

HALF YEARLY REPORT

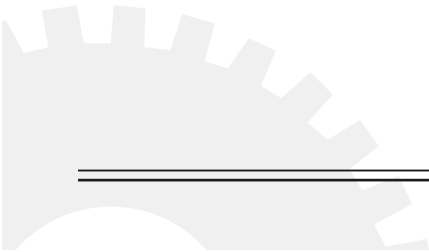
December 31, 2018



Pakistan International Bulk Terminal Limited

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COMPANY INFORMATION

Board of Directors

Chairman	Capt. Haleem A. Siddiqui
Chief Executive Officer	Mr. Sharique Azim Siddiqui
Directors	Mr. Aasim Azim Siddiqui Capt. Zafar Iqbal Awan Syed Nizam Shah Mr. Ali Raza Siddiqui Mr. M. Masood Ahmed Usmani, FCA
Chief Financial Officer & Company Secretary	Mr. Arsalan I. Khan, FCA

Audit Committee

Chairman	Syed Nizam Shah
Members	Mr. Ali Raza Siddiqui Mr. M. Masood Ahmed Usmani, FCA
Chief Internal Auditor & Secretary	Mr. Noman Yousuf

Human Resource & Remuneration Committee

Chairman	Syed Nizam Shah
Members	Mr. Sharique Azim Siddiqui Mr. Ali Raza Siddiqui
Secretary	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

Central Depository Company of Pakistan
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

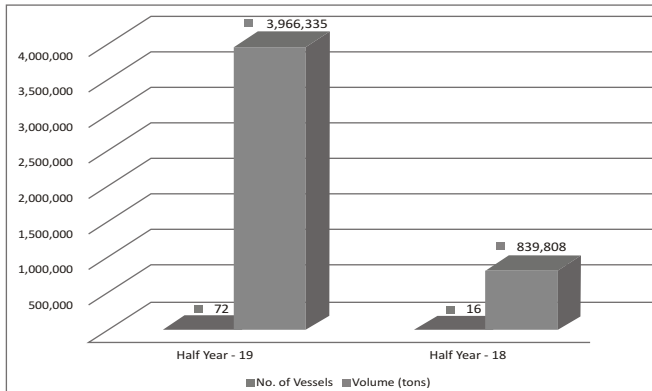
Directors' Report

The Directors are pleased to present the Financial Statements of Pakistan International Bulk Terminal Limited (PIBT) (the Company) together with the Auditors' Report to the members on review of interim financial statements for the period ended December 31, 2018.

BUSINESS REVIEW

The Company has entered into a Build Operate Transfer (BOT) contract with Port Qasim Authority (PQA) on November 06, 2010 for the exclusive 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 3,966,335 tons (Dec 31, 2017: 839,808 tons) of cargo through various vessels with positive contribution margins depicting consistent volume growth as graphically presented below;



Considering the environmental challenges associated with handling of coal at Karachi Port Trust (KPT) and severe impacts on the health conditions of the citizens of Karachi, the Honorable Supreme Court of Pakistan (SC) via order dated June 20, 2018 has refrained the handling of all the ships carrying imported coal at KPT. PIBT's existing terminal facilities of handling and storage are already operating at international standards of environmental pollution-control, and the Company stands committed to the SC's order in spirit and in performance to handle the imported coal at the best international standards.

The financial performance of your Company for the half year ended December 31, 2018 as compared to the same period last year is presented below:

PKR in' 000

Particulars	Half Year 2018-2019	Half Year 2017-2018
Revenue	3,412,385	603,047
Gross Profit / (Loss)	800,858	(544,085)
EBITDA	1,259,040	(45,320)
Net Loss	(1,463,537)	(2,305,203)
Loss per Share (LPS)	(0.85)	(1.52)

Net loss after taxation of PKR 1,463.537 million is mainly due to depreciation, amortization and impact of currency devaluation on USD denominated foreign loans.

GOING FORWARD

Corresponding to the business performance above which is consistent with the year ended June 30, 2018, your Company is committed to provide quality services to its customers for handling cargos, to bring efficiencies in their respective supply chains, with an overall vision to mitigate the environmental and proficiency concerns as at Country's port infrastructure and enhance our shareholders' value.

