

# QUARTERLY REPORT

SEPTEMBER 30, 2023

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**Registered Office:**

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

E-mail: [investor-relations@pict.com.pk](mailto:investor-relations@pict.com.pk)

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



An ICTSI Group Company

**Pakistan International Container Terminal Limited**

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## 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 Coloquio 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. Tablanté

Mr. Bilal Shahid

### Chief Internal Auditor

Mr. Syed Azmat Hussain

### Risk Management Committee

#### Chairman

Mr. Gordon Alan P. Joseph

#### Members

Mr. Bilal Shahid

Mr. Hans-Ole Madsen

### Human Resource & Remuneration Committee

#### Chairman

Mr. Gordon Alan P. Joseph

#### Members

Mr. Hans-Ole Madsen

Ms. Lirene Coloquio Mora-Suarez

### Key Management

#### Chief Executive Officer

Ms. Lirene Coloquio 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, Street 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 NINE MONTHS ENDED SEPTEMBER 30, 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 nine months ended September 30, 2023.

### BUSINESS PERFORMANCE REVIEW

During 2023, a multitude of global and regional economic challenges emerged, characterized by heightened inflation rates, geopolitical tensions, fiscal contraction measures and concerns about monetary stability. Pakistan, in particular, faced its own economic difficulties, including inflationary pressures triggered by increased energy prices and a significant depreciation of the Pakistani Rupee. Political instability further exacerbated these problems, straining foreign exchange reserves, imposing import restrictions and limiting foreign service procurement, all contributing to a decline in product demand. The export industry also suffered due to import constraints, intensifying economic challenges, demanding strategic actions to stabilize and boost Pakistan's economy.

### OPERATING AND FINANCIAL RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	(Rupees in Million)
Revenue	6,301
Gross Profit	2,563
Profit before taxation	3,262
Profit after taxation	1,767
Un appropriated profit brought forward	896
Un appropriated profit carried forward	480
	<b>(Rupees)</b>
Earnings per Ordinary Share – Basic and Diluted	<b>16.19</b>

### Expiry of Concession Agreement and Future Outlook

The Concession Agreement with Karachi Port Trust (KPT) expired on June 17, 2023, and the Concession premises have been taken over by KPT on June 18, 2023. The terminal operated by the Company at Berths 6 to 9 pursuant to the Concession Agreement was its principal line of business. Resultantly, the fundamentals of future business operations have ceased with the expiry of the Concession Agreement. The Company embarked on a review of future business opportunities. The review has been concluded and has not revealed any immediate financially viable business opportunities. 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. Presently, the Company is actively involved in a complex handover procedure with KPT, including the smooth transition to the new Concession holder. Works are being performed on a cost compensatory basis.

In view of the above events and circumstances, the Company has prepared the condensed interim financial statements on a non-going concern basis which has also been referred by Company's Statutory Auditor in their Review Report.


**ACKNOWLEDGEMENT**

The Board would like to extend its sincere gratitude and appreciation to its shareholders for their continued trust and support. We also want to express our heartfelt acknowledgment of the efforts of our outgoing employees and management, whose commitment and dedication were invaluable contributors to the success of our Company in the past. They played a crucial role in our previous achievements and have also greatly facilitated a smooth transition. We are truly thankful for their past contributions.

For and on behalf of the Board of Directors



**Mr. Hans-Ole Madsen**  
Chairman



**Ms. Lirene Coloquio Mora-Suarez**  
Chief Executive Officer

**Karachi,**

**Dated: October 30, 2023**

## بیانِ نظام

برائے نوامی اختتامیہ 30 ستمبر 2023

ہم، زیر دستگی، 30 ستمبر 2023 کو ختم ہونے والی نوامی کے لیے بذریعہ ہذا بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے کمپنی کی غیر آڈٹ شدہ مرکز عبوری مالیاتی دستاویز پیش کر رہے ہیں۔

