



**QUARTERLY
REPORT**
March 31, 2018



Pakistan International Bulk Terminal Limited

CONTENTS

■ Company Information	3	■
■ Directors' Report	4	■
■ ڈائریکٹری رپورٹ	5	■
■ Condensed Interim Financial Statements	6	■

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

Farogh Naseem & Co., Advocates
46-E/4, 46th Street, Block-6, P.E.C.H.S., Karachi.

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.

The Continental Law Associates
Panorama Centre, Saddar, 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	

Registrar / Transfer Agent

Central Depository Company of Pakistan
CDC House, Main Shahrah-e-Faisal, Karachi

Registered & Head 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.

Directors' Report

The Directors are pleased to present the Financial Statements of Pakistan International Bulk Terminal Limited (PIBT) (the Company) for the period ended March 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 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 3, 2017. However, under the Implementation Agreement, PQA was required to issue the "Certificate of Successful Commissioning", which PQA issued for coal handling system in second quarter of the financial year 2018. The Directors congratulate all the stakeholders of the Project on achieving this significant milestone & commend them for investing their confidence in the Project.

During this nine months operational period, your Company has handled 1,373,719 tons of coal cargo through various vessels with positive contribution margins. However, net loss before taxation is Rs. 2,261 million mainly due to fixed costs, depreciation and amortization of the infrastructure project. Other income during the period is Rs. 43.252 million (March 31, 2017: Rs. 88.849 million) comprising of the interest income on the deposits held with commercial banks. During the period, the Company has also provided for taxation of Rs. 1,293 million of which Rs. 1,201 million is deferred tax, provided mainly on account of accelerated tax depreciation. Net loss after tax is Rs. 3,554 million with an EPS of Rs. (2.392).

GOING FORWARD

Subsequent to the period end, your Company has handled the first vessel of clinker, which is a milestone achieved in line with the company's overall strategy of bringing potential customers for all of its cargos namely coal, clinker and cement. Concurrently, your Company is in advance level negotiations with potential customers for commercial contracts for handling cargos, to bring efficiencies in their respective supply chains. This will ease off the existing port congestions at KPT and PQA, mitigate the environmental and proficiency concerns and enhance our shareholders' value.

Moreover, your Company has decided to set up LPG handling facilities at its existing terminal site for which a supplementary Implementation Agreement will be executed with PQA in due course. The LPG operations will improve profitability by contributing to the infrastructure's fixed costs and add value to the Company's operations.

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: April 30, 2018

ڈائریکٹری رپورٹ

پاکستان انٹرنیشنل بلک ٹرمینل لمیٹڈ کے ڈائریکٹر مخلص یاؤنگان کو عرصہ ختمہ 31- مارچ 2018ء کے لیے کمپنی کے مالیاتی گوشوارے بخوشی پیش کرتے ہیں۔
کاروبار کا جائزہ:

بندگہ محمد بن قاسم پورٹ ٹرمینل اور سینٹ کے ٹرمینل کی تعمیر و ترقی، کاروبار اور انتظامات کے لئے 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۔ 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 منصوبہ پر قائم ان کے اعتماد پر سلام پیش کرتے ہیں۔

حالیہ نو ماہی کاروباری سرگرمیوں کے دوران آپ کی کمپنی نے مختلف جہازوں کے ذریعے 1,73,719 ٹن کوئلے کو مثبت منافع کے ساتھ کنارے لگایا جبکہ خسارہ قبل از ٹیکس 2,261 ملین روپے ہے جو کہ خاص طور پر پراجیکٹ کے انفراسٹرکچر کی فرسٹ فوڈ اور قدر میں کمی کی متعین شدہ قیمتوں کی وجہ سے ہے۔ دیگر آمدنی کی مد میں 43,252 ملین روپے حاصل کئے (31 مارچ 2017: 88,849 ملین روپے) جس میں تجارتی بینک کے ساتھ رکھے گئے منافع بخش ذخائر کی آمدنی شامل ہے۔ اس دوران کمپنی نے ٹیکس کے لئے 1,293 ملین روپے فراہم کئے جس میں سے 1,201 ملین روپے قابل ٹیکس عارضی متفرقات کی مد میں التوائی ٹیکس ہے۔ فی حصص آمدنی (2.392 روپے) کے ساتھ کل خسارہ بعد از ٹیکس 3,554 ملین روپے ہے۔

