

QUARTERLY REPORT

MARCH 31, 2024

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

Registered Office:

Plot No. 25/1-A, Street No. 5,
Muslimabad, Jamshed Town,
Karachi - Pakistan.

E-mail: investor-relations@pict.com.pk

Website: www.pict.com.pk



An ICTSI Group Company

Pakistan International Container Terminal Limited

CONTENTS

■ Company Information	2
■ Directors' Report	3
■ Condensed Interim Financial Statements	4

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. Asif Raza Khan
(Elected as Independent Director on Feb. 24, 2024)

Mr. Bilal Shahid
(Non-Executive Director)

Mr. Gordon Alan P. Joseph
(Independent Director)
(Retired on Feb. 24, 2024)

Mr. Jacob Christian Gulmann
(Non-Executive Director)

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

Mr. Rune Rasmussen
(Independent Director)

Acting Company Secretary

Mr. Ahmed Bharamchari

Audit Committee

Chairman

Mr. Rune Rasmussen

Members

Mr. Arnie D. Tablante

Mr. Bilal Shahid

Chief Internal Auditor

Mr. Syed Azmat Hussain

Risk Management Committee

Chairman

Mr. Gordon Alan P. Joseph
(Retired on Feb. 24, 2024)

Mr. Asif Raza Khan
(Elected as Independent Director on Feb. 24, 2024)

Members

Mr. Bilal Shahid

Mr. Hans-Ole Madsen

Human Resource & Remuneration Committee

Chairman

Mr. Gordon Alan P. Joseph
(Retired on Feb. 24, 2024)

Mr. Asif Raza Khan
(Elected as Independent Director on Feb. 24, 2024)

Members

Mr. Hans-Ole Madsen

Ms. Lirene C. Mora-Suarez

Key Management

Chief Executive Officer

Ms. Lirene C. Mora-Suarez

Chief Financial Officer

Mr. Ahmed Bharamchari

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 Office

Plot No. 25/1-A, Steet No. 5,
Muslimabad, Jamshed Town,
Karachi - Pakistan.

Tel: +92 21 37442366

E-mail: investor-relations@pict.com.pk

Website: www.pict.com.pk

Share Registrar/ Transfer Agent

CDC Share Registrar Services Limited
99-B, Block 'B', SMCHS,

Main Shahra-e-Faisal,
Karachi- 74400

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

Fax: +92-21-34326053

DIRECTORS' REPORT FOR THE QUARTER ENDED MARCH 31, 2024

We the undersigned for and on behalf of the Board of Directors hereby present un-audited condensed interim financial statements of the Company for the quarter ended March 31, 2024.

BUSINESS PERFORMANCE REVIEW

As an aftermath of expiry of the Concession Agreement on June 17, 2024, the results of the quarter under review are not much comparable with the results of the corresponding period of last year. In the absence of any income from container handling services, the results of the quarter are embedded with financial income of the deposits.

OPERATING AND FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2024

(Rupees in Million)

Non-operating financial income	261.41
Profit before taxation	244.46
Profit after taxation	152.52
Un appropriated profit brought forward	513.31
Un appropriated profit carried forward	665.84

(Rupees)

Earnings per Ordinary Share – Basic and Diluted	1.40
---	------

FUTURE OUTLOOK

Predictability of outcome of decisions is becoming a rare phenomenon due to uncertain geo political and economic situations which are posing diversified reactions. Pakistani economy is in verge of reformation by way of introduction of reforms pursuant to IMF program which can be an effective hedge against the uncertainties. Board of directors scanning the available options for revival of operations but without compromising the risk appetizer.

ACKNOWLEDGEMENT

The Board would like to extend sincere gratitude and appreciation to its shareholders and bankers for their continued trust and support.

For and on behalf of the Board of Directors



Mr. Hans-Ole Madsen
Chairman



Ms. Lirene Coloquio Mora-Suarez
Chief Executive Officer

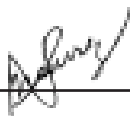
Karachi,

Dated: May 28, 2024

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024**

		March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
	Note	----- (Rs in thousands) -----	
CURRENT ASSETS			
Stores, spare parts and loose tools - net	5	-	-
Trade debts - net	6	1,983	9,533
Advances		68,590	66,183
Deposits and prepayments and other receivables	7	647,301	844,553
Short-term investments - net	8	-	-
Taxation - net		66,483	100,615
Cash and bank balances		5,535,265	5,182,634
		6,319,622	6,203,518
TOTAL ASSETS		6,319,622	6,203,518
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital		1,091,532	1,091,532
Reserves		845,836	693,314
		1,937,368	1,784,846
CURRENT LIABILITIES			
Trade and other payables	9	2,694,253	2,730,671
Unclaimed dividends		133,265	133,265
Unpaid dividends	10	1,548,450	1,548,450
Current portion of deferred liability		6,286	6,286
		4,382,254	4,418,672
TOTAL EQUITY AND LIABILITIES		6,319,622	6,203,518
CONTINGENCIES AND COMMITMENTS	11		

