICTSI, Inc., Rs 55.12 million (2021: Rs 42.92 million) payable to ICTSI Limited - ROHQ, Rs 39.44 million (2021: Rs 30.05 million) payable to ICTSI Limited, Rs 0.40 million (2021: Rs 0.31 million) payable to ICTSI Middle East DMCC, and Rs Nil (2021: Rs 5.21 million) payable to Bilal Associates (Pvt) Limited.
- 15.2.** This represents technical services fee payable to ICTSI Mauritius Limited.
- 16. UNPAID DIVIDENDS**
- 16.1.** Represents final dividend for the year ended December 31, 2021 and interim cash dividends for the year ended December 31, 2022 which remained unpaid to the Company's foreign shareholders including associated companies due to pending regulatory approvals.

## 17. CONTINGENCIES AND COMMITMENTS

### 17.1. Contingencies

- 17.1.1.** The Trustees of the Port of Karachi (KPT) filed a civil suit 1201/2006 against the Company on September 13, 2006, in the Honourable High Court of Sindh (HCS) claiming a sum of Rs 304.5 million along with the interest, as default payment of wharfage and penalty thereon, for the alleged mis-declaration of the category of goods on the import of Ship to Shore Cranes and Rubber Tyre Gantry Cranes in 2004.

On April 24, 2017, HCS passed the judgment and decree in favor of the Company and ordered that KPT is not entitled to the amount of wharfage charges claimed by it. On June 03, 2017, KPT filed an appeal 287/2017 against the aforesaid HCS' judgment before the Divisional Bench of HCS.

Upon advice of the Company's legal advisor, management believes that there is no merit in this claim and accordingly no provision in respect of above has been made in the financial statements.

- 17.1.2.** The Company has filed an interpleader civil suit 827/2007 on June 29, 2007 before HCS against the Deputy District Officer, Excise and Taxation (DDO) and the Trustees of KPT in respect of demand raised by the DDO on the Company to pay property tax out of the Handling, Marshalling and Storage (HMS) charges payable to KPT amounting to Rs 34.6 million for the period from 2003 to 2007. In compliance with the Order of HCS, the Company deposited the amount with Nazir of HCS, out of amount withheld by the Company from HMS charges billed by KPT.

In 2014, another demand was made by the DDO amounting to Rs 96.1 million for the period 2008 to 2014. On an application filed by the Company for directions, HCS ordered for deposit of the aforementioned amount out of HMS charges billed by KPT. The Company complied with the order of HCS. In 2015, HCS issued further orders directing the Company to deposit the remaining HMS charges due and payable with Nazir of HCS in quarterly installments. Accordingly, the Company complied with the order of HCS. The amount deposited with Nazir of HCS is netted off with the HMS charges payable to KPT.

The decision of the suit is still pending and the Company's legal advisor believes that there may be no adverse implication for depositing the payments due to KPT with Nazir of HCS in view of complying with the HCS's order. Accordingly, no provision has been made in this respect in the financial statements.

- 17.1.3.** While completing the audit proceedings for the tax year 2013, the Deputy Commissioner Inland Revenue (DCIR) amended the deemed assessment of the Company by passing an order under section 122(1) of the Income Tax Ordinance, 2001 and made certain disallowances / additions in the taxable income and raised an income tax demand of Rs 130.4 million. The Company filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A) who partly decided the appeal in favour of the Company. Consequently, the Company made the payment of Rs 100 million and filed a second appeal before the Appellate Tribunal Inland Revenue (ATIR) who decided the appeal in favor of the Company. Being aggrieved by the decision of ATIR, DCIR filed the appeal before HCS.

The tax advisor of the Company is of the view that the issues involved in the appeal will be decided in favour of the Company and accordingly, no provision in respect of excess demand raised by the DCIR has been made in the financial statements.

