



QUARTERLY
REPORT
MARCH 31, 2023



Pakistan International Container Terminal Limited

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Vision

Be the container terminal of choice for trade at Karachi port



Mission

To be most reliable Port gateway of international trade with the commitment to provide customer centric services



COMPANY INFORMATION

Board of Directors

Chairman

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

Directors (in alphabetical order)

Mr. Arnie D. Tablanté
(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. Tablanté

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 Shahra-e-Faisal,

Karachi- 74400

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

Fax: +92-21-34326053



DIRECTORS' REPORT FOR THE QUARTER ENDED MARCH 31, 2023

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, 2023.

BUSINESS PERFORMANCE REVIEW

The first quarter of 2023 posed challenges within the global and local economic landscape. Global container terminal industry continues to face headwinds mainly due to inventory destocking patterns followed in most regions, affecting volumes across all segments. Elevated inflation, geopolitical tensions, monetary tightening measures and concerns regarding global financial stability attributed to the low growth trends.

Within Pakistan, the economy grappled with its own set of difficulties. Inflationary pressures arose from higher energy prices, significant depreciation of the Pakistani Rupee and an ongoing foreign exchange crisis. Political instability further compounded these economic challenges. Given the precarious state of foreign exchange reserves, businesses across Pakistan are facing difficulties on account of varying concerns, including import restrictions and foreign services procurement which resulted in the sharp drop in demand for products. Consequently, the container market in Pakistan has been severely impacted during the period. During first quarter of 2023, your Company handled 75,822 containers as compared to 108,824 containers in corresponding period last year.

Despite the challenges faced by the container terminal industry in Pakistan, your company has demonstrated remarkable resilience and unwavering commitment to success by focusing on innovation, cost-efficiency and delivering high-quality services and effectively maintained a strong market presence.

OPERATING AND FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2023

	(Rupees in million)
Revenue	3,655
Gross Profit	1,815
Profit before taxation	1,750
Profit after taxation	1,083
Un appropriated profit brought forward	896
Un appropriated profit carried forward	1,979
	(Rupees)
Earnings per Ordinary Share – Basic and Diluted	9.92

Your Company recorded a revenue of Rs. 3,655 million which is 20% higher compared to the same period last year on account of increased landside revenue. Through effective cost optimization and operational excellence, your Company posted a Gross Profit of Rs. 1,815 million, showcasing a commendable 30% improvement. Net Profit for the quarter stood at Rs. 1,083 million which is 17% higher than the corresponding period last year.



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 un-audited condensed interim financial statements of the Company for the quarter ended March 31, 2023, which states about the current status of the Concession Agreement with the Karachi Port trust (KPT). 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 whenever granted by the KPT for exercising. Accordingly, the condensed interim financial statements for the quarter ended March 31, 2023 are prepared on going concern basis subject to inherent uncertainties caused by events and conditions as disclosed in Note 2.3 of these condensed interim financial statements.

Acknowledgement

The Board would like to extend sincere gratitude and appreciation to its shareholders and customers for their continued trust and support. The commitment and dedication of our employees are valued which has been persistently adding to the success of your Company. The Board would also like to express its appreciation to the Government of Pakistan, the Ministry of Maritime Affairs, the Securities & Exchange Commission and other regulatory bodies for their direction and continued support.

For and on behalf of the Board of Directors



Mr. Hans-Ole Madsen
Chairman



Mr. Khurram Khan
Chief Executive Officer

Karachi,

Dated: May 30, 2023



جوکہ، قابل ستائش طور پر 30 فیصد بہتری کو ظاہر کرتا ہے۔ سہ ماہی کے لیے خالص منافع 1,083 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 17 فیصد زیادہ ہے۔

مستقبل کا منظر نامہ

عالمی معیشت کو 2023 میں غیر معمولی افراط زر، ترسیلی 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۔

