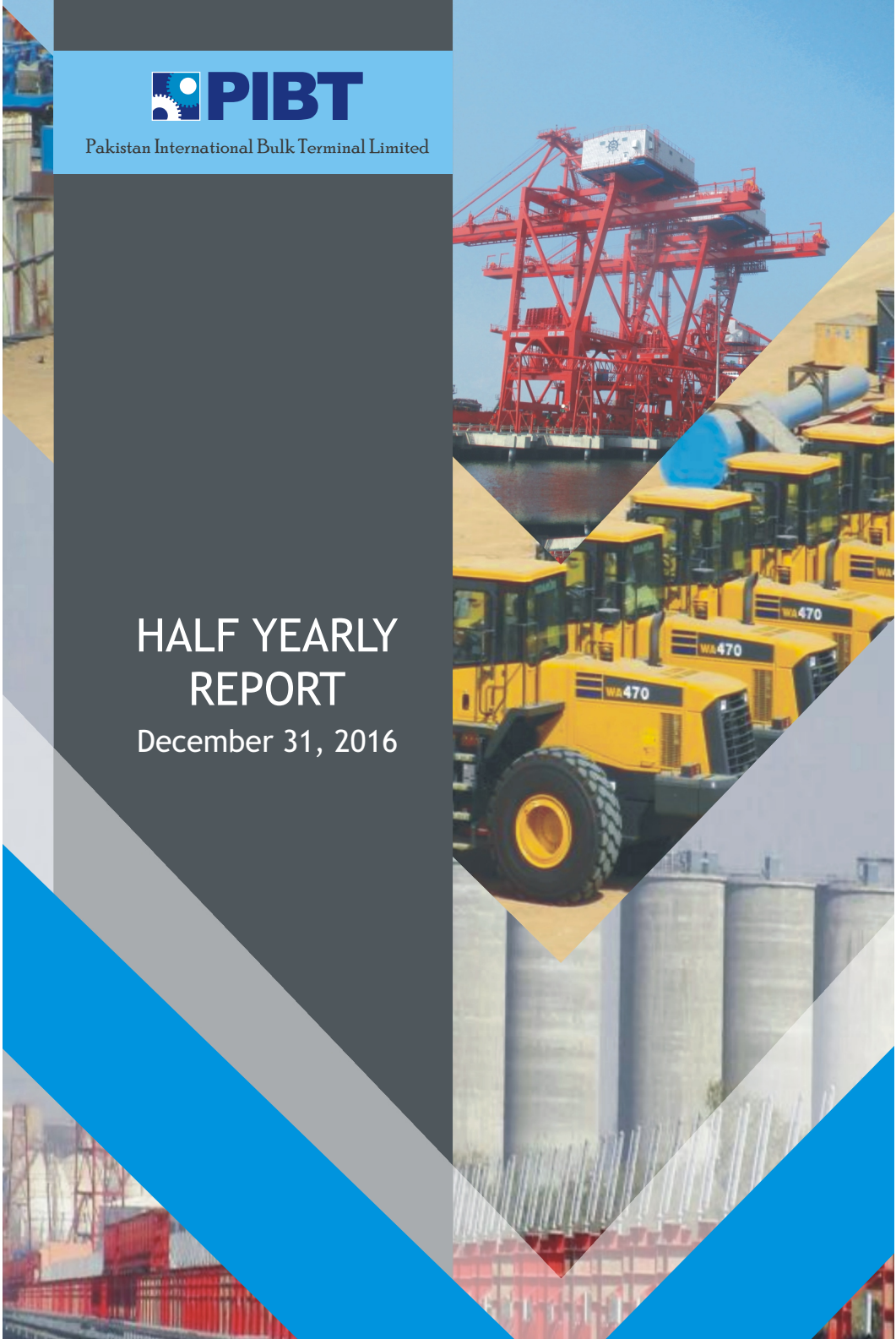




Pakistan International Bulk Terminal Limited

**HALF YEARLY
REPORT**
December 31, 2016



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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, ACA
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Audit Committee

Chairman	Syed Nizam Shah
Members	Mr. Ali Raza Siddiqui Mr. M. Masood Ahmed Usmani, FCA

Chief Internal Auditor & Secretary	Mr. Noman Yousuf
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Human Resource & Remuneration Committee

Chairman	Syed Nizam Shah
Members	Mr. Sharique Azim Siddiqui Mr. Ali Raza Siddiqui
Secretary	Mr. Arsalan I. Khan, ACA

Auditors

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

Legal Advisor

Khalid Anwer & Co.
153-K, Sufi Street, Block-2, PECHS, Karachi 75400
Kabraji & Talibuddin
4th Floor, The Plaza at II Talwar, Block-9, Clifton, Karachi.
The Continental Law Associates
Panorama Centre, Saddar, Karachi.
Farogh Naseem & Co., Advocates
46-E/4, 46th Street, Block-6, P.E.C.H.S., Karachi.