# Notes to the Financial Statements

For the year ended December 31, 2022

**17.1.4.** In 2017, the Assistant Commissioner Sindh Revenue Board (AC-SRB) under Sindh Sales Tax on Services Act, 2011 raised a demand of Rs 514.4 million along with penalty and default surcharge, for tax periods January 2013 to December 2014 on exempt services provided by the Company. The Company filed an appeal with Commissioner Appeals - SRB which is pending for hearing.

The tax advisor of the Company is of the view that the Company has a strong defence and appeal will be decided in favor of the Company. Accordingly, the Company has not made any provision in respect of the above demand in the financial statements.

**17.1.5.** In 2017, the Additional Commissioner Inland Revenue (ACIR) amended the deemed assessment of the Company for the tax year 2016 by passing an order under section 122(5A) of the Income Tax Ordinance, 2001 and made certain disallowances / additions to the taxable income and tax credits claimed by the Company and raised an income tax demand of Rs 222.2 million. The Company filed an appeal before CIR-A who had decided the appeal partly in favor of the Company. Being aggrieved by the decision of CIR-A, the Company as well as the tax department filed the appeals before ATIR which are pending for adjudication. The Company has also sought stay from HCS against the demand created by ACIR after appeal effect proceedings. HCS vide its final order directed the ACIR not to take any coercive recovery measures till the finalization of appeal before the ATIR which is pending for adjudication.

The tax advisor of the Company is of the view that the issues involved in the appeal will be decided in favor of the Company. Accordingly, no provision in respect of excess demand raised by ACIR has been made in the financial statements.

**17.1.6.** In 2019, ACIR amended the deemed assessments of the Company for the tax years 2018 and 2014 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 the income tax demands of Rs 537.247 million and Rs 451.828 million respectively. The Company filed the appeals before CIR-A who accepted the Company's contention in almost all respects except for couple of matters, for which CIR-A directed the ACIR for re-examination. Being aggrieved by the decision of CIR-A, the Company and ACIR filed the appeals before ATIR. For tax year 2018, ATIR decided the appeal filed by the Company in favor of the Company and for tax year 2014, ATIR partly decided the appeal filed by the Company by remanded back the matter to ACIR for re-verification.

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 the financial statements.

**17.1.7.** Section 14A of Customs Act, 1969 was amended through Finance Act, 2013 effective from July 01, 2013, according to which port authorities shall provide at its own cost adequate security and accommodation to customs staff for residential purposes, offices, examination charges, detention and storage of goods and for other departmental requirements to be determined by the Collector of Customs and shall pay utility bills, rent and taxes in respect of such accommodation.

The Company through its legal advisor filed a joint petition with other terminal operators and challenged the applicability of the aforementioned amendment in law before High Court of Sindh (HCS) which granted an interim order in favor of the terminals in November 2013. In January 2020, HCS dismissed the joint petition, however, suspended the judgment for filing an appeal before the Supreme Court of Pakistan (SCP).

The Company has filed a joint Civil Appeal with other terminal operators challenging the impugned HCS Judgement before SCP. On March 03, 2020, SCP suspended the operation of the impugned

judgment and granted leave to appeal. The legal advisor of the Company is of the opinion that the Company has a reasonable chance of success in this case. Accordingly, no provision has been made in this respect in the financial statements.

**17.1.8.** In 2020, while completing the audit proceedings for the tax year 2015, DCIR amended the deemed assessment of the Company by passing an order under section 122(1) of the Income Tax Ordinance, 2001 and made certain disallowances/additions to the taxable income and tax credits claimed by the Company and raised an income tax demand of Rs 499.290 million. The Company filed an appeal before CIR-A who partly decided the appeal in favor of the Company. Being aggrieved by the decision of CIR-A, the Company filed the appeal before ATIR which is pending for adjudication.

The tax advisor of the Company is of the view that the issues involved in the appeal will be decided in favor of the Company. Accordingly, no provision in respect of the aforementioned demand raised by DCIR has been made in the financial statements.