آگے بڑھتے ہوئے:

مذکورہ اختتامی عرصہ میں کمپنی نے کلنکر کے پہلے ویسل کی روانگی کا مرحلہ عبور کیا ہے جو ایک سنگ میل کی حیثیت رکھتا ہے اور کمپنی کی مجموعی حکمت عملی کے عین مطابق ہے۔ آپ کی کمپنی کی انتظامیہ کے کوئلہ کلنکر اور سینٹ کی انتظام کاری کے حوالہ سے کارآمد کاموں کے ساتھ تجارتی معاہدوں پر مذاکرات جاری ہیں تاکہ ان کی متعلقہ ترتیب فراہمی میں بہتری لائی جاسکے۔ یقیناً یہ کراچی پورٹ ٹرسٹ اور پورٹ قاسم پر موجودہ انجماد میں آسانی پیدا کرے گی بلکہ ماحولیاتی اور کارکردگی کے مسائل میں بھی تخفیف کا باعث ہوگی اور ہمارے ممبران کی قدر میں منافع بخش اضافے کا باعث ہوگی۔

مزید برآں آپ کی کمپنی نے موجودہ ٹرمینل پر مائع پیٹرولیم گیس کی سہولت کے اہتمام کا فیصلہ کیا ہے اور اس مقصد کے لئے جلد ہی پورٹ قاسم کے ساتھ ضمنی اطلاقی معاہدہ عمل میں لایا جائے گا۔ مائع پیٹرولیم گیس کی عمل گزاری بنیادی ڈھانچہ کی مقررہ قیمتوں میں حصہ داری سے اضافی منفعیت اور کمپنی کی عمل گزاری میں مزید وقعت کا باعث ہوگی۔

آخر میں بورڈ آف ڈائریکٹرز اپنے اس عزم کا اعادہ کرتے ہیں کہ کوئلے کلنکر اور سینٹ 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۔

منجانب بورڈ آف ڈائریکٹرز

شارق عظیم صدیقی

چیف ایگزیکٹو آفیسر

کراچی: 30- اپریل 2018ء

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

	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
ASSETS	----- (Rupees in '000) -----	
NON-CURRENT ASSETS		
Property, plant and equipment	6 26,882,820	25,084,550
Intangible assets	388,986	317,684
Deferred taxation	8 -	87,135
	<u>27,271,806</u>	<u>25,489,369</u>
CURRENT ASSETS		
Stores, spares and loose tools	19,296	-
Trade debts – considered good	232,335	-
Trade deposits, prepayments & other receivables	26,371	130,397
Sales tax refundable	566,285	655,002
Taxation – net	239,144	256,967
Cash and bank balances	7 287,842	1,994,203
	1,371,273	3,036,569
TOTAL ASSETS	<u>28,643,079</u>	<u>28,525,938</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
1,500,000,000 ordinary shares of Rs. 10/- each	<u>15,000,000</u>	<u>15,000,000</u>
Issued, subscribed and paid-up capital		
1,485,995,900 (December 31, 2017: 1,485,995,900) ordinary shares of Rs. 10/- each fully paid in cash	14,859,959	14,859,959
Accumulated (loss) / profit	<u>(3,456,709)</u>	<u>96,986</u>
	11,403,250	14,956,945
NON-CURRENT LIABILITIES		
Long-term financing – secured	12,319,235	12,085,131
Retention money – EPC contractor	327,396	327,396
Deferred taxation	8 1,113,768	-
Staff compensated absences	25,099	17,382
	<u>13,785,498</u>	<u>12,429,909</u>
CURRENT LIABILITIES		
Trade and other payables	1,972,657	60,403
Current maturity of long-term financing	520,933	382,005
Current maturity of retention money – EPC contractor	654,793	654,793
Accrued mark-up on long-term financing	305,948	41,883
	3,454,331	1,139,084
CONTINGENCIES AND COMMITMENTS	9	
TOTAL EQUITY AND LIABILITIES	<u>28,643,079</u>	<u>28,525,938</u>

The annexed notes from 1 to 17 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 PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED MARCH 31, 2018
(UN-AUDITED)**

