



Pakistan International Bulk Terminal Limited

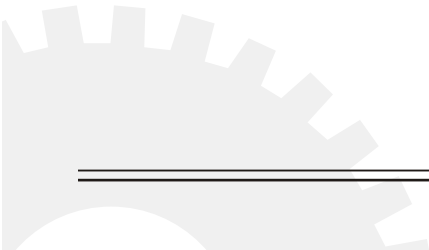


# HALF YEARLY REPORT

December 31, 2019

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## COMPANY INFORMATION

### Board of Directors

<b>Chairman</b>	Capt. Haleem A. Siddiqui
<b>Chief Executive Officer</b>	Mr. Sharique Azim Siddiqui
<b>Directors</b>	Mr. Aasim Azim Siddiqui Capt. Zafar Iqbal Awan Syed Nadir Shah Mr. Ali Raza Siddiqui Ms. Farah Agha
<b>Chief Financial Officer</b>	Mr. Arsalan I. Khan, FCA
<b>Company Secretary</b>	Mr. Karim Bux, ACA

### Audit Committee

<b>Chairman</b>	Syed Nadir Shah
<b>Members</b>	Mr. Ali Raza Siddiqui Ms. Farah Agha
<b>Chief Internal Auditor &amp; Secretary</b>	Mr. Noman Yousuf

### Human Resource & Remuneration Committee

<b>Chairman</b>	Syed Nadir Shah
<b>Members</b>	Mr. Sharique Azim Siddiqui Mr. Ali Raza Siddiqui
<b>Secretary</b>	Mr. Arsalan I. Khan, FCA

### Auditors

**EY Ford Rhodes**  
Chartered Accountants  
6th Floor, Progressive Plaza, Beaumont Road,  
P.O. Box 15541, Karachi-75530

### Legal Advisors

**Khalid Anwer & Co.**  
153-K , Sufi Street, Block-2, PECHS, Karachi 75400

**Kabraji & Talibuddin**  
406-407, 4th Floor, The Plaza at II Talwar, Block-9, Clifton, Karachi.

**H.B. Corporate - Legal Consulting**  
Suite # M-97, Mezzanine Floor, Glass Tower, Clifton Road, Karachi.

### Bankers

Al-Baraka Bank (Pakistan) Limited	Meezan Bank Limited
Askari Bank Limited	National Bank of Pakistan
Dubai Islamic Bank Limited	Samba Bank Limited
Faysal Bank Limited	Sindh Bank Limited
JS Bank Limited	The Bank of Punjab
MCB Bank Limited	Habib Bank Limited

### Registrar / Transfer Agent

**CDC Share Registrar Services Limited**  
CDC House, Main Shahrah-e-Faisal, Karachi

### Registered Office

2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi-74000  
Pakistan. Tel. 92-21-32400450-3 Fax. 92-21-32400281

### Terminal Office

NWIZ/LL/02, North Western Industrial Zone, Port Qasim Authority,  
Karachi, Pakistan. Tel: 92-21-34727428

## Directors' Report

The Directors are pleased to present the Financial Statements of Pakistan International Bulk Terminal Limited (PIBT) (the Company) for the period ended December 31, 2019.

### BUSINESS REVIEW

The Company has entered into a Build Operate Transfer (BOT) contract with Port Qasim Authority (PQA) on November 06, 2010 for construction, development, operations and management of a coal and clinker / cement terminal at Port Muhammad Bin Qasim for a period of thirty years.

During the period, your Company has handled 4,407,104 tons cargo against 3,966,335 tons in the same period last year depicting consistent performance. The management of the Company is focusing on strategies to bring more efficiency in cargo handling operations, with the objective of providing unparalleled services to its customers.

During the period, the Company has posted net profit after taxation which also includes exchange gain on currency revaluation of USD denominated foreign loans. Financial highlights of the Company for the Half Year ended December 31, 2019 as compared to the same period last year is presented below:

PKR in '000

Particulars	Half Year 2019-2020	Half Year 2018-2019
Revenue	4,849,831	3,412,385
Gross profit	1,517,764	800,858
Net profit / (loss)	864,704	(1,463,537)
Earnings / (loss) per Share (Rs.)	0.48	(0.85)

### GOING FORWARD

The Company has shown improvement in quarter-on-quarter revenue, gross profit, EBITDA and profit after tax, and constantly endeavors to further optimize costs which improve shareholders' return in the future.