**17.1.9.** In 2020, ACIR amended the deemed assessment of the Company for the tax year 2017 by passing an order under section 122(5A) of the Income Tax Ordinance, 2001 and made certain disallowances / additions to the taxable income and tax credits claimed by the Company and raised an income tax demand of Rs 398.155 million. The Company filed an appeal before CIR-A who partly decided the appeal in favor of the Company. Being aggrieved by the decision of CIR-A, the Company filed the appeal before ATIR which is pending for adjudication.

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

**17.1.10.** 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 the financial statements.

**17.1.11.** In 2022, ACIR amended the deemed assessment of the Company for the tax year 2021 by passing an order under section 122(5A) of the Income Tax Ordinance, 2001 and made certain disallowances / additions to the taxable income and raised an income tax demand of Rs 435.375 million. The Company filed an appeal before CIR-A who partly decided the appeal in favor of the Company. Being aggrieved by the decision of CIR-A, the Company filed the appeal before ATIR which is pending for adjudication.

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

**17.1.12.** The Company is defending various suits, other than those disclosed above, filed against it in various courts in Pakistan. The Company's management is confident, based on the advice of its legal advisors, that these suits will be decided in the Company's favor.

# Notes to the Financial Statements

For the year ended December 31, 2022

	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>17.2. Commitments</b>			
17.2.1. Commitments for capital expenditure		<u>86,714</u>	71,739
17.2.2. Outstanding letters of guarantees		<u>392,789</u>	159,354
17.2.3. Letters of credit			
Utilised		130,733	90,674
Unutilised		<u>169,267</u>	<u>109,326</u>
17.2.4. Other commitments			
Not later than one year		103,940	208,071
Later than one year but not later than five years		-	105,338
		<u>103,940</u>	<u>313,409</u>
<b>18. REVENUE - net</b>			
Gross revenue	18.1	13,790,361	12,697,755
Sales tax	18.1	<u>(1,766,179)</u>	<u>(1,599,089)</u>
		<u>12,024,182</u>	<u>11,098,666</u>
18.1. Includes Rs 76.56 million (2021: Rs 96.70 million) collected from customers on behalf of KPT in respect of sales tax on wharfage charges.			
<b>19. COST OF SERVICES</b>	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
Salaries, wages and other benefits		699,293	571,112
Provident fund contribution		18,133	17,183
Staff training		2,531	2,045
Terminal handling and services		733,165	720,808
Royalty	19.1	1,204,723	1,227,350
Handling, Marshalling and storage charges	17.1.2	214,248	202,791
Fuel and power		1,336,053	878,252
Stores, spares and other maintenance charges		497,730	405,274
Technical services fee	19.2	707,305	652,863
Rent, rates and taxes		296,498	251,396
Insurance		199,326	166,066
Software maintenance charges		102,751	106,176
Office maintenance		21,820	36,118
Travelling, conveyance and vehicle running expenses		24,806	11,807
Communication, printing and stationery		2,787	3,062
Utilities		1,169	1,063
Depreciation and amortisation	4.1.3 & 5.2	782,753	660,298
Others		18,047	24,829
		<u>6,863,138</u>	<u>5,938,493</u>

- 19.1. Royalty paid to KPT under the Concession Agreement.
- 19.2. Represents charges for technical services provided by ICTSI Mauritius Limited to the Company for advising on continuous improvement of the terminal operations, training of key personnel and risk management services.