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 handling 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 19, 2019

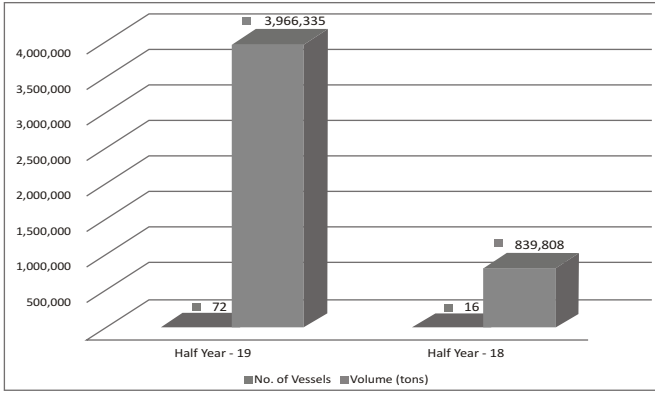
بیان نظام

پاکستان انٹرنیشنل بلک ٹرمینل لمیٹڈ کے ناظمین حصص یا فنانسنگ کو عرصہ تختہ 31- دسمبر 2018ء کے لیے کمپنی کے مالیاتی گوشوارے مع آڈیٹر کی رپورٹ بخوشی پیش کرتے ہیں۔

کاروبار کا جائزہ:

بندرگاہ محمد بن قاسم پرنکولڈ اور سینٹ کے ٹرمینل کی تعمیر و ترقی، کاروبار اور انتظامات کے لئے کمپنی نے 06- نومبر 2016ء کو پورٹ قاسم اتھارٹی کے ساتھ 30 سالہ مدت کے لئے بناؤ، چلاؤ اور منتقل کرو کی بنیاد پر ایک معاہدہ کیا۔ 03- جولائی 2017ء کو آپ کی کمپنی نے باضابطہ تجارتی سرگرمیوں کا آغاز کیا۔ پورٹ قاسم اتھارٹی کی جانب سے اس کامیاب آغاز کی سند کا اجراء سال 2018ء کی دوسری سہ ماہی میں کیا جا چکا ہے۔ تمام ڈائریکٹرز اپنے تمام ممبران کو اس عظیم سنگ میل کے حصول پر مبارکباد پیش کرتے ہیں اور اس منصوبہ پر قائم ان کے اعتماد پر سلام پیش کرتے ہیں۔

حالیہ ششماہی کاروباری سرگرمیوں کے دوران آپ کی کمپنی نے مختلف جہازوں کے ذریعے 3,966,335 ٹن (31- دسمبر 2017ء): 839,808 ٹن) کو نئے کے اضافی حجم کو مثبت منافع کے ساتھ کنارے لگا باجو کہ نظریہ محظوظ کے ذریعے ظاہر کیا گیا ہے۔



کراچی پورٹ ٹرسٹ (کے پی ٹی) پرنکولڈ کی انتظام کاری سے جڑی ماحولیاتی مشکلات اور کراچی کے شہریوں کی غیر موافق صحت کی تشویشناک صورتحال کے پیش نظر معزز عدالت عظمیٰ پاکستان نے اپنے حکم مجریہ 20- جون 2018ء کے مطابق کونلڈ کی پاکستان درآمد والے تمام جہازوں کی کے پی ٹی پر استظام کاری سے گریز کا حکم دیا ہے۔ پی آئی بی ٹی کے ٹرمینل پر موجودہ انتظام کاری اور ذخیرہ کی سہولتیں اور ماحولیاتی گرفت پہلے ہی بین الاقوامی معیار کے مطابق ہیں جیسا کہ اس پر بیان نظام میں بھی تفصیل سے روشنی ڈالی گئی ہے اور کمپنی عدالت عظمیٰ کے حکم کی پیروی میں عزم مصمم کے ساتھ اس پر حقیقی معنوں میں عملدرآمد اور بہترین بین الاقوامی معیار پر درآمدی کو نئے کی انتظام کاری کے لئے ہمد وقت کمر بستہ ہے۔

گزشتہ ششماہی کے مقابلہ میں 31۔ دسمبر 2018ء کے لئے آپ کی کمپنی کے مالیاتی کارکردگی حسب ذیل ہے۔

تفصیلات	ششماہی 2018-2019	ششماہی 2017-2018
آمدن	3,412,385	603,047
مجموعی منافع/(خسارہ)	800,858	(544,085)
ایبدا	1,259,040	(45,320)
کل خسارہ	(1,463,537)	(2,305,203)
خسارہ فی حصص (LPS)	(0.85)	(1.52)