In the end, the Board of Directors of your Company would like to reiterate their commitment to operate efficiently Pakistan's first state-of-the-art mechanized bulk cargo terminal for the handling of Coal, Clinker & Cement, compliant with international standards of excellence which will curtail environment pollution and modernize the port infrastructure of the country.

For and on behalf of the Board of Directors

**Sharique Azim Siddiqui**  
Chief Executive Officer  
Karachi: February 13, 2020

## بیان نظماً

پاکستان انٹرنیشنل بلک ٹرمینل لمیٹڈ کے ناظمین عرصہ تختہ 31۔ دسمبر 2019ء کے لیے کمپنی کے مالیاتی گوشوارے بخوشی پیش کرتے ہیں۔

### کاروبار کا جائزہ:

بندرگاہ محمد بن قاسم پر کولمبہ اور سیمنٹ کے ٹرمینل کی تعمیر وترقی، کاروبار اور انتظامات کے لیے کمپنی نے 06۔ نومبر 2010ء کو پورٹ قاسم اتھارٹی کے ساتھ 30 سالہ مدت کے لئے بناؤ، چلاؤ اور منتقل کرو کی بنیاد پر ایک معاہدہ کیا۔

اس عرصہ میں مستقل کاروباری سرگرمیوں سے آپ کی کمپنی نے مختلف جہازوں کے ذریعے 4,407,104 ٹن کوئلے کے اضافی حجم کو گزشتہ برس کے مساوی عرصہ کے بمقابلہ 3,966,335 ٹن کوئلے کو مثبت منافع کے ساتھ کنارے لگایا ہے۔ کمپنی کی انتظامیہ اپنے گاہکوں کو بے مثال خدمات کی فراہمی کے مقصد کے ساتھ کارگو کی بہتر انجام کاری میں مزید بہتری لانے کے لئے حکمت عملیوں پر پوری توجہ مرکوز کئے ہوئے ہے۔

اس عرصہ میں آپ کی کمپنی نے کل منافع قبل از ٹیکس کا اندراج کیا ہے جو خاص طور پر غیر ملکی قرضہ جات اور ڈالر کی قدر میں کمی کی متعین شدہ قیمتوں کی وجہ سے ہے۔ حالیہ سماہمی کا گزشتہ برس کی سماہمی سے موازنہ کیا جائے تو 31۔ دسمبر 2019ء کے لئے آپ کی کمپنی کی مالیاتی کارکردگی حسب ذیل ہے۔

روپوں میں '000

ششماہی 2018-2019	ششماہی 2019-2020	تفصیلات
3,412,385	4,849,831	آمدن
800,858	1,517,764	مجموعی منافع
(1,463,537)	864,704	کل منافع/(خسارہ)
(0.85)	0.48	کمانی/(خسارہ)نی حصص (روپیہ)

آگے بڑھتے ہوئے:

کمپنی نے ٹیکس ادائیگی کے بعد سماہمی بہت ہی تقابلی آمدن میں مجموعی منافع اور ایبدا کے منافع میں بہتری ظاہر کی ہے۔ کمپنی کی طرف سے حصص یافتگان کو مستقبل میں بہتر منافع کی فراہمی کے لئے اخراجات میں منطقی طریقوں پر پورے کوششیں جاری ہیں۔

آخر میں مجلس نظماً اپنے اس عزم کا اعادہ کرتی ہے کہ کوئلے کلنگر اور سیمنٹ کے انتظام و انصرام کے لیے پاکستان کے اس پہلے اور جدید ترین بلک کارگو ٹرمینل کو فعال رکھے گی جو بین الاقوامی معیار پر پورا اترتے ہوئے ماحولیاتی آلودگی پر قابو پائے گا اور ملک میں بندرگاہ کے بنیادی ڈھانچہ کو ایک نئی جدت اور ترقی سے ہمنا کرے گا۔

برائے و مخائب مجلس نظماً

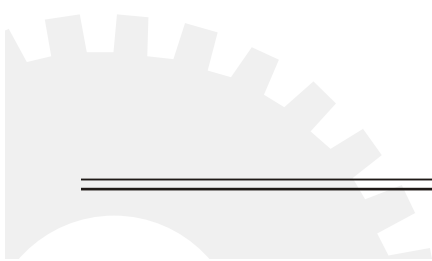
شارق عظیم صدیقی

چیف ایگزیکٹو آفسر

کراچی: 13۔ فروری 2020ء



# CONDENSED INTERIM FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakistan International Bulk Terminal Limited (the Company)

### Report on review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pakistan International Bulk Terminal Limited** (the Company) as at **31 December 2019** and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flow and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the three months ended 31 December 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2019.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is **Tariq Feroz Khan**.