	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>20. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits		183,832	218,123
Provident fund contribution		8,869	7,756
Travelling, conveyance and vehicle running expenses		42,277	16,925
Legal and professional charges		15,847	13,919
Auditors' remuneration	20.1	12,870	9,748
Security expenses		44,637	36,397
Insurance		17,353	14,153
Office maintenance		65,254	68,124
Advertising and public relations		34,992	21,684
Communication, printing and stationery		31,369	28,282
Utilities		5,468	4,685
Depreciation and amortization	4.1.3 & 5.2	86,973	73,366
Fees and subscription		17,895	13,712
Others		58,344	49,318
		<u>625,980</u>	<u>576,192</u>
<b>20.1. Auditors' remuneration</b>			
Statutory Audit Fee		2,415	2,300
Limited scope reviews and other certifications		3,051	2,627
Tax advisory services		6,702	4,192
Out of pocket expenses		702	629
		<u>12,870</u>	<u>9,748</u>
<b>21. OTHER EXPENSES</b>			
Loss on disposal of operating fixed assets - net		-	307
Exchange loss - net		76,518	26,850
		<u>76,518</u>	<u>27,157</u>
<b>22. FINANCE COST</b>			
Bank charges		1,625	713
		<u>1,625</u>	<u>713</u>
<b>23. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Markup on savings accounts	23.1	507,867	207,757
<b>Income from non-financial assets</b>			
Gain on disposal of operating fixed assets - net		18,585	-
Others		19,861	12,028
		<u>546,313</u>	<u>219,785</u>

# Notes to the Financial Statements

For the year ended December 31, 2022

- 23.1. This includes Rs 403.81 million (2021: Rs 0.01 million) profit earned from bank accounts under profit arrangement with Islamic shariah compliant banks.

	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>24. TAXATION</b>			
Current	24.1	1,859,900	1,540,364
Deferred		199,190	(155,354)
Prior	24.1	214,704	1,224
		<u>2,273,794</u>	<u>1,386,234</u>

- 24.1. The Finance Act, 2022 has introduced certain amendments relating to taxation of companies. As per these amendments, super tax on high earning persons has been levied from tax year 2022 and onwards at progressive rates on taxable income.

Accordingly, the Company has recognised super tax expense for prior year as well as current year in the statement of profit or loss. Therefore, these include aggregate super tax of Rs 437.88 million (2021: Rs Nil)

	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>24.2. Relationship between tax expense and accounting profit:</b>		
Profit before taxation	<u>5,003,234</u>	<u>4,775,896</u>
Tax at the applicable tax rate of 29% (2021: 29%)	1,450,938	1,385,010
Net effect of income tax provision relating to prior years	214,704	1,224
Non-recognition of deferred tax asset	428,700	-
Effect of super tax relating to current year	225,442	-
Effect of change in rate of deferred tax	(27,474)	-
Others	(18,516)	-
	<u>2,273,794</u>	<u>1,386,234</u>
Average effective tax rate 45% (2021: 29%)		

## 25. EARNINGS PER ORDINARY SHARE - basic and diluted

Profit after taxation	<u>2,729,440</u>	<u>3,389,662</u>
	----- (No. of Shares) -----	
Weighted average ordinary shares in issue during the year	<u>109,153,152</u>	<u>109,153,152</u>
	----- (Rupees) -----	
Earnings per ordinary share - basic and diluted	<u>25.01</u>	<u>31.05</u>

## 26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. No changes made to the objectives and policies during the year ended December 31, 2022. The Board of Directors review and agree policies for managing each of these risks which are summarised below.

### 26.1. Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on long-term deposits, trade debts, advances to employees, deposits, other receivables and bank balances. The Company seeks to minimise the credit risk exposure by dealing only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk on the financial assets of the Company at the reporting date is:

	Carrying Values	
	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
<b>At amortised cost - unsecured</b>		
Long-term deposits	-	5,544
Advances to employees	2,007	2,061
Trade debts - net	648,929	626,955
Deposits and other receivables	130,837	27,128
Bank balances	<u>5,942,596</u>	<u>4,104,243</u>
	<u>6,724,369</u>	<u>4,765,931</u>

### Quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or the historical information about counter party default rates as shown below:

# Notes to the Financial Statements

For the year ended December 31, 2022

	Carrying Values	
	December 31, 2022	December 31, 2021
	----- (Rs in thousands) -----	
<b>26.1.1. Trade debts - net</b>		
Customers with no defaults in the past one year	648,929	626,955
Customers with some defaults in past one year which have been fully recovered	-	-
	<u>648,929</u>	<u>626,955</u>