### کاروباری کارکردگی کا جائزہ

مالی سال 2023 کے دوران، عالمی اور علاقائی اقتصادی مسائل کی بھرمار ہمارے پیش نظر تھی، جن میں بالخصوص افراط زر کی بڑھتی ہوئی شرح، جغرافیائی و سیاسی تناؤ، سخت مالیاتی پالیسی کے لئے اٹھائے جانے والے اقدامات اور مالی استحکام کے بارے میں پائے جانے والے خدشات ہیں سرفہرست ہیں۔ دریں اثناء پاکستان اپنے خاص معاشی مسائل سے بزد آزار ہا، جن میں توانائی کی قیمتوں میں اضافہ اور پاکستانی روپے کی قدر میں کمی کی وجہ سے مہنگائی کا دباؤ شامل ہیں، علاوہ ازیں، سیاسی عدم استحکام کی وجہ سے ان مسائل کی شدت میں مزید اضافہ ہوا، جس کے باعث زرمبادلہ کے ذخائر میں شدید کمی، درآمدی پابندیاں عائد کئے جانا اور غیر ملکی خدمات کی خریداری کو محدود کرنا جیسے مسائل نے جنم لیا اور ان اقدامات کی وجہ سے مصنوعات کی طلب میں کمی واقع ہوئی۔ درآمدی رکاوٹوں، معاشی چیلنجوں میں شدت، پاکستان کی معیشت کو متحکم کرنے اور فروغ دینے کے لیے اسٹریٹجک اقدامات کا مطالبہ کرنے کی وجہ سے برآمدی صنعت کو بھی نقصان پہنچا۔

### کاروباری و مالیاتی نتائج بابت نوامی اختتامیہ 30 ستمبر 2023

روپے بلین میں

6,301

2,563

3,262

1,767

896

480

(روپے)

16.19

آمدن

نام منافع

منافع قبل از ٹیکس

منافع بعد از ٹیکس

غیر منقسم شدہ منافع گزشتہ مہرانیہ

غیر منقسم شدہ منافع آئندہ کامیزانیہ

آمدن فی عام حصص - بنیادی و تھیلی

### رعایتی معاہدے کا اختتام اور مستقبل کا جائزہ

کراچی پورٹ ٹرسٹ (KPT) کے ساتھ رعایتی معاہدے کی مدت مورخہ 17 جون 2023 کو ختم ہو چکی ہے اور کراچی پورٹ ٹرسٹ کی جانب سے رعایتی حدود مورخہ 18 جون 2023 کو واپس لی جا چکی ہے۔ رعایتی معاہدے کی رو سے کمپنی کی جانب سے برتھ نمبر 9 تا 6 پر

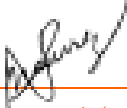
چلائے جانے والا ٹرمینل کمپنی کے کاروبار کیلئے بنیادی اہمیت کا حامل تھا۔ لہذا رعایتی معاہدے کی مدت کے اختتام کے ساتھ ہی کمپنی کے کاروباری افعال معطل ہو چکے ہیں۔ کمپنی کی جانب سے مستقبل میں کاروباری مواقع پر نظر ثانی کا عمل شروع کیا گیا اور نظر ثانی کے بعد یہ نتیجہ برآمد ہوا ہے کہ مستقبل قریب میں کوئی قابل عمل کاروباری مواقع نظر نہیں آتے۔ کے پی ٹی اور پی آئی سی ٹی کے مابین رعایتی معاہدے کے مطابق پی آئی سی ٹی پر لازم ہے کہ رعایتی معاہدے کی مدت ختم ہونے کے بعد اپنے قانونی وجود کو کم از کم تین سال کی مدت تک برقرار رکھے۔ اس عرصے کے دوران کمپنی کی جانب سے کاروباری مواقع کا جائزہ لینے کیلئے مارکیٹ پر مسلسل گہری نظر رکھی جائے گی اور ان مواقع کا آئینی دستاویز کی شقوں کے مطابق ہونا ضروری ہے۔ فی الحال کمپنی اور کے پی ٹی کے مابین حوالگی کا پیچیدہ مرحلہ زیر کاروائی ہے، جس میں رعایتی معاہدے کے جدید مستفید کو سبک رفتاری کے ساتھ حوالگی کا معاملہ بھی شامل ہے۔ لاگت کی بنیاد پر ادائیگیوں کے حوالے سے معاملات زیر کاروائی ہیں۔