کل خسارہ بعد از ٹیکس 1,463,537 ملین روپے ہے جو کہ خاص طور پر منصوبہ کے بنیادی ڈھانچہ کی فرسودگی اور اور امریکی ڈالر کی شکل میں غیر ملکی قرضوں پر کرنسی کی قدر میں کمی کی متعین شدہ قیمتوں کی وجہ سے ہے۔

آگے بڑھتے ہوئے:

سال مختتمہ 30۔ جون 2018ء کی تجارتی کارکردگی کے تسلسل میں آپ کی کمپنی کو ملکہ اور سینٹ کی انتظام کاری کے حوالہ سے اپنے کرم فرماؤں کو بہترین خدمات کی فراہمی اور ان کی متعلقہ کاروباری رسد فراہمی میں موثریت لانے کے لئے کمر بستہ ہے جو ملک کے بندرگاہی ڈھانچے میں بہتری اور ماحولیاتی کارکردگی کے مسائل میں تخفیف کا باعث بنے گی اور ہمارے معزز ممبران کی قدر میں منافع بخش اضافے کا باعث ہوگی۔

آخر میں مجلس نظماء اپنے اس عزم کا اعادہ کرتی ہے کہ کوئلے، بکٹنگ اور سینٹ 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 ہمکنار کرے گا۔

منجانب مجلس نظماء

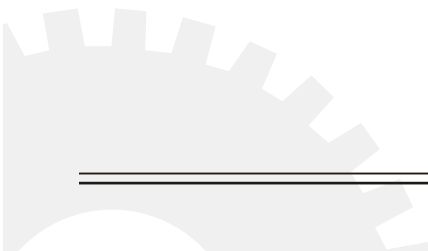
شارق عظیم صدیقی

چیف ایگزیکٹو آفیسر

کراچی: 19۔ فروری 2019ء



Condensed Interim Financial Statements





Building a better
working world

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530,
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

INDEPENDENT AUDITORS' 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 2018 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows 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 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 condensed interim statement of comprehensive income for three months ended 31 December 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2018.

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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

Chartered Accountants

Place: Karachi

Date: 19 February 2019

A member firm of Ernst & Young Global Limited

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018**

	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
Note	----- (Rupees in '000) -----	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6 26,179,311	26,679,521
Intangible assets	374,157	383,751
Deferred tax	7 765,331	690,608
	<u>27,318,799</u>	<u>27,753,880</u>
CURRENT ASSETS		
Stores and spares	58,580	28,406
Trade debts	674,633	259,529
Advances, trade deposits and prepayments	136,006	43,477
Other receivables	-	1,148
Sales tax refundable	412,603	461,967
Taxation – net	650,385	377,720
Cash and bank balances	871,530	232,070
	<u>2,803,737</u>	<u>1,404,317</u>
TOTAL ASSETS	<u>30,122,536</u>	<u>29,158,197</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
2,000,000,000 (June 30, 2018 : 2,000,000,000) ordinary shares of Rs. 10/- each	<u>20,000,000</u>	<u>20,000,000</u>
Issued, subscribed and paid-up capital		
1,786,092,772 (June 30, 2018: 1,485,995,900) ordinary shares of Rs. 10/- each fully paid in cash	17,860,928	14,859,959
Accumulated loss	<u>(4,001,120)</u>	<u>(2,537,583)</u>
	<u>13,859,808</u>	<u>12,322,376</u>
NON-CURRENT LIABILITIES		
Long-term financing	12,945,011	12,449,253
Staff compensated absences	34,463	26,907
	<u>12,979,474</u>	<u>12,476,160</u>
CURRENT LIABILITIES		
Trade and other payables	2,131,591	1,903,161
Current maturity of long-term financing	1,089,793	884,541
Current maturity of retention money – EPC contractor	-	982,189
Accrued interest	61,870	589,770
	<u>3,283,254</u>	<u>4,359,661</u>
CONTINGENCIES AND COMMITMENTS	8	
TOTAL EQUITY AND LIABILITIES	<u>30,122,536</u>	<u>29,158,197</u>

The annexed notes from 1 to 16 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
FOR THE HALF YEAR ENDED DECEMBER 31, 2018
(UN-AUDITED)**