<b>26.1.2. Cash with Banks</b>		
A1	5,894,145	3,198,361
A1+	48,451	905,882
	<u>5,942,596</u>	<u>4,104,243</u>

## 26.2. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. The table below summarizes the maturity profile of the Company's financial liabilities at the following reporting dates:

	Carrying Amount Less than 1 year	
	----- (Rs in thousands) -----	
<b>At amortised cost</b>		
Trade and other payables	2,624,772	2,624,772
Unpaid dividends	2,330,418	2,330,418
<b>December 31, 2022</b>	<u>4,955,190</u>	<u>4,955,190</u>
<b>At amortised cost</b>		
Trade and other payables	1,875,627	1,875,627
Unpaid dividends	1,517,481	1,517,481
<b>December 31, 2021</b>	<u>3,393,108</u>	<u>3,393,108</u>

## 26.3. Foreign Currency Risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. The Company is exposed to foreign exchange risk on the following US Dollars denominated trade and other payables:

	December 31, 2022	December 31, 2021
	----- (US dollars) -----	
Trade and other payables	<u>2,109,827</u>	<u>1,638,663</u>

The foreign currency exposure is adequately covered as the majority of the Company's billing is determined in US dollars which is converted into Pakistani Rupees at the exchange rate prevailing at the transaction date.

	December 31, 2022	December 31, 2021
	----- (Rupees) -----	
The following significant exchange rate has been applied at the reporting dates:		
Pakistani Rupee to US Dollars	<u>226.65</u>	<u>176.50</u>

The following figures demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the Company's profit before tax:

	Change in Exchange rates	Effect on profit before tax (Rs. in thousands)
<b>December 31, 2022</b>	± 5%	<u>±23,910</u>
December 31, 2021	± 5%	<u>± 14,461</u>

## 26.4. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of change in market interest rates relates primarily to the Company's financing obligations with floating interest rates. However, as of the reporting date the Company does not have any financing obligations with floating interest rates.

## 26.5. Equity price risk

Equity price risk is the risk of loss arising from movements in prices of equity instruments. The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares as at the reporting date.

## 26.6. Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The gearing ratio of the Company as at December 31, 2022 is Nil (December 31, 2021: Nil).

# Notes to the Financial Statements

For the year ended December 31, 2022

## 27. FAIR VALUES 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, unclaimed 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 categorization in Level 1, Level 2 and Level 3.

## 28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

28.1. The aggregate amount, charged in the financial statements for the year, is as follows:

	December 31, 2022			December 31, 2021		
	Chief Executive	Directors / Chairman (Non-Executive)	Executives	Chief Executive	Directors / Chairman (Non-Executive)	Executives
	----- (Rs in thousands) -----					
Managerial remuneration	51,557	-	143,663	39,748	-	130,387
Provident fund	2,506	-	6,958	2,181	-	6,321
Bonus paid	11,919	-	47,481	14,060	-	43,499
Fee for attending meetings	-	10,427	-	-	8,456	-
	<b>65,982</b>	<b>10,427</b>	<b>198,102</b>	<b>55,989</b>	<b>8,456</b>	<b>180,207</b>
Number	<b>1</b>	<b>7</b>	<b>32</b>	<b>1</b>	<b>7</b>	<b>32</b>

28.2. The Chief Executive and certain Executives of the Company were also provided with the free use of Company maintained cars, club memberships, medical, shares of ultimate parent company and other benefits in accordance with their terms of service.

## 29. 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 year along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

### 29.1. Name and nature of relationship

#### a) Holding Company

ICTSI Mauritius Limited – 63.99% shares (directly) held in the Company.