مذکورہ بالا حالات و واقعات کی روشنی میں کمپنی کی جانب سے پیشگی کی بنیاد پر کاروبار کو جاری رکھنے کے اصول کے تحت مرتکز عبوری مالیاتی دستاویزات تیار کی گئی ہیں جس کا حوالہ کمپنی کے قانونی آڈیٹر نے اپنی جائزہ رپورٹ میں بھی دیا ہے۔

## اظہار تشکر

بورڈ اپنے شیئر ہولڈرز کے مسلسل اعتماد اور تعاون کے لیے ان کا تہہ دل سے شکر گزار ہے۔ ہم اپنے سبکدوش ہونے والے ملازمین اور انتظامیہ کی کاوشوں کا بھی تہہ دل سے اعتراف کرنا چاہتے ہیں، جن کا عزم اور لگن ماضی میں ہماری کمپنی کی کامیابی میں انمول کردار ادا کرتا رہا۔ ہماری گزشتہ کامیابیاں ان کے اہم کردار کی مرہون منت ہیں، نیز انکی جانب سے ایک سبک رفتار منتقلی میں بھی بہت زیادہ سہولت فراہم کی گئی ہے۔ ہم ماضی میں ان کے تعاون کے لیے تہہ دل سے ان کے شکر گزار ہیں۔

برائے و منجانب بورڈ آف ڈائریکٹرز



محترمہ لیرین کوکویو موراسوارین  
چیف ایگزیکٹو آفیسر



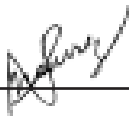
ہانس اول ڈسٹن  
مجلس نظاماء کے چیئرمین  
کراچی

تاریخ: 30 اکتوبر 2023

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2023**

	September 30, 2023 (Un-audited) ----- (Rs in thousands) -----	December 31, 2022 (Audited)
	Note	
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	5	623,717
Intangibles		43,176
		<u>666,893</u>
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools – net	6	571,821
Trade debts - net	7	648,929
Advances		7,270
Deposits, prepayments and other receivables	8	352,814
Short-term investments – net	9	-
Cash and bank balances		6,061,976
		<u>7,642,810</u>
		<u>8,426,872</u>
<b>TOTAL ASSETS</b>		
		<u>8,309,703</u>
<b>SHARE CAPITAL AND RESERVES</b>		
Issued, subscribed and paid-up capital		1,091,532
Reserves		1,075,873
		<u>2,167,405</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred Liability		69,556
		<u>6,286</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	10	3,129,954
Unclaimed dividends		79,152
Unpaid Dividends	11	2,330,418
Taxation – net		533,218
		<u>6,072,742</u>
		<u>8,426,872</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		
		<u>8,309,703</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	12	

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director



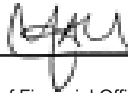
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2023  
(UN-AUDITED)**