Bankers

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

Registrar / Transfer Agent

Technology Trade (Pvt.) Ltd.
241-C, Block-2, P.E.C.H.S., Karachi. Tel: 92-21-34391316-7

Registered & Head Office

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

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 information for the half year ended December 31, 2016.

PROJECT BRIEF & OPERATIONAL OVERVIEW:

1. 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's terminal project is in start-up and construction phase and as a result the Company has not yet commenced its operations.
2. The Company has entered into an Engineering, Procurement and Construction (EPC) Contract with China Harbour Engineering Company Limited ("CHEC") for the purpose of engineering, procuring, supplying, constructing, installing, testing and commissioning civil works for the Company's coal, cement and clinker bulk handling facility. Currently, works on punch list items, interface adjustments, and testing & commissioning are being performed at the Site.
3. The Company had entered into an Equipment Supply Contract (ESC) with Northern Heavy Industries Group Company Limited ("NHI"), an ESC with Shanghai Zhenhua Heavy Industries Company ("ZPMC"), and an ESC with CHEC, for the purchase, delivery & commissioning of the "Conveyor Belt System", the "Crane System Ship Loaders & Unloaders" and the "Power House Equipment", respectively, and all Project equipment under the above ESCs has arrived at the Site. Currently, the installation of the equipment and the testing & commissioning are being performed at the Site.
4. The current progress activities carried on by CHEC at the Project and their pace are satisfactory along-with the timeline for equipment supply, delivery and commissioning and it is expected that the Project would be completed within its stipulated deadlines i-e within second quarter of CY 2017.
5. The Board of Directors of the Company, in their meeting held on December 21, 2016, approved the issue of shares by way of right issue at the rate of 16.945 shares for every 100 ordinary shares.
6. As fully described in the financial statements, subsequent to the period end, the Company has made all draw-downs against the committed loans of USD 52.7 million and PKR 7,200 million from its foreign and local loan facilities. The Directors would like to express their gratitude to the Foreign and Local Lenders for investing confidence in the Project.
7. During the period, the Company filed a petition before the Honorable High Court of Sindh (SHC) challenging the levy of Sales tax and Income tax imposed against the import of plant, machineries and equipment. Subsequently, SHC granted a stay order directing the authorities to avoid any further coercive action against the Company, subject to deposit of bank guarantee in Favour of Nazir SHC, by the Company, to the extent of the claim of the sales tax and income tax, on the import of plant, machineries and equipment, which the Company duly provided. The management believes based on the advice of its legal advisor that the eventual outcome will be in favour of the Company.

FINANCIAL PERFORMANCE

During the period, the Company has earned other income of Rs. 65.114 million (Dec 2015: Rs. 54.158 million) which mainly comprises of the interest income on the deposits held with Commercial Banks. The company has posted a profit before taxation amounting to Rs. 39.817 million against a profit of Rs. 19.829 million during the previous period. Net Profit after tax is Rs. 27.471 million in comparison with a profit of Rs. 12.303 million during the previous period.

FINANCIAL RESULTS

These are summarized below:

	<i>Rupees in '000'</i>
Profit before taxation	39,817
Taxation	<u>(12,346)</u>
Profit after tax	<u>27,471</u>
EPS- Basic & Diluted	<u>Rs. 0.022</u>

In the end, Board of Directors of the company would like to reiterate their commitment to build 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 Board of Directors

Sharique Azim Siddiqui
Chief Executive Officer
Karachi: February 27, 2017

ڈائریکٹر کی رپورٹ

پاکستان انٹرنیشنل بلک ٹرمینل لمیٹڈ کے ڈائریکٹر جنرل صاحب یافنگان کو 31-دسمبر 2016ء کو ختم ہونے والی ششماہی کے لیے کمپنی کے مالیاتی گوشوارے آڈیٹر کی رپورٹ کے ساتھ پیش کرتے ہیں۔

کارکردگی کا جائزہ اور منصوبے کا خلاصہ:

1. پورٹ قاسم اتھارٹی (PQA) کے ساتھ کمپنی نے 6 نومبر 2010 کو بلڈ آپریٹ ٹرانسفر (BOT) کی بنیاد پر 30 سال تک کے عرصے کیلئے پورٹ محمد بن قاسم پبلکنگ ایجنٹ کے ٹرمینل کی تعمیر، ترقی، آپریشن اور انتظامات کا معاہدہ کیا ہے۔ کمپنی کے ٹرمینل کا منصوبہ تعمیر کے ابتدائی مراحل میں ہے اور کمپنی کے آپریشنز کا اب تک آغاز نہیں ہوا ہے۔
2. کمپنی نے چائنا ہاربر انجینئرنگ کمپنی لمیٹڈ (CHEC) کے ساتھ کمپنی کے کولے، سینٹ اور کلنگ کے بندوبست کی جگہ کے لیے انجینئرنگ، تعمیر، تنصیب، ٹیسٹنگ اور تعمیراتی کام کاج کے اختیارات کی بابت انجینئرنگ، خریداری اور تعمیر (EPC) کے مقصد کے تحت معاہدہ کیا سردست، ترجیحی فہرست کے طور پر جانے کار پر آلات کی آزمائشی اور تنصیبی سرگرمیاں جاری ہیں۔
3. کمپنی نے ناردرن ہیوی انڈسٹریز گروپ کمپنی (NHI) کے ساتھ آلات کی سپلائی کے حوالے سے ایک معاہدہ کیا، اسی طرز کا معاہدہ شنگھائی زین ہوا ہیوی انڈسٹریز کمپنی (ZPMC) سے بالترتیب "کنویئر بیلٹ سسٹم"، "کرین سسٹم- شپ لوڈرز اور ان-لوڈرز" اور "پاور ہاؤس کے آلات" کی خریداری، ترسیل اور انتظامات کا معاہدہ جو کہ CHEC کے ساتھ طے پایا کے مطابق جانے کار پر مذکورہ بالا آلات کی درآمد ہو چکی ہے۔ سردست، آلات کی آزمائشی اور تنصیبی کارروائیاں جاری ہیں۔
4. CHEC کی جانب سے منصوبے پر کی جانے والی ترقیاتی سرگرمیوں کی موجودہ رفتار اطمینان بخش ہے جس میں آلات کی سپلائی، ترسیل اور انتظامات بھی شامل ہیں اور توقع ہے کہ منصوبہ مقررہ مدت کے اندر پایہ تکمیل کو پہنچ جائے گا جو کہ رواں سال 2017ء کی دوسری سہ ماہی ہے۔
5. کمپنی کے بورڈ آف ڈائریکٹرز نے 21 دسمبر 2016 کو منعقدہ اجلاس میں ہر 100 عام حصص پر 16.945 کے حساب سے رائٹ اشو کے ذریعے شیئرز کے اجزا کی منظوری دی۔
6. جیسا کہ مالیاتی گوشواروں میں پوری طرح بتا دیا گیا ہے کہ کمپنی نے بین الاقوامی اور مقامی قرضوں کی سہولتوں میں بالترتیب کل طے شدہ قرضوں 52.7 بلین ڈالر اور 7,200 بلین روپے کو بروئے کار لایا جا چکا ہے۔ منصوبے کے تمام اسٹیک ہولڈرز میں اعتماد برقرار رکھنے پر ڈائریکٹرز بین الاقوامی اور مقامی قرض دہندگان سے بھی اظہار تشکر کرتے ہیں۔

7. اسی دوران کمپنی نے معزز سندھ ہائی کورٹ میں پورٹ مشینری اور آلات کی درآمدگی پر نافذ سبز ٹیکس اور آکم ٹیکس کو چیلنج کرتے ہوئے ایک پٹیشن دائر کی۔ نتیجتاً سندھ ہائی کورٹ نے حکم امتناعی جاری کیا اور اتھارٹیز کو کمپنی کے خلاف مزید کسی احتجاجی اقدام سے باز رہنے کی ہدایات جاری کیں اور اسے کمپنی کے سندھ ہائی کورٹ کے ناظر کے حق میں بینک گارنٹی داخل کرنے سے مشروط کیا، پورٹ مشینری اور آلات کی درآمدگی پر نافذ سبز ٹیکس اور آکم ٹیکس کے دعویٰ کی حد تک جو کہ کمپنی بہم مہیا کر چکی ہے۔ انتظامیہ اپنے قانونی ماہرین کی رہنمائی کی بنیاد پر یقین رکھتی ہے کہ اس چارہ جوئی کے نتائج کمپنی کے حق میں برآمد ہوں گے۔