#### b) Associated Companies due to significant influence

Aeolina Investments Limited – 15.71% shares held in the Company  
Euroasia Terminal (Private) Limited – 9.37% shares held in the Company

#### c) Associated companies, subsidiaries, joint ventures or holding companies incorporated outside Pakistan

ICTSI Mauritius Limited - a company incorporated in Mauritius  
Aeolina Investments Limited - a company incorporated in British Virgin Islands

#### d) Associate Company due to common directorship

Bilal Associates (Pvt) Limited

#### e) Post-employment benefit plan

Staff Provident Fund of the Company

### 29.2. Transactions with related parties

#### Holding Company

	Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
Technical services fee	19	<b>707,305</b>	652,863
Dividends paid		<b>1,369,027</b>	472,644

#### Associated companies / other related parties

Terminal handling services and rent	<b>73,618</b>	498,534
Revenue from container handling	<b>17,235</b>	22,215
Dividends paid	<b>667,260</b>	551,855

#### Key management personnel

Managerial Remuneration	<b>254,620</b>	227,694
Company's contribution to provident fund	<b>9,464</b>	8,502

# Notes to the Financial Statements

For the year ended December 31, 2022

**29.3.** Amounts due from and due to related parties, amount relating to remuneration of the Chief Executive and Directors are disclosed in the relevant notes to these financial statements.

**29.4.** All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company.

Note	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
------	---	----------------------

## 30. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	5,003,234	4,775,896
Adjustments for non-cash items:		
Depreciation and amortisation	4.1.3 & 5.2 <b>869,726</b>	733,664
Accrual for compensated leaves	14.1 <b>7,913</b>	7,499
Exchange loss - net	21 <b>76,518</b>	26,850
Finance cost	22 <b>1,625</b>	713
Markup on savings accounts	23 <b>(507,867)</b>	(207,757)
Gain / (Loss) on disposals of operating fixed assets - net	23 & 21 <b>(18,585)</b>	307
	<b>429,330</b>	561,276
<b>Operating profit before working capital changes</b>	<b>5,432,564</b>	5,337,172
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools - net	<b>(86,026)</b>	(48,144)
Trade debts - net	<b>(21,974)</b>	45,806
Advances, deposits, prepayments and other receivables	<b>(57,669)</b>	(18,613)
	<b>(165,669)</b>	(20,951)
<b>Increase in current liabilities</b>		
Trade and other payables	<b>617,293</b>	185,409
<b>Cash generated from operations</b>	<b>5,884,188</b>	5,501,630

## 31. PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provisions of the section 218 of the Companies Act, 2017 and the conditions specified thereunder.

	December 31, 2022 ----- (Number) -----	December 31, 2021
--	--	----------------------

## 32. NUMBER OF PERSONS EMPLOYED

Persons employed as of	<b>657</b>	680
Average persons employed during the year	<b>675</b>	689

## 33. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on May 03, 2023 by the Board of Directors of the Company.

## 34. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors in their board meeting, held on May 03, 2023, have recommended a final cash dividend of Rs. Nil per ordinary share amounting to Rs. Nil for the year ended December 31, 2022. The adjustment for this dividend will be incorporated in the subsequent financial statements of the Company.

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

As explained in note 2.1, the required disclosure is as follows:

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 the financial statements would be as follows:

	December 31, 2022 ----- (Rs in thousands) -----	December 31, 2021
Reclassification from property, plant and equipment (including CWIP) to intangible (Port Concession Rights) - written down value	<b>404,897</b>	683,013
Reclassification from spares to intangibles	<b>23,447</b>	24,791
Recognition of intangibles (Port Concession Rights) on account of handling and marshalling charges (HMS)	<b>43,007</b>	129,020
Recognition of present value of concession liability on account of intangibles (HMS)	<b>98,468</b>	288,258
Interest expense for the year on account of intangibles (HMS)	<b>15,854</b>	25,496
Amortisation expense for the year on account of intangibles (HMS)	<b>86,014</b>	86,014
Amortisation expense for the year on account of concession assets (PPE and spares)	<b>489,480</b>	389,346
Increase in profit before tax for the year on account of reversal of HMS	<b>205,644</b>	200,795

# Notes to the Financial Statements

For the year ended December 31, 2022

## 36. GENERAL

36.1. Amounts have been rounded off to the nearest thousand rupees unless otherwise stated.

36.2. The handling capacity of the Company is indeterminable because it depends on multiple variables such as dwell time of containers, availability of external yards and type of containers. The containers handled by the Company were according to the market demand.