	Nine Months Ended		Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Note	----- (Rs in thousands) -----			
Revenue – net	6,301,533	8,883,707	-	3,049,786
Cost of services	(3,738,538)	(5,093,908)	-	(1,760,518)
<b>Gross profit</b>	<b>2,562,995</b>	<b>3,789,799</b>	<b>-</b>	<b>1,289,268</b>
Administrative expenses	(433,914)	(450,345)	-	(165,073)
Other expenses	(130,111)	(79,809)	(3,216)	(38,698)
Finance costs	(1,532)	(907)	(437)	(359)
Other income	13 1,264,159	333,340	589,673	154,242
<b>Profit before taxation</b>	<b>3,261,597</b>	<b>3,592,078</b>	<b>586,020</b>	<b>1,239,380</b>
Taxation	14 (1,494,184)	(1,380,286)	(336,222)	(409,565)
<b>Profit after taxation</b>	<b>1,767,413</b>	<b>2,211,792</b>	<b>249,798</b>	<b>829,815</b>
----- (Rupees) -----				
<b>Earnings per ordinary share - basic and diluted</b>	<b>16.19</b>	<b>20.26</b>	<b>2.29</b>	<b>7.60</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

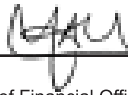
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2023  
(UN-AUDITED)**

	Nine Months Ended		Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Rs in thousands)			
<b>Profit after taxation</b>	1,767,413	2,211,792	249,798	829,815
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,767,413</b>	<b>2,211,792</b>	<b>249,798</b>	<b>829,815</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director


**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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) -----					
<b>Balance as at January 01, 2022</b>	1,091,532	180,000	1,451,943	1,631,943	2,723,475
Profit after taxation	-	-	2,211,792	2,211,792	2,211,792
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	2,211,792	2,211,792	2,211,792
Final cash dividend for the year ended December 31, 2021 @ Rs.9.00/- per ordinary share	-	-	(982,378)	(982,378)	(982,378)
Interim cash dividend for the year ended December 31, 2022 @ Rs13.50/- per ordinary share	-	-	(1,473,568)	(1,473,568)	(1,473,568)
<b>Balance as at September 30, 2022</b>	<u>1,091,532</u>	<u>180,000</u>	<u>1,207,789</u>	<u>1,387,789</u>	<u>2,479,321</u>
<b>Balance as at January 01, 2023</b>	1,091,532	180,000	895,873	1,075,873	2,167,405
Profit after taxation	-	-	1,767,413	1,767,413	1,767,413
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,767,413	1,767,413	1,767,413
Interim cash dividend for the year ended December 31, 2023 @ Rs.20.00/- per ordinary share	-	-	(2,183,063)	(2,183,063)	(2,183,063)
<b>Balance as at September 30, 2023</b>	<u>1,091,532</u>	<u>180,000</u>	<u>480,223</u>	<u>660,223</u>	<u>1,751,755</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023  
(UN-AUDITED)**

	Note	Nine Months Ended	
		September 30, 2023	September 30, 2022
----- (Rs in thousands) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	17	4,393,796	3,850,082
Taxes paid		(1,737,560)	(1,092,217)
Compensated leaves paid		(65,354)	(1,625)
Finance costs paid		(1,532)	(907)
<b>Net cash generated from operating activities</b>		<b>2,589,350</b>	<b>2,755,333</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(58,495)	(196,950)
Proceeds from disposal of operating fixed assets		7,516	12,518
Markup on saving accounts received		1,083,527	258,775
<b>Net cash generated from investing activities</b>		<b>1,032,548</b>	<b>74,343</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(2,166,357)	(2,225,592)
<b>Net cash used in financing activities</b>		<b>(2,166,357)</b>	<b>(2,225,592)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,455,541</b>	<b>604,084</b>
Cash and cash equivalents at the beginning of the period		6,061,976	4,132,425
<b>Cash and cash equivalents at the end of the period</b>		<b>7,517,517</b>	<b>4,736,509</b>


The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 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.

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 commencing June 18, 2002. This Concession Agreement 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. Presently, the Company is actively involved in a complex handover procedure with KPT, including the smooth transition to the new Concession holder. Works are being performed on a cost compensatory basis.

**2. BASIS OF PREPARATION**

**2.1. Statement of compliance**

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

These condensed interim financial statements are un-audited and is being submitted to the shareholders as required under Section 237 of the Act. These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 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 period ended September 30, 2022.