مالیاتی سرگرمیاں

اس دوران یہ کمپنی نے دیگر آمدنی کی مد میں 65,114 ملین روپے حاصل کیے (دسمبر 2015: 54,158 ملین روپے) جس میں کمرشل بینک کے ساتھ رکھے گئے رہن پر مارک اپ کی آمدنی پر حاصل شدہ نفع شامل ہے۔ کمپنی پچھلے دوران میں 19,829 ملین روپے منافع کے مقابلے میں 39,817 ملین روپے قبل از ٹیکس منافع حاصل کر چکی ہے۔ پچھلے عرصہ 12,303 ملین روپے کے خالص منافع کے مقابلے میں بعد از ٹیکس منافع 27,471 ملین روپے رہا۔

مالیاتی نتائج

اس کا خلاصہ درج ذیل میں ہے:

000 روپے میں	
39,817	قبل از ٹیکس منافع
(12,346)	ٹیکس
27,471	بعد از ٹیکس منافع
0.022 روپے	فی شیئر منافع - بنیادی اور ڈائیکوٹڈ

آخر میں بورڈ آف ڈائریکٹرز اپنے اس عزم کا اعادہ کرتے ہیں کہ کوئلے، کلنگر اور سیمنٹ کے انتظام و انصرام کے لیے پاکستان کا پہلا اور جدید ترین بلک کارگو ٹرمینل بنائیں گے جو بین الاقوامی معیار پر پورا اترتے ہوئے ماحولیاتی آلودگی پر قابو پانے کا اور ملک میں بندرگاہ کے انفراسٹرکچر کو ترقی دینے میں معاون ثابت ہوگا۔

مخائب بورڈ آف ڈائریکٹرز

شمارق عظیم صدیقی

چیف ایگزیکٹو آفیسر

کراچی: 27 فروری 2017ء

*Condensed Interim
Financial Statements*

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Pakistan International Bulk Terminal Limited (the Company) as at 31 December 2016, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the notes forming part thereof for the six-month period then ended (herein after referred to as the "condensed interim financial information"). Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

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 information 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 condensed interim financial information as of and for the six months period ended 31 December 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

EY Ford Rhodes
Chartered Accountants
Review Engagement Partner: Riaz A. Rehman Chamdia
Date: February 27, 2017
Place: Karachi

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2016

		December 31, 2016 (Un-audited)	June 30, 2016 (Audited)
ASSETS	Note	----- (Rupees in '000) -----	
NON-CURRENT ASSETS			
Property, plant and equipment	4	22,087,955	16,475,660
Intangible assets		323,979	330,481
Deferred tax	5	72,920	65,078
		22,484,854	16,871,219
CURRENT ASSETS			
Trade deposits and short term prepayments		16,567	12,923
Other receivables		-	230
Sales tax refundable	7.1.1	583,499	163,488
Taxation - net	7.1.2	267,167	52,971
Cash and bank balances		1,547,792	2,197,437
		2,415,025	2,427,049
TOTAL ASSETS		24,899,879	19,298,268
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
1,500,000,000 (June 2016: 1,500,000,000) Ordinary shares of Rs. 10/- each		15,000,000	15,000,000
Issued, subscribed and paid-up capital			
1,270,679,294 (June 2016: 1,270,679,294) Ordinary shares of Rs. 10/- each fully paid in cash		12,706,793	12,706,793
Accumulated profit		97,599	70,128
		12,804,392	12,776,921
NON-CURRENT LIABILITIES			
Long term financing - secured	6	10,861,210	5,072,404
Retention money - EPC contractor		969,761	948,426
Staff compensated absences		14,696	13,211
		11,845,667	6,034,041
CURRENT LIABILITIES			
Trade and other payables		19,283	470,028
Current maturity of long-term financing	6	190,469	-
Accrued mark-up on long-term financing		40,068	17,278
		249,820	487,306
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		24,899,879	19,298,268

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

SHARIQUE AZIM SIDDIQUI
CHIEF EXECUTIVE OFFICER

CAPT. ZAFAR IQBAL AWAN
DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2016
(UN-AUDITED)**