**EY Ford Rhodes**  
**Chartered Accountants**  
**Place:** Karachi  
**Date:** 13 February 2020

A member firm of Ernst & Young Global Limited



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2019**

		December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	25,841,990	25,908,478
Intangible assets		356,558	366,576
Deferred tax	7	852,325	906,892
		<u>27,050,873</u>	<u>27,181,946</u>
<b>CURRENT ASSETS</b>			
Stores and spares		189,567	125,054
Trade debts - unsecured		656,388	699,682
Advances, deposits, prepayments and other receivables		273,931	264,110
Sales tax refundable		70,270	221,703
Taxation – net		1,171,275	953,547
Cash and bank balances		515,743	430,686
		<u>2,877,174</u>	<u>2,694,782</u>
<b>TOTAL ASSETS</b>		<u><b>29,928,047</b></u>	<u><b>29,876,728</b></u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
2,000,000,000 (June 30, 2019: 2,000,000,000) ordinary shares of Rs. 10/- each		<u>20,000,000</u>	<u>20,000,000</u>
<b>Issued, subscribed and paid-up capital</b>			
1,786,092,772 (June 30, 2019: 1,786,092,772) ordinary shares of Rs. 10/- each fully paid in cash		17,860,928	17,860,928
Accumulated loss		<u>(4,084,962)</u>	<u>(4,949,666)</u>
		13,775,966	12,911,262
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing - secured		12,199,394	13,523,138
Staff compensated absences		43,901	35,430
		<u>12,243,295</u>	<u>13,558,568</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,681,787	1,751,970
Current maturity of long-term financing - secured		1,654,097	1,586,915
Short-term borrowings - secured	8	509,000	-
Accrued markup		63,902	68,013
		<u>3,908,786</u>	<u>3,406,898</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>29,928,047</b></u>	<u><b>29,876,728</b></u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

**Sharique Azim Siddiqui**  
Chief Executive Officer

**Arsalan I. Khan**  
Chief Financial Officer

**Capt. Zafar Iqbal Awan**  
Director

**CONDENSED INTERIM STATEMENT OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019  
(UN-AUDITED)**

Note	Half-year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----			
Revenue – net	4,849,831	3,412,385	2,513,054	1,562,782
Cost of services	(3,332,067)	(2,611,527)	(1,676,050)	(1,224,693)
<b>Gross profit</b>	<b>1,517,764</b>	<b>800,858</b>	<b>837,004</b>	<b>338,089</b>
Administrative and general expenses	(217,879)	(203,542)	(123,948)	(124,891)
Other income	61,824	46,587	39,373	39,976
Finance costs	(675,119)	(1,013,270)	(291,793)	(714,003)
Exchange gain / (loss)	420,965	(1,126,238)	(17,096)	(986,554)
<b>Profit / (loss) before taxation</b>	<b>1,107,555</b>	<b>(1,495,605)</b>	<b>443,540</b>	<b>(1,447,383)</b>
Taxation	10 (242,851)	32,068	(57,984)	94,088
<b>Net profit / (loss) for the period</b>	<b>864,704</b>	<b>(1,463,537)</b>	<b>385,556</b>	<b>(1,353,295)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit / (loss) for the period</b>	<b>864,704</b>	<b>(1,463,537)</b>	<b>385,556</b>	<b>(1,353,295)</b>
	----- (Rupees) -----			
Earnings / (loss) per share – basic and diluted	11 0.48	(0.85)	0.22	(0.79)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