**2.2. Expiry of Concession Agreement and its impact on financial statements**

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 commencing June 18, 2002 expired on June 17, 2023. Since the past several years, the Company had 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. The Company took legal actions to protect the rights of the Company and to pursue extension of the concession agreement. As more fully disclosed in note 2.3 to the annual audited financial statements for the year ended December 31, 2022, the Company had instituted a legal suit before the Honorable High Court of Sindh (HCS) seeking extension of the concession term. However, this legal suit culminated vide the order of the HCS after

various hearings in June 2023, whereby the Company’s appeal was dismissed by the larger bench of HCS. The terminal operated by the Company at Berths 6 to 9 pursuant to the Concession Agreement was its key operational asset and the fundamentals of future business operations has ceased with the expiry of the Concession Agreement. The Company embarked on a review of future business opportunities. The review has been concluded and has not revealed any immediate financially viable business opportunities. The Company is conducting a transparent assessment of its legal position and options, carefully considering all relevant factors to determine the most appropriate path forward. The Company has also in place a commitment of financial support from its majority shareholder, dedicated to meeting all of its obligations including contingent liabilities. In view of the above events and circumstances, the Company has prepared these condensed interim financial statements on a non-going concern basis, whereby all assets are stated at the lower of carrying amount and their realizable values, and all liabilities are stated at settlement values. This change in basis of preparation had no material effect on the carrying value of assets and liabilities in these condensed interim financial statements.

**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, 2022 except as mentioned in note 2.2.

The adoption of the above amendments to accounting standards did not have any material effect on the Company’s condensed interim financial statements.

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

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

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.

**5. PROPERTY, PLANT AND EQUIPMENT**

		<b>September 30, 2023 (Un-audited)</b>	<b>December 31, 2022 (Audited)</b>
<b>Note</b>		<b>----- (Rs in thousands) -----</b>	
	Operating fixed assets	-	375,833
	Capital work-in-progress (CWIP)	-	247,884
		<u>                    -</u>	<u>                    623,717</u>

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Note	----- (Rs in thousands) -----	----- (Rs in thousands) -----
<b>5.1. Operating fixed assets</b>		
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>306,378</u>	<u>365,904</u>
	682,211	1,223,662
Less:		
Disposals during the period / year at written down value	5.1.2 <span style="border: 1px solid black; padding: 2px;">(17)</span>	<span style="border: 1px solid black; padding: 2px;">(782)</span>
Depreciation charged during the period / year	<u>(682,211)</u>	<u>(847,047)</u>
	<u>-</u>	<u>375,833</u>
<b>5.1.1. Additions / transfers from CWIP during the period / year</b>		
Leasehold improvements	23,611	775
Container / terminal handling / workshop equipment	112,996	304,190
Port power generation	90,547	23,340
Vehicles	241	7,491
Computers and other equipment	78,983	29,166
Furniture and fixtures	-	942
	<u>306,378</u>	<u>365,904</u>
<b>5.1.2. Disposals during the period / year at written down value</b>		
Leasehold improvements	-	4
Container / terminal handling / workshop equipment	-	-
Port power generation	-	-
Vehicles	-	39
Computers and other equipment	17	362
Furniture and fixtures	-	377
	5.2 <u>17</u>	<u>782</u>
<b>5.2.</b> This includes transfer of concession assets alongwith stores and spares upon expiry of Concession Agreement at a token value of Re 1.		
	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	----- (Rs in thousands) -----	----- (Rs in thousands) -----
<b>6. STORES, SPARE PARTS AND LOOSE TOOLS - net</b>		
Stores, spare parts and loose tools	286,973	560,847
Fuel and lubricants	37,493	40,069
	<u>324,466</u>	<u>600,916</u>
Provision for obsolescence	(29,095)	(29,095)
	<u>295,371</u>	<u>571,821</u>
<b>6.1.</b> Stores, spares and loose tools amounting Rs 294.44 million were transferred upon expiry of Concession Agreement at the token value of Re 1. (note 5.2)		

**7. TRADE DEBTS - net**

Includes Rs Nil (December 31, 2022: Rs 3.28 million) due from Bilal Associates (Pvt.) Limited.