کنکیشن ایگریمنٹ

بورڈ آپ کی توجہ 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے غیر محاسب شدہ ملخص عبوری مالیاتی بیانات کے نوٹ 2.3 کی طرف مبذول کراتا ہے، جس میں کراچی پورٹ ٹرسٹ (KPT) کے ساتھ معاہدے کی موجودہ حیثیت کے بارے میں 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، KPT کی طرف سے دیئے جانے والے پہلے انکار کے حق کو استعمال کرنے کے لیے پرعزم ہے۔ اسی مناسبت سے، 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے لیے ملخص عبوری مالیاتی گوشواروں کو چلنے 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 صورتحال سے مشروط ہے جیسا کہ ان ملخص عبوری مالیاتی بیانات کے نوٹ 2.3 میں ظاہر کیا گیا ہے۔

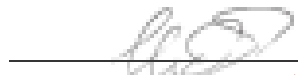
اظہار تشکر

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

مجلسِ نظماء کی جانب سے



خون خان
کمپنی کے سربراہ



ہانس اول میڈسن
مجلسِ نظماء کے چیئرمین
کراچی

بتاریخ: 30 مئی 2023



بیان نظماًء

ہم مجلس نظامء کی جانب سے 31 مارچ 2023 کو ختم ہونے والی سہ ماہی مدت کے لئے آپ کی کمپنی کے غیر محاسب شدہ ملخص عبوری مالیاتی گوشوارے پیش کرنے پر مسرور ہیں۔

کاروباری کارکردگی کا جائزہ

2023 کی پہلی سہ ماہی نے عالمی اور مقامی معاشی منظر نامے پر منفی اثرات درج کیئے۔ عالمی کنٹینر ٹرمینل انڈسٹری کو مسلسل مشکلات کا سامنا ہے جس کی بنیاد وجہ زیادہ تر خطوں میں جاری انویسٹری ڈیساکنگ کا عمل ہے۔ اس نے تمام شعبوں میں حجم کو متاثر کیا ہے۔ بلند افراط زر، جغرافیائی سیاسی تناؤ، موٹیوٹی پابندیوں کے سخت اقدامات اور عالمی مالیاتی استحکام سے متعلق خدشات، ترقی کی رفتار میں ست روی کے رجحانات سے منسوب ہیں۔

پاکستانی معیشت اپنی ہی مشکلات سے دوچار ہے۔ توانائی کی بڑھتی ہوئی قیمتیں، پاکستانی روپے کی قدر میں کمی اور غیر ملکی زرمبادلہ کے جاری بحران سے افراط زر کا دباؤ پیدا ہوا ہے۔ سیاسی عدم استحکام نے ان معاشی مشکلات کو مزید پیچیدہ بنا دیا ہے۔ غیر ملکی زرمبادلہ کے ذخائر میں نمایاں کمی کے پیش نظر، پاکستان بھر میں کاروباری اداروں کو مختلف مشکلات کا سامنا ہے، جن میں درآمدی پابندیاں اور غیر ملکی خدمات کی خریداری شامل ہے جس کے نتیجے میں مصنوعات کی مانگ میں تیزی سے کمی واقع ہوئی ہے۔ نتیجتاً پاکستان میں کنٹینر مارکیٹ اس عرصے کے دوران شدید متاثر ہوئی ہے۔ 2023 کی پہلی سہ ماہی کے دوران، آپ کی کمپنی نے 75,822 کنٹینرز سمبالے جو کہ پچھلے سال کی اسی مدت میں 108,824 کنٹینرز تھے۔

پاکستان میں کنٹینر ٹرمینل انڈسٹری کو درپیش مشکلات کے باوجود، آپ کی کمپنی نے جدت، لاگت کی کارکردگی اور اعلیٰ معیار کی خدمات کی فراہمی پر توجہ مرکوز کرتے ہوئے ایک غیر متزلزل عدم کا مظاہرہ کیا ہے اور مؤثر طریقے سے مارکیٹ کی مضبوط موجودگی کو برقرار رکھا ہے۔