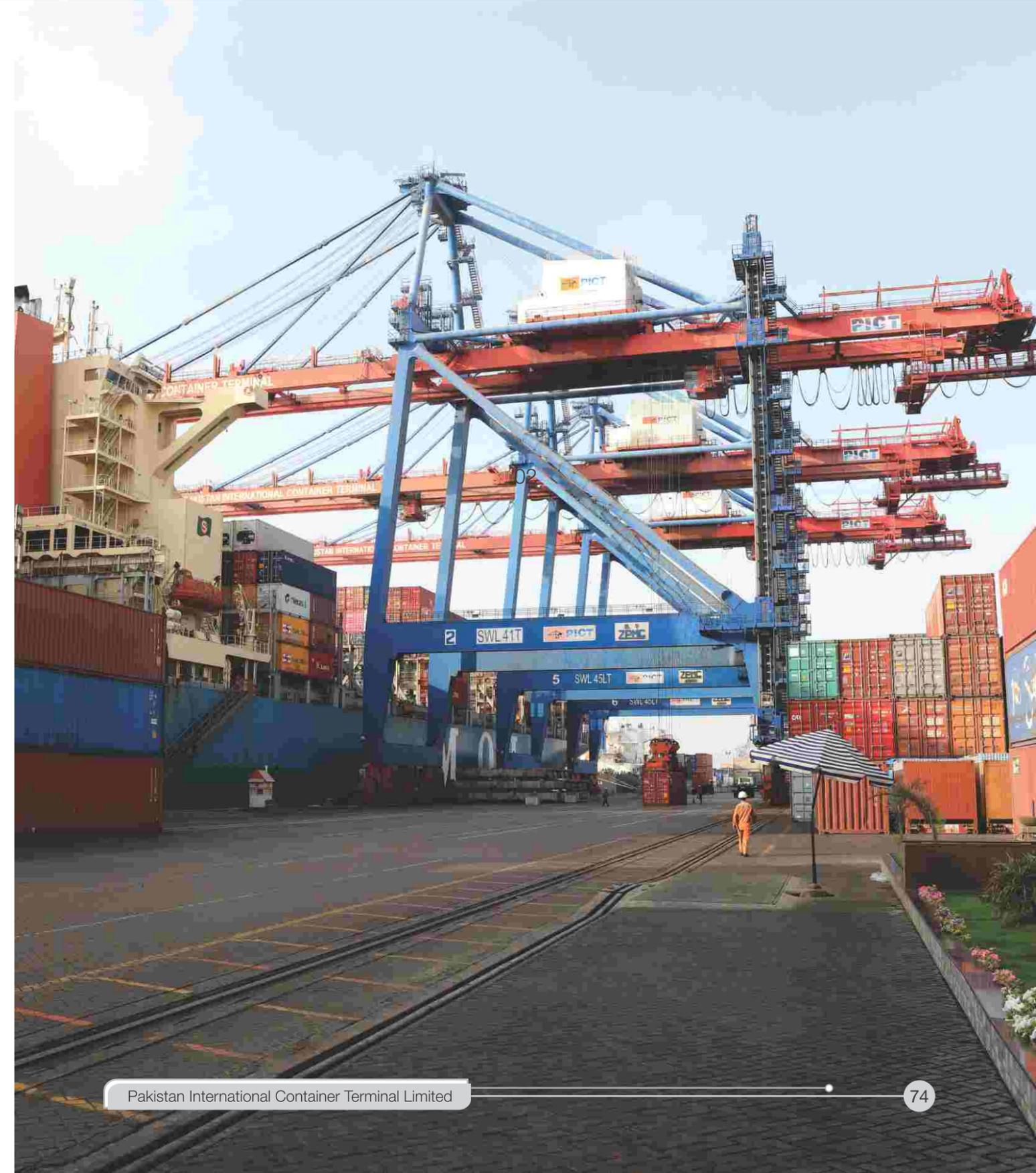
Chief Executive Officer



Chief Financial Officer



Director



# Pattern of Shareholding

As at December 31, 2022

Categories of Shareholders	Total Shares held	Percentage
<b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>		
Bilal Shahid	1,000	0.00
<b>Associated Companies, Undertakings and Related parties</b>		
ICTSI Mauritius Limited	69,848,310	63.99
Aeolina Investments Limited	17,155,639	15.72
Euroasia Terminal (Private) Limited	10,226,000	9.37
Synergy Limited	783,500	0.72
<b>NIT and ICP</b>	-	-
<b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b>	720	0.00
<b>Insurance Companies</b>	-	-
<b>Modarabas and Mutual Funds</b>	2,708	0.00
<b>General Public</b>		
a. Local	6,203,963	5.69
b. Foreign	559,214	0.51
<b>Foreign Companies</b>	3,005,083	2.75
<b>Joint Stock Companies</b>	1,364,306	1.25
<b>Trust</b>	8	0.00
<b>Executives</b>	2,701	0.00
<b>Total</b>	<b>109,153,152</b>	<b>100.00</b>

Categories of Shareholders	Shares Held	Percentage
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## Shareholders holding 10% or more

ICTSI Mauritius Limited	69,848,310	63.99
Aeolina Investments Limited	17,155,639	15.72

# Pattern of Shareholding

As at December 31, 2022

No. of Shareholders	Total Shares		Share holdings Held
	From	To	
1094	1	100	46,712
938	101	500	275,272
968	501	1000	764,777
632	1001	5000	1,529,921
110	5001	10000	819,590
29	10001	15000	365,640
17	15001	20000	310,256
11	20001	25000	255,620
11	25001	30000	316,403
5	30001	35000	160,870
1	35001	40000	37,100
4	40001	45000	168,900
5	45001	50000	247,110
2	55001	60000	119,800
2	65001	70000	136,784