	Note	Half-year Ended		Quarter Ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
		----- (Rupees in '000) -----			
Administrative expenses		(25,297)	(34,329)	(12,446)	(14,911)
Other income	8	65,114	54,158	45,049	20,830
Profit before taxation		<u>39,817</u>	<u>19,829</u>	<u>32,603</u>	<u>5,919</u>
Taxation	9	(12,346)	(7,526)	(10,110)	(3,071)
Profit after taxation		<u>27,471</u>	<u>12,303</u>	<u>22,493</u>	<u>2,848</u>
Earnings per ordinary share - basic and diluted	10	<u>Rs. 0.022</u>	(Restated) <u>Rs. 0.010</u>	<u>Rs. 0.0018</u>	(Restated) <u>Rs. 0.002</u>

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

**SHARIQUE AZIM SIDDIQUI
CHIEF EXECUTIVE OFFICER**

**CAPT. ZAFAR IQBAL AWAN
DIRECTOR**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2016
(UN-AUDITED)**

	Half-year Ended		Quarter Ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	----- (Rupees in '000) -----			
Profit for the period	27,471	12,303	22,493	2,848
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u><u>27,471</u></u>	<u><u>12,303</u></u>	<u><u>22,493</u></u>	<u><u>2,848</u></u>

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

SHARIQUE AZIM SIDDIQUI
CHIEF EXECUTIVE OFFICER

CAPT. ZAFAR IQBAL AWAN
DIRECTOR



**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2016
(UN-AUDITED)**

	Half-year ended	
	December 31, 2016	December 31, 2015
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	39,817	19,829
Adjustments for non-cash items:		
Depreciation	1,172	786
Amortization	7	7
Realised gain on investment	-	(11)
Gain on disposal of fixed assets	(118)	-
Staff compensated absences	174	270
Operating profit before working capital changes	41,052	20,881
Increase in current assets		
Trade deposits and short term prepayments	(3,644)	(4,963)
Sales tax refundable	(420,011)	-
	(423,655)	(4,963)
Decrease in current liabilities		
Trade and other payables	(450,746)	(21,581)
Cash used in operations	(833,349)	(5,663)
Taxes paid	(234,384)	(15,450)
Staff compensated absences paid	(252)	-
Increase in retention money - net	21,335	371,658
Net cash (used in) / generated from operating activities	(1,046,650)	350,545
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to operating fixed assets	(18,695)	(6,136)
Proceeds from disposal of operating fixed assets	613	-
Additions to capital work in progress - net	(5,564,941)	(4,802,651)
Redemption of short-term investments	-	413
Net cash used in investing activities	(5,583,023)	(4,808,374)
CASH FLOWS FROM FINANCING ACTIVITIES		
Transaction costs paid on long term finance - net	(12,883)	(20,376)
Proceeds from long term financing	5,992,911	-
Proceeds against issue of shares	-	5,120,648
Net cash generated from financing activities	5,980,028	5,100,272
Net (decrease) / increase in cash and cash equivalents	(649,645)	642,443
Cash and cash equivalents as at the beginning of the period	2,197,437	1,410,123
Cash and cash equivalents as at the end of the period	<u>1,547,792</u>	<u>2,052,566</u>

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

SHARIQUE AZIM SIDDIQUI
CHIEF EXECUTIVE OFFICER

CAPT. ZAFAR IQBAL AWAN
DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2016
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Revenue reserve- accumulated (loss) / profit	Total
	------(Rupees in '000)-----		
Balance as at July 01, 2015	7,586,145	35,068	7,621,213
Issue of shares other than right	1,896,536	-	1,896,536
Issue of right shares	3,224,112	-	3,224,112
Profit for the period	-	12,303	12,303
Other comprehensive income	-	-	-
Total comprehensive income	-	12,303	12,303
Balance as at December 31, 2015	<u>12,706,793</u>	<u>47,371</u>	<u>12,754,164</u>
Balance as at July 01, 2016	12,706,793	70,128	12,776,921
Profit for the period	-	27,471	27,471
Other comprehensive income	-	-	-
Total comprehensive income	-	27,471	27,471
Balance as at December 31, 2016	<u>12,706,793</u>	<u>97,599</u>	<u>12,804,392</u>