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED MARCH 31, 2024
(UN-AUDITED)**

	Note	Quarter Ended	
		March 31, 2024	March 31, 2023
		----- (Rs in thousands) -----	
Revenue - net		-	3,655,176
Cost of services		-	(1,839,932)
Gross profit		-	1,815,244
Administrative expenses		(16,873)	(231,332)
Other income		261,410	167,225
Finance costs		(80)	(761)
Profit before taxation		244,457	1,750,376
Taxation	12	(91,935)	(667,281)
Profit after taxation		152,522	1,083,095
		----- (Rupees) -----	
Earnings per ordinary share - basic and diluted		1.40	9.92

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

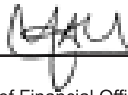
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31, 2024
(UN-AUDITED)**

	<u>Quarter Ended</u>	
	<u>March 31, 2024</u>	<u>March 31, 2023</u>
	----- (Rs in thousands) -----	
Profit after taxation	152,522	1,083,095
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>152,522</u>	<u>1,083,095</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2024
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Capital reserve Capital redemption reserve fund	Revenue reserve Unappropriated profits	Total reserves	Total
----- (Rs in thousands) -----					
Balance as at January 01, 2023	1,091,532	180,000	895,873	1,075,873	2,167,405
Profit after taxation	-	-	1,083,095	1,083,095	1,083,095
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,083,095	1,083,095	1,083,095
Balance as at March 31, 2023	1,091,532	180,000	1,978,968	2,158,968	3,250,500
Balance as at January 01, 2024	1,091,532	180,000	513,314	693,314	1,784,846
Profit after taxation	-	-	152,522	152,522	152,522
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	152,522	152,522	152,522
Balance as at March 31, 2024	1,091,532	180,000	665,836	845,836	1,937,368

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED MARCH 31, 2024
(UN-AUDITED)**

	Note	Quarter Ended	
		March 31, 2024	March 31, 2023
		----- (Rs in thousands) -----	
CASH FLOWS FROM OPERATING ACTIVITIES	15	150,945	1,786,120
Taxes paid		(57,803)	(478,188)
Compensated leave paid		-	(880)
Finance costs paid		(80)	(761)
Net cash generated from operating activities		93,062	1,306,291
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		-	(47,133)
Markup on savings accounts received		259,569	244,202
Net cash generated from / (used in) investing activities		259,569	(197,069)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		-	(37)
Net cash used in financing activities		-	(37)
Net increase in cash and cash equivalents		352,631	1,503,323
Cash and cash equivalents at the beginning of the period		5,182,634	6,061,976
Cash and cash equivalents at the end of the period		5,535,265	7,565,299

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2024
(UN-AUDITED)**

1. CORPORATE INFORMATION AND OPERATIONS

- 1.1.** Pakistan International Container Terminal Limited (the Company) was incorporated in Pakistan and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Plot no. 25/1-A, Street no. 5, Muslimabad, Jamshed Town, Karachi.
- 1.2.** 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.
- 1.3.** The Build, Operate and Transfer (BOT) "Concession Agreement" which the Company had with Karachi Port Trust (KPT) for the exclusive construction, development, operations and management of a common user container terminal at Karachi Port was for a period of twenty-one years commenced on June 18, 2002. This Concession Agreement has expired on June 17, 2023 and the terminal has been taken over by KPT on June 18, 2023. In accordance with the Concession Agreement between KPT and PICT, PICT is required to keep its legal existence for a minimum of 3 years following the expiry of the Concession Agreement. During this period, the Company will on a regular basis scan the market for any financially attractive business opportunities compatible with related provisions in its constitutional document.

2. BASIS OF PREPARATION

2.1. Statement of compliance

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

These condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Act. These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2023.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2023, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements of the Company for the quarter ended March 31, 2023.

2.2. Expiry of Concession Agreement and Going Concern Assumption

- 2.2.1.** The Concession Agreement with KPT in respect of built, operate and transfer on berths 6 to 9 which was for a period of twenty-one years commenced on June 18, 2002 has expired on June 17, 2023. However, in accordance with the concession agreement, the Company is required to keep its legal existence for a minimum of 3 years from the expiry of the concession agreement.

In view of the above circumstances, the Board of Directors (BoD) has assessed the going concern status of the Company and its appropriateness in the preparation of these financial statements. For this purpose, the BoD has considered the following factors:

- i) the management of the Company is evaluating an expression of interest received from a company which is a license holder of an Off Dock Terminal issued by Pakistan Customs ('the Licensee') and is seeking technical cum management services in relation to operations and container handling proposed to be carried on by the Licensee. In the event, the management concludes that the above business proposition is not feasible or implementable due to legal or other reasons, the management would identify new business opportunities with the support of its parent entity with the aim to continue its business interest in Pakistan;
- ii) the financial and liquidity condition of the Company are sufficient to meet its commitments in the foreseeable future and is also complimented through letter of financial support from the parent entity; and
- iii) the financial projections of the Company prepared for the period up to 30 June 2025 are based on the assumption that the business opportunity referred to in point (i) above is likely to materialize.