Note	Nine Months Ended		Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	----- (Rupees in '000) -----			
Revenue – net	1,015,927	-	412,880	-
Cost of services	10 (1,761,826)	-	(614,694)	-
Gross loss	(745,899)	-	(201,814)	-
Administrative expenses	(204,751)	(45,146)	(64,622)	(19,849)
Other income	11 43,252	88,849	4,224	23,735
Finance cost – long-term financing	(808,992)	-	(259,683)	-
Other expenses	12 (544,562)	-	(254,357)	-
(Loss) / profit before taxation	(2,260,952)	43,703	(776,252)	3,886
Taxation	13 (1,292,743)	(13,551)	(472,240)	(1,205)
(Loss) / profit for the period	(3,553,695)	30,152	(1,248,492)	2,681
	----- (Rupees) -----			
(Loss) / earnings per ordinary share – basic and diluted	(2.392)	0.020	(0.840)	(0.002)

The annexed notes from 1 to 17 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 NINE MONTHS ENDED MARCH 31, 2018
(UN-AUDITED)**

	Nine Months ended		Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	----- (Rupees in '000) -----			
(Loss) / profit for the period	(3,553,695)	30,152	(1,248,492)	2,681
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(3,553,695)</u>	<u>30,152</u>	<u>(1,248,492)</u>	<u>2,681</u>

The annexed notes from 1 to 17 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 NINE MONTHS ENDED MARCH 31, 2018
(UN-AUDITED)**

	Nine months ended	
	March 31, 2018	March 31, 2017
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit for the period before taxation	(2,260,952)	43,703
Adjustments for non-cash items:		
Depreciation	890,207	1,781
Amortisation	14,515	10
Gain on disposal of operating fixed assets	(745)	(118)
Mark-up on long-term financing	808,992	-
Exchange loss	539,859	-
Staff compensated absences	7,994	285
	2,260,822	1,958
Decrease / (increase) in current assets		
Stores, spares and loose tools	(19,296)	-
Trade debts	(232,335)	-
Trade deposits, prepayments and other receivables	104,026	6,832
Sales tax refundable	88,717	(507,504)
	(58,888)	(500,672)
Increase in current liabilities		
Trade and other payables	82,270	(427,917)
Cash generated from / (used in) operations	23,252	(882,928)
Taxes paid	(74,017)	(237,276)
Staff compensated absences paid	(277)	(252)
Mark-up paid	(520,752)	-
Increase in retention money – net	-	33,762
Net cash used in operating activities	(571,794)	(1,086,694)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to operating fixed assets	-	(24,707)
Proceeds from disposal of operating fixed assets	866	613
Additions to capital work in progress	(944,431)	(7,567,880)
Net cash used in investing activities	(943,565)	(7,591,974)
CASH FLOWS FROM FINANCING ACTIVITIES		
Transaction costs paid on long-term finance	-	(21,996)
Repayment of long-term loan	(191,002)	-
Proceeds from long-term loan	-	7,350,738
Proceeds from issue on shares	-	2,153,166
Net cash (used in) / generated from financing activities	(191,002)	9,481,908
Net decrease in cash and cash equivalents	(1,706,361)	803,240
Cash and cash equivalents as at the beginning of the period	1,994,203	2,197,437
Cash and cash equivalents as at the end of the period	287,842	3,000,677

The annexed notes from 1 to 17 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 NINE MONTHS ENDED MARCH 31, 2018
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Accumulated profit / (loss)	Total
	------(Rupees in '000)-----		
Balance as at June 30, 2016 (Audited)	12,706,793	70,128	12,776,921
Issue of Right Shares	2,153,166		2,153,166
Profit for the period	-	30,152	30,152
Other comprehensive income	-	-	-
Total comprehensive income	-	30,152	30,152
Balance as at March 31, 2017 (Un-audited)	14,859,959	100,280	14,960,239
Balance as at June 30, 2017 (Audited)	14,859,959	96,986	14,956,945
Loss for the period	-	(3,553,695)	(3,553,695)
Other comprehensive loss	-	-	-
Total comprehensive loss	-	(3,553,695)	(3,553,695)
Balance as at March 31, 2018 (Un-audited)	14,859,959	(3,456,709)	11,403,250

The annexed notes from 1 to 17 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 NINE MONTHS ENDED MARCH 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.