**Sharique Azim Siddiqui**  
Chief Executive Officer

**Arsalan I. Khan**  
Chief Financial Officer

**Capt. Zafar Iqbal Awan**  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019  
(UN-AUDITED)**

	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation for the period	1,107,555	(1,495,605)
Adjustments for non-cash items and other items:		
Depreciation	609,733	605,477
Amortisation	10,018	9,594
Finance costs	675,119	1,013,270
Exchange (gain) / loss	(420,965)	1,061,278
Staff compensated absences	9,067	8,638
Gain on disposal of operating fixed assets	(4,494)	-
Profit before working capital changes	878,478	2,698,257
<b>Decrease / (increase) in current assets</b>		
Stores and spares	(64,513)	(30,174)
Trade debts - unsecured	43,294	(415,104)
Advances, deposits, prepayments and other receivables	(9,821)	(91,381)
Sales tax refundable	151,433	49,364
	120,393	(487,295)
<b>Decrease in current liabilities</b>		
Trade and other payables	(4,351)	(788,812)
<b>Cash generated from / (used in) operations</b>	2,102,075	(73,455)
Taxes paid	(406,012)	(315,320)
Finance costs paid	(811,552)	(1,541,170)
Staff compensated absences paid	(596)	(1,082)
<b>Net cash generated from / (used in) operating activities</b>	883,915	(1,931,027)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(543,925)	(105,267)
Proceeds from sale of operating fixed assets	5,072	-
<b>Net cash used in investing activities</b>	(538,853)	(105,267)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	3,000,969
Repayment of long-term financing - secured	(769,005)	(325,215)
Short-term borrowing acquired	509,000	-
<b>Net cash (used in) / generated from financing activities</b>	(260,005)	2,675,754
<b>Net increase in cash and cash equivalents</b>	85,057	639,460
Cash and cash equivalents at the beginning of the period	430,686	232,070
<b>Cash and cash equivalents at the end of the period</b>	515,743	871,530

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

**Sharique Azim Siddiqui**  
Chief Executive Officer

**Arsalan I. Khan**  
Chief Financial Officer

**Capt. Zafar Iqbal Awan**  
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019  
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Accumulated profit / (loss)	Total
	----- (Rupees in '000) -----		
<b>Balance as at July 01, 2018 (Audited)</b>	14,859,959	(2,537,583)	12,322,376
Issue of right shares	3,000,969	-	3,000,969
Net loss for the period	-	(1,463,537)	(1,463,537)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(1,463,537)	(1,463,537)
<b>Balance as at December 31, 2018 (Un-audited)</b>	<b>17,860,928</b>	<b>(4,001,120)</b>	<b>13,859,808</b>
<b>Balance as at July 01, 2019 (Audited)</b>	17,860,928	(4,949,666)	12,911,262
Net profit for the period	-	864,704	864,704
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	864,704	864,704
<b>Balance as at December 31, 2019 (Un-audited)</b>	<b>17,860,928</b>	<b>(4,084,962)</b>	<b>13,775,966</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

**Sharique Azim Siddiqui**  
Chief Executive Officer

**Arsalan I. Khan**  
Chief Financial Officer

**Capt. Zafar Iqbal Awan**  
Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019  
(UN-AUDITED)**

**1. THE COMPANY AND ITS OPERATIONS**

- 1.1** Pakistan International Bulk Terminal Limited (the Company) was incorporated under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on March 22, 2010 as a private limited company. Subsequently, it was converted to an unquoted public limited company and later on, listed on the Pakistan Stock Exchange on December 23, 2013.

Geographical location and address of business units

Registered office                      The Company's registered office is situated at 2nd floor, Business Plaza, Mumtaz Hassan Road, Karachi.

Terminal                                      The Company's terminal is situated at NWIZ/LL/02, North Western Industrial Zone, Port Qasim Authority.

- 1.2** The Company has entered into a Build Operate Transfer (BOT) contract with Port Qasim Authority (PQA) on November 06, 2010 for the construction, development, operations and management of a coal and clinker / cement terminal at Port Muhammad Bin Qasim for a period of thirty years. After the expiry date, the Company will transfer all the concession assets to PQA as disclosed in note 13 to these condensed interim financial statements.

**2. STATEMENT OF COMPLIANCE**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- 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
- 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.

The Securities and Exchange Commission of Pakistan (SECP) vide its SRO No. 24 (1) / 2012 dated January 16, 2012 has granted waiver in respect of application of IFRIC 12 "Service Concession Arrangements" due to the practical difficulties faced by the companies. The impact on the financial results of the Company due to application of IFRIC 12 is disclosed in note 13 to these condensed interim financial statements. Accordingly, the Company has not applied IFRIC 12 in preparation of these condensed interim financial statements.