**8. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

Includes Rs 13.87 million (December 31, 2022: Rs 10.61 million) due from ICTSI Mauritius Limited, Rs 12.46 million (December 31, 2022: Rs 7.93 million) due from Aeolina Investments Limited and Rs Nil (December 31, 2022: Rs 2.16 million) due from Bilal Associates (Pvt.) Limited.

	<b>September 30, 2023 (Un-Audited)</b>	<b>December 31, 2022 (Audited)</b>
Note	----- (Rs in thousands) -----	-----

**9. SHORT-TERM INVESTMENTS - net**

**At amortised cost**

Certificate of investments (COIs)		43,000	43,000
Allowance for expected credit losses	9.1	(43,000)	(43,000)
		-	-

**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 the investment amount.

**10. TRADE AND OTHER PAYABLES**

Includes Rs 339.31 million (2022: Rs 206.12 million) payable to ICTSI, Inc., Rs 69.97 million (2022: Rs 55.12 million) payable to ICTSI Limited - ROHQ, Rs 54.11 million (2022: Rs 39.44 million) payable to ICTSI Limited, Rs 1.87 million (2022: Rs 0.40 million) payable to ICTSI Middle East DMCC and Rs 8.25 million (2022: Rs Nil) payable to Bilal Associates (Pvt.) Limited.

**11. UNPAID DIVIDENDS**

Represents dividends 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.** 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 these condensed interim financial statements.

**12.1.2.** 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 these condensed interim financial statements.

- 12.1.3.** 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 these condensed interim financial statements.
- 12.1.4.** 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 these condensed interim financial statements.
- 12.1.5.** 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 these condensed interim financial statements.
- 12.1.6.** 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 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 these condensed interim financial statements.
- 12.1.7.** 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 these condensed interim financial statements.

- 12.1.8.** 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 these condensed interim financial statements.
- 12.1.9.** 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 who decided the appeal in favor of the Company. Accordingly, no provision in respect of the aforementioned demand raised by ACIR has been made in these condensed interim financial statements.
- 12.1.10.** 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 who decided the appeals in favor of the Company for both tax years. Accordingly, no provision in respect of the aforementioned demands raised by ACIR has been made in these condensed interim financial statements.
- 12.1.11.** 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 who decided the appeal in favor of the Company. Accordingly, no provision in respect of the aforementioned demand raised by ACIR has been made in these condensed interim financial statements.
- 12.1.12.** In 2023, the Deputy Commissioner Sindh Revenue Board (DC-SRB) issued show cause notices for the financial year 2016 and 2017 under Sindh Sales Tax on Services Act, 2011 wherein demand of Rs 323 million and Rs 246 million have been raised on exempt services provided by the Company. The Company challenged the subject notices before HCS and has sought stay against the demand. The tax advisor of the Company is of the view that the Company has a strong defence. Accordingly, the Company has not made any provision in respect of the above amounts in these condensed interim financial statements.
- 12.1.13.** 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.

	September 30, 2023 (Un-audited) ----- (Rs in thousands) -----	December 31, 2022 (Audited)
<b>12.2. Commitments</b>		
12.2.1. Outstanding letters of guarantee	<u>279,354</u>	<u>392,789</u>
12.2.2. Letters of credit		
Utilised	34,679	130,733
Unutilised	<u>265,321</u>	<u>169,267</u>

**13. OTHER INCOME**

Includes Rs. 1,155.06 million (September 30, 2022: Rs. 304.26 million) markup on saving accounts.