	Half-year ended		Quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Note	----- (Rupees in '000) -----			
Turnover – net	3,412,385	603,047	1,562,782	400,946
Cost of services	(2,611,527)	(1,147,132)	(1,224,693)	(598,017)
Gross profit / (loss)	800,858	(544,085)	338,089	(197,071)
Administrative and general expenses	(203,542)	(140,129)	(124,891)	(74,833)
Other income	46,587	39,029	39,976	15,467
Finance cost	(1,013,270)	(549,309)	(714,003)	(278,581)
Other expense – exchange loss	(1,126,238)	(290,206)	(986,554)	(263,856)
Loss before taxation	(1,495,605)	(1,484,700)	(1,447,383)	(798,874)
Taxation	9 32,068	(820,503)	94,088	(347,513)
Net loss for the period	(1,463,537)	(2,305,203)	(1,353,295)	(1,146,387)
		(Restated)		(Restated)
Loss per share – basic and diluted	10 (Rs.0.85)	(Rs.1.52)	(Rs.0.79)	(Rs.0.77)

The annexed notes from 1 to 16 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 COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2018
(UN-AUDITED)**

	Half-year ended		Quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- (Rupees in '000) -----			
Net loss for the period	(1,463,537)	(2,305,203)	(1,353,295)	(1,146,387)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(1,463,537)</u>	<u>(2,305,203)</u>	<u>(1,353,295)</u>	<u>(1,146,387)</u>

The annexed notes from 1 to 16 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, 2018
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Accumulated profit / (loss)	Total
	------(Rupees in '000)-----		
Balance as at June 30, 2017 (Audited)	14,859,959	96,986	14,956,945
Net loss for the period	-	(2,305,203)	(2,305,203)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(2,305,203)	(2,305,203)
Balance as at December 31, 2017 (Un-audited)	<u>14,859,959</u>	<u>(2,208,217)</u>	<u>12,651,742</u>
Balance as at June 30, 2018 (Audited)	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	-	(1,463,537)	(1,463,537)
Balance as at December 31, 2018 (Un-audited)	<u>17,860,928</u>	<u>(4,001,120)</u>	<u>13,859,808</u>

The annexed notes from 1 to 16 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, 2018
(UN-AUDITED)**

	Half-year ended	
	December 31, 2018	December 31, 2017
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation for the period	(1,495,605)	(1,484,701)
Adjustments for non-cash items:		
Depreciation	605,477	590,222
Amortisation	9,594	9,643
Mark-up on long-term financing	1,013,270	549,309
Unrealised exchange loss	1,061,278	285,502
Staff compensated absences	8,638	4,822
Gain on disposal of operating fixed assets	-	(745)
	2,698,257	1,438,753
(Increase) / decrease in current assets		
Stores and spares	(30,174)	(10,314)
Trade debts	(415,104)	(145,049)
Advances, deposits and prepayments	(92,529)	6,593
Other receivables	1,148	109,353
Sales tax refundable	49,364	58,319
	(487,295)	18,902
(Decrease) / increase in current liabilities		
Trade and other payables	(788,812)	109,202
Cash (used in) / generated from operations	(183,148)	82,156
Taxes paid	(315,320)	(46,754)
Mark-up paid	(1,541,170)	(520,752)
Staff compensated absences paid	(1,082)	(50)
Net cash used in operating activities	(1,931,027)	(485,400)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to operating fixed assets	(55,170)	-
Proceeds from disposal of operating fixed assets	-	866
Additions to capital work in progress	(50,097)	(918,095)
Net cash used in investing activities	(105,267)	(917,229)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	3,000,969	-
Repayment of long term financing	(325,215)	(191,002)
Net cash generated from / (used in) financing activities	2,675,754	(191,002)
Net increase / (decrease) in cash and cash equivalents	639,460	(1,593,631)
Cash and cash equivalents as at the beginning of the period	232,070	1,994,203
Cash and cash equivalents as at the end of the period	871,530	400,572

The annexed notes from 1 to 16 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, 2018
(UN-AUDITED)**

1. THE COMPANY AND ITS OPERATIONS

Pakistan International Bulk Terminal Limited (the Company) was incorporated under the repealed Companies Ordinance, 1984 (the Ordinance) on March 22, 2010 as a private limited company. Subsequently, it was converted to an unquoted public limited and later on, listed on the Pakistan Stock Exchange on December 23, 2013. The registered office of the Company is situated at 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi and the Company's terminal is situated at NWIZ/LL/02, North Western Industrial Zone, Port Qasim Authority.