1	90001	95000	94,000
2	95001	100000	197,800
1	130001	135000	133,400
1	160001	165000	165,000
1	180001	185000	184,100
1	215001	220000	217,100
1	275001	280000	276,665
1	390001	395000	394,300
1	765001	770000	770,000
1	780001	785000	783,500
1	915001	920000	917,500
1	2235001	2240000	2,235,083
1	10225001	10230000	10,226,000
1	17155001	17160000	17,155,639
1	69845001	69850000	69,848,310
<b>3,845</b>			<b>109,153,152</b>

Details of Purchase/Sale of Shares by Directors, CEO, CFO, Company Secretary and their spouses or minor children during the year ended December 31, 2022

Name	Designation	Date of Purchase	No of Shares Purchased
None	N/A	N/A	N/A

# Glossary

<b>Board:</b>	Board of Directors
<b>CEO:</b>	Chief Executive Officer
<b>CSR:</b>	Corporate Social Responsibility
<b>ICAP:</b>	Institute of Chartered Accountants of Pakistan
<b>ICTSI:</b>	International Container Terminal Services Inc.
<b>IFRIC:</b>	International Financial Reporting Interpretations Committee
<b>ISO:</b>	International Organisation for Standardization
<b>KPT:</b>	Karachi Port Trust
<b>NIT:</b>	National Investment Trust Limited
<b>PICT:</b>	Pakistan International Container Terminal Limited
<b>PSX:</b>	Pakistan Stock Exchange
<b>SECP:</b>	Securities and Exchange Commission of Pakistan
<b>SRB:</b>	Sindh Revenue Board
<b>SRO:</b>	Statutory Regulatory Order

# 2022 | Annual Report

**Pakistan International Container Terminal Limited**

Registered & Terminal Office:

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

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

Fax: (+9221) 32854815

[www.pict.com.pk](http://www.pict.com.pk)