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

SHARIQUE AZIM SIDDIQUI
CHIEF EXECUTIVE OFFICER

CAPT. ZAFAR IQBAL AWAN
DIRECTOR



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2016
(UN-AUDITED)**

1. THE COMPANY AND ITS OPERATIONS

- 1.1. Pakistan International Bulk Terminal Limited (the Company) was incorporated under the 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 (formerly Karachi Stock Exchange) on December 23, 2013. The registered office of the Company is situated at 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi. The Company's terminal project is in start-up and construction phase and as a result, the Company has not commenced its operations.
- 1.2. 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.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements of the Company for the half year ended 31 December 2016 have been prepared in accordance with the requirements of the International Accounting Standard 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. These condensed interim financial statements of the Company are unaudited but subject to limited scope review by the statutory auditors as required by the Code of Corporate Governance.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2016 and 2015 have not been reviewed by the external auditors of the Company as they have reviewed the cumulative figures for the half year ended 31 December 2016. These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2016.

These condensed interim financial statements are being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 245 of the Companies Ordinance, 1984.

2.2 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies fully disclosed in the Company's annual financial statements for the year ended June 30, 2016.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of these condensed interim financial statements require 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, 2016.

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, 2016.

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 Company's annual financial statements for the year ended June 30, 2016 except as follows:

New / revised standards, interpretations and amendments

The Company has adopted the following amendments to IFRSs which became effective for the current period:

IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 - Presentation of Financial Statements: Disclosure Initiative (Amendment)

IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 - Property, Plant and Equipment and IAS 41 Agriculture: 'Agriculture - Bearer Plants (Amendment)

IAS 27 - Separate Financial Statements: Equity Method in Separate 'Financial Statements (Amendment)

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

		December 31, 2016 (Un-audited)	June 30, 2016 (Audited)
	Note	----- (Rupees in '000) -----	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	68,328	60,076
Capital work-in-progress	4.2	22,019,627	16,415,584
		<u>22,087,955</u>	<u>16,475,660</u>
4.1 Operating fixed assets			
Book value as at the beginning of the period / year		60,076	45,894
Additions during the period / year	4.1.1	18,695	33,763
Disposals during the period / year		(495)	(4,025)
		<u>78,276</u>	<u>75,632</u>
Less: depreciation charged during the period / year		<u>9,948</u>	15,556
		<u>68,328</u>	<u>60,076</u>
4.1.1 Additions during the period / year			
Vehicles		15,459	32,938
Computers		965	488
Office equipment		2,271	337
		<u>18,695</u>	<u>33,763</u>



PAKISTAN INTERNATIONAL BULK TERMINAL LIMITED

		July 1, 2016 (Audited)	Additions during the period	December 31, 2016 (Un-audited)
4.2 Capital work- in- progress	Note	----- (Rupees in '000) -----		
Civil works	4.2.1	11,779,656	2,584,167	14,363,823
Consultancy and survey fees		785,885	95,912	881,797
Advance to EPC & ESC contractors		2,783,371	2,372,689	5,156,060
Depreciation and amortization		101,873	15,272	117,145
Borrowing costs	4.2.2	86,771	337,702	424,473
Other ancillary costs	4.2.3	878,028	198,301	1,076,329
		<u>16,415,584</u>	<u>5,604,043</u>	<u>22,019,627</u>

4.2.1 This represents amount charged by the EPC Contractor for civil work carried out on the Project site.

4.2.2 This represents interest on long term financing obtained as mentioned in note 6.

4.2.3 These include salaries, wages and benefits, legal and professional charges, insurance and other directly attributable costs.

		December 31, 2016 (Un-audited)	June 30, 2016 (Audited)
5. DEFERRED TAX	Note	----- (Rupees in '000) -----	
Deductible temporary differences arising on:-			
pre-incorporation expenses		3,211	3,211
pre-commencement expenses		69,709	61,867
		<u>72,920</u>	<u>65,078</u>

6. LONG-TERM FINANCING - secured

Foreign currency loans

Under finance facility agreements

International Finance Corporation (IFC)	6.1	2,469,383	1,169,486
OPEC Fund For International Development (OFID)	6.2	2,441,424	1,156,190

Local currency loans

Under commercial facility agreements

Conventional facility	6.3	3,483,600	1,644,000
Musharaka facility	6.4	2,947,600	1,391,100
		<u>11,342,007</u>	<u>5,360,776</u>

Less: unamortized transaction costs		290,328	288,372
Less: current maturity		190,469	-
		<u>480,797</u>	<u>288,372</u>
		<u>10,861,210</u>	<u>5,072,404</u>

6.1 The Company has entered into a loan agreement with IFC for a total facility amounting to USD 26.5 million repayable in 18 semi-annual installments commencing from December 15, 2017, at a markup rate of 6 months' LIBOR + 5%. As at the period end, the Company has made an aggregate drawdown of USD 23.670 million from this facility.