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. The Company commenced its commercial operations from July 03, 2017.

2. STATEMENT OF COMPLIANCE

2.1. 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 S.R.O 229 (I)/2019 dated February 14, 2019 has deferred the application of IFRS 9 till June 30, 2019. Further, SECP in pursuance of the S.R.O No. 24(1)/2012 dated January 16, 2012 has given relaxation for the implementation of IFRIC 12 "Service Concession Arrangements" due to the practical difficulties facing the companies. The impact on the financial results of the Company due to application of IFRIC-12 is disclosed in note 15 to 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 Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2018.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 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 year ended December 31, 2018 and December 31, 2017.

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, 2018 except for;

New / Revised Standards, Interpretations and Amendments

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 2	-	Share-based Payments Classification and Measurement of Share-based Payments Transactions (Amendments)
IFRS 4	-	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)
IFRS 15	-	Revenue from Contracts with Customers
IAS 40	-	Investment Property: Transfers of Investment Property (Amendments)
IFRIC 22	-	Foreign Currency Transactions and Advance Consideration

The adoption of the above standards and amendments in the accounting standards did not have effect on the accounting policies of the Company except as follows:

IFRS 15 Revenue From Contracts with Customers

According to IFRS 15, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of contract balances, that is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment. IFRS 15 supersedes IAS 11, Construction Contracts and IAS 18, Revenue as well as related interpretations.

The Company has assessed that significant performance obligation in contracts with customers are closely related and therefore are discharged as the services are rendered over the period of the relationship with relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

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, 2018.

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, 2018.

	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
Note	----- (Rupees in '000) -----	

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6.1	26,063,902	26,614,209
Capital work-in-progress	6.2	115,409	65,312
		26,179,311	26,679,521

December 31, June 30,
2018 2018
(Un-audited) (Audited)
----- (Rupees in '000) -----

6.1. Operating fixed assets

Book value as at the beginning of the period / year	26,614,209	76,080
Transfers / additions during the period / year	55,170	27,733,817
	26,669,379	27,809,897
Less: Disposals during the period / year at written-down value	-	1,272
Depreciation charged during the period / year	605,477	1,194,416
	26,063,902	26,614,209

6.2. Capital work-in-progress

Opening balance	65,312	25,008,470
Additions during the period / year	105,267	2,876,034
Transfers to operating fixed assets	(55,170)	(27,733,817)
Transfers to intangible assets	-	(85,375)
Closing balance	115,409	65,312

7. DEFERRED TAXATION

Arising on taxable temporary difference

- accelerated tax depreciation	(1,737,674)	(1,627,270)
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Arising on deductible temporary differences

- amortization	6,915	10,410
- pre-commencement expenses	49,456	56,521
- tax losses	2,446,634	2,250,947
	765,331	690,608

8. CONTINGENCIES AND COMMITMENTS

8.1. Contingencies

There is no change in the status of the contingencies as disclosed in note 18.1 to the annual financial statements of the Company for the year ended June 30, 2018 except as described below;

On August 31, 2018, the Honorable High Court of Sindh (SHC) passed orders directing the Nazir of SHC to encash fifty percent (50%) of the bank guarantees amounting to Rs. 429.10 million, pursuant to the judgement of the Honourable Supreme Court of Pakistan in various appeals. These guarantees were furnished in respect of petitions filed by the Company challenging the levy of sales tax and income tax imposed against the import of plant, machinery and equipment, respectively. Accordingly, the required payment was deposited under protest with Nazir of SHC.

The management believes, based on the advice of its legal advisor that the grounds on which sales tax and income tax levied does not attract the provision of Sales Tax Act, 1990 and Income Tax Ordinance, 2001 respectively and thus are of the view that the eventual outcome will be in favour of the Company. Accordingly, no provision has been recorded in these condensed interim financial statements.

8.2. Commitments

There is no significant change in the status of commitments as disclosed in note 18.2 to the annual financial statements of the Company for the year ended June 30, 2018 except the following:

8.2.1. Capital expenditure contracted but remaining to be executed amounted to Rs. 93,250 million (June 30, 2018: Nil) pertaining to the contracts for civil works.