**3. BASIS OF PREPARATION**

These condensed interim financial statements are un-audited but subject to limited scope review by the statutory auditors as required under Section 237 of the Act. These condensed interim financial statements do not include all the information and disclosures required for complete set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2019.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 and notes forming part thereof have not been reviewed by the statutory auditors of the Company, as they are required to review only the cumulative figures for the half years ended December 31, 2019 and December 31, 2018.

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those adopted in the preparation of the annual financial statements for the year ended June 30, 2019 except as follows:

##### **Standards, amendments and improvements to IFRSs effective during the period**

The Company has adopted the following standards and amendment to International Financial Reporting Standards (IFRSs) which became effective for the current period:

##### **Standard or interpretation:**

IFRS 16 - Leases

IFRS 9 - Prepayment features with negative compensation (Amendments)

IAS 19 - Plan amendment, curtailment or settlement (Amendments)

IAS 28 - Long term interests in associates and joint ventures (Amendments)

IFRIC 23 - Uncertainty over income tax treatments

##### **Improvements to accounting standards issued by the IASB in December 2017**

IFRS 3 Business combinations - Previously held interests in a joint operation

IFRS 11 Joint arrangements - Previously held interests in a joint operation

IAS 12 Income taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 Borrowing costs - Borrowing costs eligible for capitalization

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's financial statements except for IFRS 16. The impact of adoption of IFRS 16 "Leases" are described below:

IFRS 16 supersedes IAS 17, "Leases". Under the new standard, an asset (the right to use lease item) and a lease liability to pay rentals are required to be recognized on the commencement date, as the distinction between operating and finance leases is removed for lessee. The only exceptions are short term and low value leases.

The Company has assessed the impact of IFRS-16 and concluded that all leases are short-term. Accordingly, the Company has not recognized the right to use asset and accounted for lease expense on straight line basis over the lease term.

#### 5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES 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 reported amounts of assets, liabilities, income and expenses, however, actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended June 30, 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2019. The carrying value of all financial and non-financial assets and liabilities measured at other than amortised cost approximate their fair values.

	December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
Note	----- (Rupees in '000) -----	
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets	6.1    25,302,073	25,671,133
Capital work-in-progress	6.2    312,247	237,345
Capital spare parts and stand-by equipment	227,670	-
	<u>25,841,990</u>	<u>25,908,478</u>
<b>6.1 Operating fixed assets</b>		
Written down value as at the beginning of the period / year	25,671,133	26,614,209
Transfers during the period / year	241,353	269,841
	<u>25,912,486</u>	<u>26,884,050</u>
Less:		
Disposals during the period / year at written down value	(680)	(160)
Depreciation charged during the period / year	(609,733)	(1,212,757)
	<u>25,302,073</u>	<u>25,671,133</u>
<b>6.2 Capital work-in-progress</b>		
Opening balance	237,345	65,312
Additions during the period / year	316,255	444,428
Transfers to operating fixed assets	(241,353)	(269,841)
Transfers to intangible assets	-	(2,554)
<b>Closing balance</b>	<u>312,247</u>	<u>237,345</u>
<b>7. DEFERRED TAX</b>		
<b>Arising on taxable temporary difference</b>		
- accelerated tax depreciation	(2,365,934)	(2,233,061)
<b>Arising on deductible temporary differences</b>		
- tax losses	2,988,930	3,086,728
- alternate corporate tax	188,284	-
- pre-commencement expenses	40,979	49,173
- amortization	66	4,052
	<u>852,325</u>	<u>906,892</u>
<b>8. SHORT-TERM BORROWINGS – SECURED</b>		
On December 27, 2019, the Company obtained short-term borrowing facility having a limit of Rs. 600 million. It carries mark-up at the rate of 3 months' KIBOR + 1% per annum and is repayable by September 30, 2020.		
<b>9. CONTINGENCIES AND COMMITMENTS</b>		
<b>9.1 Contingencies</b>		
There is no change in the status of the contingencies as disclosed in note 17.1 to the annual financial statements of the Company for the year ended June 30, 2019.		

**9.2 Commitments**

There is no change in the status of the commitment as disclosed in note 17.2 to the annual financial statements of the Company for the year ended June 30, 2019 except the following:

- Performance bond issued by bank on behalf of the Company to PQA in pursuance of the Implementation Agreement amounted to Rs. Nil (June 30, 2019: Rs. 265 million).
- Unexecuted capital expenditure contracts amounted to Rs. 353.7 million (June 30, 2019: Rs. 261.8 million).