6.2 The Company has entered into a loan agreement with OFID for an amount of USD 26.2 million repayable in 18 semi-annual installments commencing from December 15, 2017, at a markup rate of 6 months' LIBOR + 5%. As at the period end, the Company has made an aggregate drawdown of USD 23.402 million from this facility.

- 6.3 The Company has entered into a Term Finance Facility with five commercial banks namely Askari Bank Limited, JS Bank Limited, NIB Bank Limited, Sindh Bank Limited and The Bank of Punjab for an aggregate amount of Rs 3,900 million repayable in 18 semi-annual installments commencing from December 15, 2017, at a mark-up rate of 6 months KIBOR + 3%. Faysal Bank Limited is acting as a syndicate agent for the agreement. As at the period end, the Company has made an aggregate drawdown of Rs. 3,483.6 million from this facility.
- 6.4 The Company has entered into a Musharaka agreement with four financial institutions namely Al Baraka Bank (Pakistan) Limited, Dubai Islamic Bank Limited, Faysal Bank Limited & Meezan Bank Limited for an aggregate amount of Rs. 3,300 million repayable in 18 semi-annual installments commencing from December 15, 2017, at a markup rate of 6 months KIBOR + 3%. Faysal Bank Limited is acting as a Musharaka agent for the agreement. As at the period end, the Company has made an aggregate drawdown of Rs. 2,947.6 million from this facility.
- 6.5 The Company may declare dividends subject to satisfaction of certain financial covenants under the facilities mentioned in notes 6.1 to 6.4.
- 6.6 The above long term financing arrangements (notes 6.1 to 6.4) has been secured, at 25% security margin, by way of the following charges ranking pari passu among the lenders:
- (i) first ranking charge over mortgaged immovable properties
 - (ii) first ranking charge over project hypothecated properties
 - (iii) first ranking lien over security account and deposits
 - (iv) assignment of the mortgaged project receivables

7. CONTINGENCIES AND COMMITMENTS

7.1 CONTINGENCIES

- 7.1.1 During the period, the Company filed a petition before the Honorable High Court of Sindh (SHC) challenging the levy of sales tax imposed against the import of plant, machineries and equipment. On October 26, 2016 SHC granted a stay order directing the authorities to avoid any further coercive action against the Company, subject to provision of bank guarantee by the Company to the extent of the claim of the sales tax on the import of plant, machineries and equipment, which the Company duly provided. The management believes, based on the advice of its legal advisor that the grounds on which sales tax as levied does not attract the provision of Sales Tax Act, 1990 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.
- 7.1.2 During the period, the Company also filed a petition before the SHC challenging levy of income tax imposed against the import of plant, machineries and equipment. On November 30, 2016 SHC granted a stay order directing the authorities to avoid any further coercive action against the Company, subject to the provision of bank guarantee by the Company to the extent of the claim of the income tax on the import of plant, machineries and equipment, which the Company duly provided. The management believes, based on the advice of its legal advisor that the grounds on which income tax as levied does not attract the provision of Income Tax Ordinance, 2001 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.

7.2 COMMITMENTS

- 7.2.1 Performance bond issued by bank on behalf of the Company to PQA in pursuance of the Implementation Agreement in equivalence of USD 2.5 million amounted to Rs. 259 million (June 30, 2016: Rs. 262.5 million).
- 7.2.2 The Company has entered into various long term financing facilities. As at the period end date, commitments include undisbursed amounts of foreign currency loans amounting to USD 5.628 million and of local currency facilities amounting to Rs. 768.8 million, respectively. Subsequent to the period end, the Company has made drawdowns against all the outstanding financing facilities.

7.2.3 Capital expenditure contracted but remaining to be executed amounted to Rs. 2,194 million (June 30, 2016: Rs. 3,910 million) pertaining to the contract for civil works construction, Rs. 73 million (June 30, 2016: Nil) pertaining to the contracts for equipment procurement and Rs. 3,480 million (June 30, 2016: 4,893 million) pertaining to letters of credit under contract for equipment procurement.

7.2.4 Guarantee bonds issued by bank on behalf of the Company to the Nazir of the Honorable High Court of Sindh in pursuance of the orders passed on the Company's petitions as fully disclosed in the note 7.1 amounted to Rs. 858.2 Million.