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

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; and Provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The SECP in pursuance of the S.R.O No. 24(I)/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 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, 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 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, 2017. Significant accounting policies are stated below:

4.1 Stores, spare and loose tools

Stores, spare parts and loose tools are valued at lower of cost and net realisable value. Cost is determined using weighted average cost basis except for those in transit which are stated at invoice price plus other charges paid thereon up to the balance sheet date. Provision is made annually in the financial statements for slow moving and obsolete items if required.

4.2 Trade debts

Trade debts originated by the Company are recognised and carried at original invoice amount less provision for doubtful debts. Provision for doubtful debts is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

4.3 Revenue

Revenues from port operations are recognised when service is rendered. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies, if any.

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, 2017.

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, 2017.

		March 31, 2018 (Un-audited) ----- (Rupees in '000) -----	June 30, 2017 (Audited)
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	26,834,600	76,080
Capital work-in-progress	6.2	48,220	25,008,470
		<u>26,882,820</u>	<u>25,084,550</u>
6.1. Operating fixed assets			
Book value as at the beginning of the period / year		76,080	60,076
Additions/ transfers / adjustments during the period / year	6.2.1	27,648,848	38,206
		<u>27,724,928</u>	<u>98,282</u>
Less: Disposals during the period / year at written-down value		121	906
Depreciation charged during the period / year		890,207	21,296
		<u>26,834,600</u>	<u>76,080</u>
6.2. Capital work-in-progress			
Opening balance		25,008,471	16,415,584
Additions during the period		2,774,414	8,592,886
Transfers to operating fixed assets	6.2.1	(27,648,848)	-
Transfers to intangibles		(85,817)	-
Closing balance		<u>48,220</u>	<u>25,008,470</u>

March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
----- (Rupees in '000) -----	

6.2.1. Transfers to operating fixed assets during the period / year

Port infrastructure	13,138,996	-
Leasehold improvements	3,847,123	-
Buildings	1,041,270	-
Cargo handling equipment	7,186,946	-
Terminal equipment	934,210	-
Port power generation	1,426,977	-
EDP equipment	19,320	-
Vehicles	37,025	-
Furniture and fixtures	16,981	-
	<u>27,648,848</u>	<u>-</u>

7. Includes balances of Rs.234 million held with banks against letter of guarantee and commitments under letters of credit.

March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
----- (Rupees in '000) -----	

8. DEFERRED TAXATION

Taxable temporary differences arising on:

- accelerated tax depreciation	1,458,013	-
--------------------------------	-----------	---

Deductible temporary differences arising on:

- accelerated accounting amortization	(14,589)	-
- pre-commencement expenses	(67,825)	(87,135)
- tax losses	(261,831)	-

Deferred tax liability / (assets)

<u>1,113,768</u>	<u>(87,135)</u>
------------------	-----------------

9. CONTINGENCIES AND COMMITMENTS

9.1. Contingencies

9.1.1. There is no change in the status of the contingencies as disclosed in note 14.1.1 and 14.1.2 to the annual financial statements of the Company for the year ended June 30, 2017 except that during the period, the Company has filed supplementary petition before the Honorable Supreme Court of Pakistan challenging the levy of sales tax and income tax on import of plant, machineries and equipment.

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.

9.1.2. During the period, the Company has filed petition before the Honorable High Court of Sindh (SHC) challenging the Order in Original passed by the Sindh Revenue Board (SRB), whereby the input tax adjustment of Sales tax levied at the import stage of plant, machineries and equipment, was rendered inadmissible and recovery proceedings were started by SRB. The SHC granted a stay order against the said recovery proceedings and the case is proceeding.

The management believes and is of the view based on the advice of its legal advisor that the eventual outcome will be in favour of the Company. Accordingly, no provision has been recorded in these condensed interim financial statements.

9.2. Commitments

There is no significant change in the status of the commitment as disclosed in note 14.2 to the annual financial statements of the Company for the year ended June 30, 2017 except the following:

9.2.1. Capital expenditure contracted but remaining to be executed amounted to Rs. 15 million (June 30, 2017: Rs. 242 million) pertaining to the contracts for civil works.