Moreover, the Company in accordance with its accounting policies has also performed a comprehensive analysis of any potential adjustments in these financial statements and have incorporated the same where required.

2.3. Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is the functional and presentation currency of the Company and figures are rounded off to the nearest thousand rupees unless otherwise specified.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the annual audited financial statements for the year ended December 31, 2023.

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

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the annual audited financial statements as at and for the year ended December 31, 2023. The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended December 31, 2023.

		March 31, 2024 (Un-audited) ----- (Rs in thousands) -----	December 31, 2023 (Audited) -----
5. STORES, SPARE PARTS AND LOOSE TOOLS - net			
Stores, spare parts and loose tools	5.1	221,812	221,812
Provision for obsolescence		<u>(221,812)</u>	<u>(221,812)</u>
		<u>-</u>	<u>-</u>

5.1 Stores, spares and loose tools amounting Rs 294.44 million were transferred upon expiry of Concession Agreement at the token value of Re 1.

6. TRADE DEBTS - net

Includes Rs 13.2 million (December 31, 2023: Rs 13.2 million) as allowance for expected credit losses.

7. DEPOSITS AND PREPAYMENTS AND OTHER RECEIVABLES

Includes an amount of Rs. 524.3 million (December 31, 2023: Rs 582.2 million) due from Karachi Gateway Terminal Limited (KGTL) against terminal management services under Management Services Agreement.

		March 31, 2024 (Un-audited) ----- (Rs in thousands) -----	December 31, 2023 (Audited) -----
8. SHORT-TERM INVESTMENTS - net			
Amortised cost			
Certificate of investments (COIs)	8.1	43,000	43,000
Allowance for expected credit losses		<u>(43,000)</u>	<u>(43,000)</u>
		<u>-</u>	<u>-</u>

8.1 Represents investment in COIs of Saudi Pak Leasing Company (the Investee Company). The Investee Company made default in repayment against COIs in August 2009 due to serious financial and liquidity crunch reportedly being faced by it. Due to uncertainties involved, the Company as a matter of prudence has carried impairment provision in these condensed interim financial statements. However, the Company is continuously pursuing for the recovery of investment amount.

9. TRADE AND OTHER PAYABLES

Includes Rs 351.04 million (2023: Rs 355.54 million) payable to ICTSI, Inc., Rs 68.38 million (2023: Rs 69.26 million) payable to ICTSI Limited - ROHQ, Rs 53.72 million (2023: Rs 53.72 million) payable to ICTSI Limited, and Rs 1.83 million (2023: Rs 1.85 million) payable to ICTSI Middle East DMCC.

10. UNPAID DIVIDENDS

10.1 Represents interim cash dividends for the year ended December 31, 2023 which remained unpaid to the Company's foreign shareholders including associated companies due to pending regulatory approvals.

11. CONTINGENCIES AND COMMITMENTS

11.1. Contingencies

11.1.1. There is no material change in the status of matters reported in note 16.1 as contingencies in audited financial statements for the year ended December 31, 2023.

	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
	----- (Rs in thousands) -----	
11.2. Commitments		
11.2.1. Commitments for capital expenditure	-	-
11.2.2. Outstanding letters of guarantees	<u>279,354</u>	<u>279,354</u>
11.2.3. Outstanding letters of credit		
Utilised	-	-
Unutilised	<u>300,000</u>	<u>300,000</u>

12. TAXATION

12.1. The Company has not recognized deferred tax assets as the Company does not reasonably foresee to recover the asset through future taxable profits.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of 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 categorisation in Level 1, Level 2 and Level 3.

14. RELATED PARTY TRANSACTIONS

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

	Quarter Ended	
	March 31, 2024	March 31, 2023
	----- (Un-audited) -----	
	----- (Rs in thousands) -----	
Associated companies / other related parties		
Terminal handling services	-	47,397
Revenue from container handling	-	6,654
Key management personnel		
Managerial Remuneration	-	53,165
Company's contribution to provident fund	-	2,446
Staff retirement contribution plan		
Provident fund contribution	-	8,021

15. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	244,457	1,750,376
Adjustments for non-cash items:		
Depreciation and amortisation	-	326,490
Finance cost	80	761
Accrual for compensated leaves	-	4,754
Exchange loss - net	-	117,994
Markup on saving accounts	(261,410)	(278,900)
Loss on disposals of operating fixed assets – net	-	17
	<u>261,330</u>	<u>171,116</u>
Operating profit before working capital changes	(16,873)	1,921,492
Decrease / (increase) in current assets		
Stores, spare parts and loose tools - net	-	11,221
Trade debts - net	7,550	17,993
Advances, deposits, prepayments and other receivables	196,687	(299,942)
	<u>204,237</u>	<u>(270,728)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(36,419)	135,356
Cash generated from operations	<u>150,945</u>	<u>1,786,120</u>

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on May 28, 2024.

17. GENERAL

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



Chief Executive Officer



Chief Financial Officer



Director