31 مارچ 2023 کو ختم ہونے والی سہ ماہی مدت کے کاروباری اور مالیاتی نتائج

(روپے ملین میں)

3,655

محاصل

1,815

خام منافع

1,750

محصولات منافع

1,083

بعد از محصولات منافع

896

آگے لایا گیا غیر منقسمہ منافع

1,979

غیر منقسم منافع فرستادہ

9.92

(روپے)

بنیادی اور خفیف آمدنی فی عمومی حصص

آپ کی کمپنی نے 3,655 ملین روپے کی آمدنی ریکارڈ کی جو کہ لینڈ سائیز ریونیو میں اضافے کی وجہ سے پچھلے سال کی اسی مدت کے مقابلے میں 20 فیصد زیادہ ہے۔ مؤثر لاگت کی اصلاح اور آپریشنل فضیلت کے ذریعے، آپ کی کمپنی نے 1,815 ملین روپے کا خام منافع حاصل کیا۔



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
 AS AT MARCH 31, 2023**

	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
Note	----- (Rs in thousands) -----	
NON-CURRENT ASSETS		
Property, plant and equipment	370,246	623,717
Intangibles	17,270	43,176
	387,516	666,893
CURRENT ASSETS		
Stores, spare parts and loose tools - net	560,600	571,821
Trade debts - net	630,936	648,929
Advances	2,984	7,270
Deposits and prepayments	237,489	150,291
Other receivables	454,254	202,523
Short-term investments - net	-	-
Cash and bank balances	7,565,299	6,061,976
	9,451,562	7,642,810
TOTAL ASSETS	9,839,078	8,309,703
SHARE CAPITAL AND RESERVES		
Issued, subscribed and paid-up capital	1,091,532	1,091,532
Reserves	2,158,968	1,075,873
	3,250,500	2,167,405
NON-CURRENT LIABILITIES		
Deferred Liability	73,430	69,556
CURRENT LIABILITIES		
Trade and other payables	3,383,304	3,129,954
Unclaimed dividends	79,115	79,152
Unpaid dividends	2,330,418	2,330,418
Taxation - net	722,311	533,218
	6,515,148	6,072,742
TOTAL EQUITY AND LIABILITIES	9,839,078	8,309,703
CONTINGENCIES AND COMMITMENTS	12	

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


 Chief Executive Officer


 Chief Financial Officer


 Director


**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED MARCH 31, 2023
(UN-AUDITED)**

	Note	Quarter Ended	
		March 31, 2023	March 31, 2022
		----- (Rs in thousands) -----	
Revenue - net		3,655,176	3,036,016
Cost of services		(1,839,932)	(1,643,847)
Gross profit		<u>1,815,244</u>	<u>1,392,169</u>
Administrative expenses		(231,332)	(150,844)
Other income / (expenses) - net		167,225	67,729
Finance costs		(761)	(414)
Profit before taxation		<u>1,750,376</u>	<u>1,308,640</u>
Taxation	13	(667,281)	(379,554)
Profit after taxation		<u>1,083,095</u>	<u>929,086</u>
		----- (Rupees) -----	
Earnings per ordinary share - basic and diluted		<u>9.92</u>	<u>8.51</u>

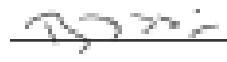
The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31, 2023
(UN-AUDITED)**

	Quarter Ended	
	March 31, 2023	March 31, 2022
	----- (Rs in thousands) -----	
Profit after taxation	1,083,095	929,086
Other comprehensive income for the period	-	-
Total comprehensive income for the period	1,083,095	929,086


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



 Chief Executive Officer



 Chief Financial Officer



 Director


**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2023
(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, 2022	1,091,532	180,000	1,451,943	1,631,943	2,723,475
Profit after taxation	-	-	929,086	929,086	929,086
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	929,086	929,086	929,086
Balance as at March 31, 2022	<u>1,091,532</u>	<u>180,000</u>	<u>2,381,029</u>	<u>2,561,029</u>	<u>3,652,561</u>
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	<u>1,091,532</u>	<u>180,000</u>	<u>1,978,968</u>	<u>2,158,968</u>	<u>3,250,500</u>