Nine Months ended		Quarter ended	
March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
----- (Un-audited) -----		----- (Un-audited) -----	
----- (Rupees in '000) -----			

10. COST OF SERVICES

Royalty	336,320	-	134,538	-
Salaries, wages and other benefits	156,141	-	49,290	-
Terminal handling & services	161,204	-	60,768	-
Terminal maintenance	18,930	-	8,079	-
Fuel power & utilities	103,148	-	33,363	-
Insurance	64,234	-	18,801	-
Security	14,272	-	4,603	-
Office maintenance	12,919	-	2,510	-
Travelling and conveyance	13,989	-	5,918	-
Rent & rates	9,455	-	3,152	-
Depreciation	856,788	-	288,822	-
Amortisation	14,426	-	4,850	-
	1,761,826	-	614,694	-

11. OTHER INCOME
Income from financial assets

Profit on savings account	42,507	88,731	4,224	23,735
---------------------------	--------	--------	-------	--------

Income from non-financial assets

Gain/(loss) on disposal of fixed assets	745	118	-	-
	43,252	88,849	4,224	23,735

12. Other expenses include exchange losses on retranslation of foreign currency loans amounting to Rs. 539.9 million.

Nine Months ended		Quarter ended	
March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
----- (Un-audited) -----		----- (Un-audited) -----	
----- (Rupees in '000) -----			

13. TAXATION

Current	91,840	27,543	37,324	7,358
Deferred	1,200,903	(13,995)	434,916	(6,153)
Prior	-	3	-	-
	1,292,743	13,551	472,240	1,205

14. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of principal shareholders, associated companies, directors and key management personnel and employees' benefit fund. Transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	Note	Nine Months Ended	
		March 31, 2018	March 31, 2017
		---- (Un-audited) ----	
		----- (Rupees in '000) -----	
Associated Companies			
Entities having directors in common with the Company			
Premier Mercantile Services (Private) Limited			
Issue of share capital		-	931,473
Rent against office premises	14.1	2,097	2,156
Purchase of vehicle		-	184
Portlink International Services (Private) Limited			
Consultancy services	14.2	22,491	-
Rent against office premises		622	638
Travel Club (Private) Limited			
Payment for travelling expenses	14.3	638	6,368
EFU General Insurance Limited			
Insurance premium		72,385	52,619
Jahangir Siddiqui & Co. Limited			
Issue of share capital		-	249,633
Key management personnel			
Fees and remuneration		113,507	90,160
Staff retirement contribution plan			
Contributions to staff provident fund		3,818	3,966
14.1. Outstanding balance of Premier Mercantile Services (Private) Limited as at March 31, 2018 was Rs. 231,750 (June 30, 2017: Nil).			
14.2. Outstanding balance of Portlink International Services (Private) Limited as at March 31, 2018 was Rs. 17.5 million. (June 30, 2017: Nil).			
14.3. Outstanding balance of Travel Club (Private) Limited as at March 31, 2018 was Rs. 7,156 (June 30, 2017: Nil).			

15. 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”. If the Company had to follow IFRIC-12, the effect on the condensed interim financial statements would be as follows:

	March 31, 2018 (Un-audited) ----- (Rupees in ‘000) -----	June 30, 2017 (Audited) -----
Reclassification from property, plant and equipment (CWIP) to intangible assets (Port Concession Rights) – written down value	<u>27,456,971</u>	<u>25,008,470</u>
Reclassification from Intangibles to Port Concession Rights – written down value	<u>460,123</u>	<u>-</u>
Reclassification from stores, spares and loose tools to intangibles assets (Port Concession Rights) – written down value	<u>18,814</u>	<u>-</u>
Recognition of intangible assets (Port Concession Rights) on account of rent of backup and waterfront area (rent)	<u>85,784</u>	<u>86,897</u>
Recognition of present value of concession liability on account of intangibles (rent)	<u>110,510</u>	<u>109,598</u>
Interest expense charged for the period / year on account of intangibles (rent)	<u>6,560</u>	<u>8,518</u>
Amortisation expense charged for the period on account of intangibles (rent)	<u>2,145</u>	<u>-</u>
Amortisation expense charged for the period on account of concession assets (PPE)	<u>703,019</u>	<u>-</u>

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 30, 2018 by the Board of Directors of the Company.

17. GENERAL

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

17.2. Certain corresponding figures have been re-classified for better presentation. However, there are no material reclassifications to report.

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