	Half-year ended		Quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	---- (Un-audited) ----		---- (Un-audited) ----	
	----- (Rupees in '000) -----			
9. TAXATION				
Current	42,655	54,515	19,535	51,319
Prior	-	-	-	-
Deferred	(74,723)	765,988	(113,623)	296,194
	<u>(32,068)</u>	<u>820,503</u>	<u>(94,088)</u>	<u>347,513</u>

10. LOSS PER SHARE - basic and diluted

Loss after taxation	<u>(1,463,537)</u>	<u>(2,305,203)</u>	<u>(1,353,295)</u>	<u>(1,146,387)</u>
	----- (Number of shares) -----			
		(Restated)		(Restated)
Weighted average number of ordinary shares in issue during the period	<u>1,722,386,150</u>	<u>1,519,489,102</u>	<u>1,722,386,150</u>	<u>1,519,489,102</u>
Loss per share	<u>(Rs. 0.85)</u>	<u>(Rs. 1.52)</u>	<u>(Rs. 0.79)</u>	<u>(Rs. 0.75)</u>

10.1. The Board of Directors of the Company, in their meeting held on May 28, 2018, approved the issue of 300,096,872 ordinary shares by way of right issue at the rate of 20.195 ordinary shares for every hundred existing ordinary share at par value of Rs.10 per share. The entire process of allotment of right shares was completed on August 31, 2018.

10.2. There is no dilution effect on basic earnings per share of the Company.

11. TRANSACTIONS WITH RELATED PARTIES

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 those disclosed elsewhere in the condensed interim financial statements, are as follows:

Name of related party and relationship with the Company	Nature of transactions	31 December 2018	31 December 2017
		(Unaudited)	(Unaudited)
		---- (Rupees in '000) ----	
Associated companies			
	Issue of share capital	129,935	-
Premier Mercantile Services (Private) Limited	Rent against office premises	1,355	1,402
	Securities pledged for guarantees	429,100	-
Travel Club (Private) Limited	Payment for travelling expenses	2,993	431
Portlink International Services (Private) Limited	Consultancy services	14,575	13,250
	Rent against office premises	-	467
EFU General Insurance Limited	Payment of insurance premium	55,190	53,574
Premier Software (Private) Limited	Consultancy services	600	-
Other related parties			
Key management personnel	Remuneration and benefits	41,537	33,861
Staff retirement contribution plan	Contribution	7,293	2,574

12. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms-length transaction other than in a forced or liquidation sale. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

13. EXEMPTION FROM APPLICABILITY OF IFRIC – 12 “SERVICE CONCESSION ARRANGEMENTS”

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

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

	December 31, 2018 (Un-audited) ----- (Rupees in ‘000) -----	June 30, 2018 (Audited)
Reclassification from property, plant and equipment to intangible assets (Port Concession Rights) – written down value	<u>26,637,272</u>	<u>26,997,302</u>
Reclassification from intangible assets to intangible assets (Port Concession Rights) – written down value	<u>449,085</u>	<u>456,901</u>
Reclassification from stores and spares to intangible assets (Port Concession Rights) – written down value	<u>56,639</u>	<u>27,459</u>
Recognition of intangible assets (Port Concession Rights) on account of rent of backup and waterfront area (rent)	<u>62,533</u>	<u>456,901</u>
Recognition of present value of concession liability on account of intangible assets (rent)	<u>86,057</u>	<u>106,544</u>
Interest expense charged for the period / year on account of intangible assets (rent)	<u>4,648</u>	<u>9,125</u>
Amortisation expense charged for the period on account of intangible assets (rent)	<u>1,042</u>	<u>2,645</u>
Amortisation expense charged for the period on account of concession assets (PPE)	<u>474,168</u>	<u>944,899</u>

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements was authorised for issue on February 19, 2019 by the Board of Directors of the Company.

15. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

Subsequent to the statement of financial position date, the contractors pursuant to an addendum to the original agreement have waived off Company’s liability amounting to \$ 1.127 million. The impact of the said amount has not been accounted for in these condensed interim financial statements.

16. GENERAL

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

16.2. Key management personnel remuneration corresponding figure in related party transactions note has been revised in line with the new definition of key management personnel in the Act.

Sharique Azim Siddiqui
Chief Executive Officer

Arsalan I. Khan
Chief Financial Officer

Capt. Zafar Iqbal Awan
Director

www.pibt.com.pk



Pakistan International Bulk Terminal Limited

Head Office

2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi 74000, Pakistan.

Tel. (+9221) 32400450-3 Fax. (+9221) 32400281 Email. info@pibt.com.pk Website. www.pibt.com.pk