	Half-year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- (Un-audited) -----		----- (Rupees in '000) -----	

**10. TAXATION**

Current	188,284	42,655	153,232	19,535
Deferred	54,567	(74,723)	(95,248)	(113,623)
	<u>242,851</u>	<u>(32,068)</u>	<u>57,984</u>	<u>(94,088)</u>

**11. EARNINGS / (LOSS) PER SHARE – basic and diluted**

Profit / (loss) after taxation	<u>864,704</u>	<u>(1,463,537)</u>	<u>385,556</u>	<u>(1,353,295)</u>
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	<u>1,786,092,772</u>	<u>1,722,386,150</u>	<u>1,786,092,772</u>	<u>1,722,386,150</u>
Earnings / (loss) per share – basic and diluted	<u>0.48</u>	<u>(0.85)</u>	<u>0.22</u>	<u>(0.79)</u>

**12. TRANSACTIONS WITH RELATED PARTIES**

- 12.1** Related parties of the Company comprise companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the period, other than disclosed elsewhere in the condensed interim financial statements, are as follows:

Name of related party and relationship with the Company	Percentage of holding	Nature of transactions	December 31, 2019	December 31, 2018
			----- (Unaudited) -----	
			---- (Rupees in '000) ----	
<b>Associated companies</b>				
Premier Mercantile Services (Private) Limited	43.30	Issue of share capital	-	129,935
		Rent against office premises	1,391	1,355
Portlink International Services (Private) Limited	-	Consultancy services	16,397	14,575
EFU General Insurance Limited	-	Payment for insurance premium	59,070	55,190
Premier Software (Private) Limited	-	IT support services	600	600
<b>Other related parties</b>				
Key management personnel	-	Remuneration and benefits	82,074	66,293
Staff retirement contribution plan	-	Contribution	9,834	7,293



- 12.1 Securities pledged for guarantees by Premier Mercantile Services (Private) Limited on behalf of the Company was Rs. 429 million (June 30, 2019: Rs. 429 million).

Outstanding balance of Premier Mercantile Services (Private) Limited as at December 31, 2019 was Rs. 0.23 million (June 30, 2019: Rs. 0.46 million).

- 12.2 Outstanding balance of Portlink International Services (Private) Limited as at December 31, 2019 was Rs. 9.264 million (June 30, 2019: Nil).

- 12.3 Outstanding balance of Premier Software (Private) Limited as at December 31, 2019 was Nil (June 30, 2019: Rs. 0.11 million).

- 12.4 Outstanding balance of EFU General Insurance Limited as at December 31, 2019 was Rs. 10.210 million (June 30, 2019: Rs. Nil).

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

As explained in note 2, the required disclosure is as follows:

Under IFRIC 12, the consideration required to be made by operator (the Company) for the right to use the asset is to be accounted for as an intangible asset under IAS 38 "Intangible Assets". Had the Company required to follow IFRIC 12, the effect on the condensed interim financial statements would have been as follows:

	December 31, 2019 (Un-audited) ----- (Rupees in '000) -----	June 30, 2019 (Audited)
Reclassification from property, plant and equipment to intangible assets (Port Concession Rights) – written down value	<u>26,330,317</u>	26,500,155
Reclassification from intangible assets to intangible assets (Port Concession Rights) – written down value	<u>435,690</u>	443,612
Reclassification from stores and spares to intangible assets (Port Concession Rights) – written down value	<u>404,653</u>	119,828
Recognition of intangible assets (Port Concession Rights) on account of rent of backup and waterfront area (rent)	<u>56,816</u>	57,314
Recognition of present value of concession liability on account of intangible assets (rent)	<u>86,855</u>	84,526
Interest expense charged for the period / year on account of intangible assets (rent)	<u>4,776</u>	9,228
Amortisation expense charged for the period / year on account of intangible assets (rent)	<u>947</u>	1,910
Amortisation expense charged for the period / year on account of concession assets (PPE)	<u>488,335</u>	958,080

### 14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 13, 2020, by the Board of Directors of the Company.

### 15. GENERAL

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

**Sharique Azim Siddiqui**  
Chief Executive Officer

**Arsalan I. Khan**  
Chief Financial Officer

**Capt. Zafar Iqbal Awan**  
Director

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