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		----- (Un-audited) ----- ----- (Rs in thousands) -----			
<b>14. TAXATION</b>					
Current	14.1	1,156,082	1,342,933	336,284	475,115
Deferred	14.2	-	(177,566)	-	(65,550)
Prior		<u>338,102</u>	<u>214,919</u>	<u>(62)</u>	<u>-</u>
		<u>1,494,184</u>	<u>1,380,286</u>	<u>336,222</u>	<u>409,565</u>

14.1. The Finance Act, 2023 has introduced certain amendments relating to taxation of companies. As per these amendments, rate of super tax on high earning persons has been enhanced retrospectively from tax year 2023 and onwards. Accordingly, the Company has recognised super tax expense for prior year as well as current year in these condensed interim statement of profit or loss. Therefore, these include aggregate super tax of Rs 634.58 million (September 30, 2022: Rs 375.21 million).

14.2. The Company has not recognized deferred tax assets as the Company does not reasonably foresee to recover the asset through future taxable profits as it is a non-going concern entity.

**15. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of bank balances, advances, trade deposits, other receivables and short-term investments. Financial liabilities consist of trade and other payables, 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 assets carried at fair value that required categorisation in Level 1, Level 2 and Level 3.

**16. RELATED PARTY TRANSACTIONS**

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

	Nine Months Ended		Quarter Ended	
	September 30, 2023	September 30 2022	September 30, 2023	September 30 2022
----- (Un-audited) -----				
----- (Rs in thousands) -----				
<b>Holding Company</b>				
Technical services fee	-	522,571	-	179,399
Dividends paid	<u>1,222,345</u>	<u>1,369,027</u>	<u>1,222,345</u>	<u>-</u>
<b>Associated companies / other related parties</b>				
Terminal handling services and rent	<u>78,594</u>	<u>56,131</u>	<u>-</u>	<u>32,471</u>
Revenue from container handling	<u>16,926</u>	<u>12,662</u>	<u>-</u>	<u>7,311</u>
Dividends paid	<u>736,325</u>	<u>583,683</u>	<u>736,325</u>	<u>54,985</u>
<b>Key management personnel</b>				
Managerial Remuneration	<u>188,123</u>	<u>204,931</u>	<u>-</u>	<u>50,736</u>
Company's contribution to provident fund	<u>5,725</u>	<u>7,080</u>	<u>-</u>	<u>2,417</u>
<b>Staff retirement contribution plan</b>				
Provident fund contribution	<u>15,133</u>	<u>20,668</u>	<u>-</u>	<u>6,806</u>
<b>Directors</b>				
Fee for attending meetings	<u>10,196</u>	<u>7,296</u>	<u>3,420</u>	<u>3,027</u>

**Nine Months Ended**  
**September 30, 2023**      **September 30, 2022**  
----- (Un-audited) -----  
----- (Rs in thousands) -----

**17. CASH FLOWS FROM OPERATING ACTIVITIES**

Profit before taxation	3,261,597	3,592,078
Adjustments for non-cash items:		
Depreciation and amortization	725,370	621,394
Finance cost	1,532	907
Accrual for compensated leaves	17,318	9,445
Exchange loss – net	130,111	79,809
Mark-up on saving accounts	(1,190,472)	(304,260)
Gain on disposal of operating fixed assets - net	(7,499)	(11,735)
	(323,640)	395,560
<b>Operating profit before working capital changes</b>	<b>2,937,957</b>	<b>3,987,638</b>
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools – net	276,450	(74,147)
Trade debts – net	616,082	61,999
Advances, deposits, prepayments and other receivables	(114,108)	(136,777)
	778,424	(148,925)
	<b>3,716,381</b>	<b>3,838,713</b>
<b>Increase in current liabilities</b>		
Trade and other payables	677,415	11,369
<b>Cash generated from operations</b>	<b>4,393,796</b>	<b>3,850,082</b>

**18. DIVIDEND AND APPROPRIATION**

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

**19. DATE OF AUTHORISATION FOR ISSUE**

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

**20. 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