Half-year Ended		Quarter Ended	
December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
----- (Un-audited) -----			
----- (Rupees in '000) -----			

8. OTHER INCOME

Income from financial assets

Profit on savings account	64,996	54,147	45,049	20,819
Realised gain on investment	-	11	-	11
Gain on disposal of fixed assets	118	-	-	-
	<u>65,114</u>	<u>54,158</u>	<u>45,049</u>	<u>20,830</u>

9. TAXATION

Current	20,185	17,334	13,965	6,666
Prior	3	1,177	3	1,177
Deferred	(7,842)	(10,985)	(3,858)	(4,772)
	<u>12,346</u>	<u>7,526</u>	<u>10,110</u>	<u>3,071</u>

10. EARNINGS PER ORDINARY SHARE

Profit after taxation	<u>27,471</u>	<u>12,303</u>	<u>22,493</u>	<u>2,848</u>
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	<u>1,270,679,294</u>	<u>1,270,679,294</u>	<u>1,270,679,294</u>	<u>1,270,679,294</u>
		(Restated)		(Restated)
Basic earnings per share	<u>Rs. 0.022</u>	<u>Rs. 0.010</u>	<u>Rs. 0.018</u>	<u>Rs. 0.002</u>

10.1 The Board of Directors of the Company, in their meeting held on December 21, 2016, approved the issue of 215,316,606 ordinary shares by way of right issue at the rate of 16.945 ordinary shares for every hundred existing ordinary share at par value of Rs.10 per share. The corporate and procedural formalities of the right issue will be completed in due course.

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

11. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company as at 30 June 2016. There have been no changes in any risk management policies since the year end.

12. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of entities which have the ability to control the Company to exercise significant influence over the Company in making financial and operating decisions or vice versa. The related parties comprise principal shareholders and their affiliates' directors, companies with common directors and key management personnel and employees' benefit fund. Balances with related parties have been disclosed in respective notes to the financial statements. Significant transactions with related parties are as follows:

	Half-year Ended		Quarter Ended	
	December 31,2016	December 31, 2015	December 31, 2016	December 31, 2015
	----- (Un-audited) ----- ----- (Rupees in '000) -----			
Associated Companies				
Entities having directors in common with the Company				
Premier Mercantile Services (Private) Limited				
Issue of share capital	-	1,394,771	-	1,394,771
Purchase of vehicle	184	-	-	-
Rent against office premises	1,431	1,350	716	675
Portlink International Services (Private) Limited				
Rent against office premises	12.1	477	239	-
Travel Club (Private) Limited				
Payment for travelling expenses	2,243	1,960	1,190	1,074
EFU General Insurance Limited				
Insurance premium	32,722	3,796	486	-
Staff retirement contribution plan				
Contributions to staff provident fund	5,011	2,181	2,575	1,098
Other related party				
Jahangir Siddiqui & Co. Limited				
Issue of share capital	-	381,293	-	381,293

12.1 Outstanding balance of Portlink International Services (Private) Limited as at December 31, 2016 was Rs. 79,500 (June 30, 2016: Nil).



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

The Securities and Exchange Commission of Pakistan (SECP) in pursuance of the Circular No. 24 dated January 16, 2012 has granted waiver, with immediate effect, from the implementation of IFRIC 12 - “Service Concession Arrangements”. However, the SECP made it mandatory to disclose the impact on the results of application of IFRIC-12.

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 were to follow IFRIC-12 and IAS-38, the effect on the financial statements would be as follows:

	December 31, 2016 (Un-audited)	June 30, 2016 (Audited)
	----- (Rupees in '000) -----	
Reclassification from property, plant and equipment (CWIP) to intangible assets (Port Concession Rights) - written down value	<u>22,019,627</u>	<u>16,415,584</u>
Recognition of intangible assets (Port Concession Rights) on account of rent of backup and waterfront area (rent)	<u>85,784</u>	<u>85,784</u>
Recognition of present value of concession liability on account of intangibles (rent)	<u>107,057</u>	<u>105,658</u>
Interest expense charged for the period / year on account of intangibles (rent)	<u>4,261</u>	<u>8,292</u>

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on February 27, 2017.

15. GENERAL

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

**SHARIQUE AZIM SIDDIQUI
CHIEF EXECUTIVE OFFICER**

**CAPT. ZAFAR IQBAL AWAN
DIRECTOR**

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