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



Chief Executive Officer



Chief Financial Officer



Director



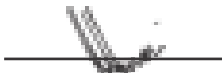
**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED MARCH 31, 2023
(UN-AUDITED)**

	Note	Quarter Ended	
		March 31, 2023	March 31, 2022
----- (Rs in thousands) -----			
CASH FLOWS FROM OPERATING ACTIVITIES	16	1,786,120	1,071,084
Taxes paid		(478,188)	(361,443)
Compensated leave paid		(880)	(353)
Finance costs paid		(761)	(414)
Net cash generated from operating activities		<u>1,306,291</u>	<u>708,874</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(47,133)	(84,113)
Proceeds from disposal of operating fixed assets		-	265
Markup on savings accounts received		244,202	81,099
Net cash generated from / (used in) investing activities		<u>197,069</u>	<u>(2,749)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(37)	(1,517,865)
Net cash used in financing activities		<u>(37)</u>	<u>(1,517,865)</u>
Net increase / (decrease) in cash and cash equivalents		<u>1,503,323</u>	<u>(811,740)</u>
Cash and cash equivalents at the beginning of the period		6,061,976	4,132,425
Cash and cash equivalents at the end of the period		<u><u>7,565,299</u></u>	<u><u>3,320,685</u></u>

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



Chief Executive Officer



Chief Financial Officer



Director



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2023 (UN-AUDITED)

1. CORPORATE INFORMATION AND OPERATIONS

- 1.1. Pakistan International Container Terminal Limited (the Company) was incorporated in Pakistan and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Berths 6 - 9, East Wharf, Karachi Port, Karachi.
- 1.2. The Company is mainly engaged in providing container terminal management services. 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 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, 2022.

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, 2022, 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, 2022.

2.2. Functional and presentation currency

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

2.3. Expiry of Concession Agreement and Going Concern Assumption

- 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 condensed interim financial statements and have incorporated the same where required.
- 2.3.7.** Accordingly, these condensed interim 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.

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, 2022.

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, 2022. 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, 2022.



		March 31, 2023 (Un-audited) ----- (Rs in thousands) -----	December 31, 2022 (Audited)
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	260,979	375,833
Capital work-in-progress (CWIP)		<u>109,267</u>	<u>247,884</u>
		<u>370,246</u>	<u>623,717</u>
5.1. Operating fixed assets			
Written down value at the beginning of the period / year		375,833	857,758
Additions / transfers from CWIP during the period / year	5.1.1	<u>185,749</u>	<u>365,904</u>
		561,582	1,223,662
Less:			
Disposals during the period / year at written down value	5.1.2	(17)	(782)
Depreciation charged during the period / year		<u>(300,586)</u>	<u>(847,047)</u>
		<u>(300,603)</u>	<u>(847,829)</u>
		<u>260,979</u>	<u>375,833</u>
5.1.1. Additions / transfers from CWIP during the period / year			
Leasehold improvements		18,423	775
Container / terminal handling / workshop equipment		24,880	304,190
Port power generation		90,547	23,340
Vehicles		241	7,491
Computers and other equipment		51,658	29,166
Furniture and fixtures		-	942
		<u>185,749</u>	<u>365,904</u>
5.1.2. Disposals during the period / year at written down value			
Leasehold improvements		-	4
Vehicles		-	39
Computers and other equipment		17	362
Furniture and fixtures		-	377
		<u>17</u>	<u>782</u>
6. TRADE DEBTS - net			
Includes Rs 2.40 million (December 31, 2022: Rs 3.28 million) due from Bilal Associates (Pvt) Limited.			
7. DEPOSITS AND PREPAYMENTS			
Includes Rs 18.05 million (December 31, 2022: Rs Nil) paid to Bilal Associates (Pvt) Limited.			
8. OTHER RECEIVABLES			
Includes Rs 13.51 million (December 31, 2022: Rs 10.61 million) due from ICTSI Mauritius Limited, Rs 11.64 million (December 31, 2022: Rs 7.93 million) due from Aeolina Investments Limited and Rs 0.94 million (December 31, 2022: Rs 2.16 million) due from Bilal Associates (Pvt) Limited.			



	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
Note	----- (Rs in thousands) -----	-----
9. SHORT-TERM INVESTMENTS - net		
Amortised cost		
Certificate of investments (COIs)	9.1 43,000	43,000
Allowance for expected credit losses	<u>(43,000)</u>	<u>(43,000)</u>
	<u>-</u>	<u>-</u>
9.1	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.	
10. TRADE AND OTHER PAYABLES		
	Includes Rs 280.82 million (2022: Rs 206.12 million) payable to ICTSI, Inc., Rs 68.86 million (2022: Rs 55.12 million) payable to ICTSI Limited - ROHQ, Rs 50.49 million (2022: Rs 39.44 million) payable to ICTSI Limited, and Rs 1.84 million (2022: Rs 0.40 million) payable to ICTSI Middle East DMCC.	
11. UNPAID DIVIDENDS		
11.1	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.	
12. CONTINGENCIES AND COMMITMENTS		
12.1. Contingencies		
12.1.1	There is no material change in the status of matters reported in note 17.1 as contingencies in audited financial statements for the year ended December 31, 2022.	
12.2. Commitments		
12.2.1	<u>81,247</u>	<u>86,714</u>
12.2.2	<u>279,354</u>	<u>392,789</u>
12.2.3		
Outstanding letters of credit		
Utilised	90,556	130,733
Unutilised	209,444	169,267
13. TAXATION		
13.1	Includes non-recognition of deferred tax asset amounting Rs 89.48 million (March 2022: Rs Nil).	



14. 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.

15. 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, 2023	March 31, 2022
	----- (Un-audited) -----	
	----- (Rs in thousands) -----	
Holding Company		
Technical services fee	-	178,589
Dividends paid	-	1,369,027
Associated companies / other related parties		
Terminal handling services	47,397	7,793
Revenue from container handling	6,654	863
Dividends paid	-	336,251
Key management personnel		
Managerial Remuneration	53,165	48,726
Company's contribution to provident fund	2,446	2,238
Staff retirement contribution plan		
Provident fund contribution	8,021	6,996
Directors		
Fee for attending meetings	-	2,673



	Quarter Ended	
	March 31, 2023	March 31, 2022
	----- (Un-audited) -----	
	----- (Rs in thousands) -----	
16. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,750,376	1,308,640
Adjustments for non-cash items:		
Depreciation and amortisation	326,490	191,450
Finance cost	761	414
Accrual for compensated leaves	4,754	2,461
Exchange loss - net	117,994	13,310
Markup on saving accounts	(278,900)	(72,462)
Loss on disposals of operating fixed assets – net	17	273
	<u>171,116</u>	<u>135,446</u>
Operating profit before working capital changes	1,921,492	1,444,086
 (Increase) / decrease in current assets		
Stores, spare parts and loose tools - net	11,221	(22,696)
Trade debts - net	17,993	(93,766)
Advances, deposits, prepayments and other receivables	(299,942)	(33,211)
	<u>(270,728)</u>	<u>(149,673)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	135,356	(223,329)
Cash generated from operations	1,786,120	1,071,084

17. DIVIDEND AND APPROPRIATION

The Board of Directors in their board meeting held on May 30, 2023 have recommended an interim cash dividend of Rs Nil (December 31, 2022: Rs 21.10) per ordinary share for the year ending December 31, 2023.

18. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on May 30, 2023.

19. GENERAL

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



Chief Executive Officer



Chief Financial Officer



Director





Registered and Terminal Office:

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

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

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