

QUARTERLY REPORT

September 30, 2020



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 Nadir Shah Mr. Ali Raza Siddiqui Ms. Farah Agha
Chief Financial Officer	Mr. Arsalan I. Khan, FCA
Company Secretary	Mr. Karim Bux, ACA

Audit Committee

Chairman	Syed Nadir Shah
Members	Capt. Zafar Iqbal Awan Mr. Ali Raza Siddiqui Ms. Farah Agha
Chief Internal Auditor & Secretary	Mr. Noman Yousuf

Human Resource & Remuneration Committee

Chairman	Syed Nadir 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 Il Talwar, Block-9, Clifton, Karachi.

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

Bankers

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

Registrar / Transfer Agent

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

Registered Office

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

Terminal Office

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

Directors' Report

The Directors are pleased to present the Financial Statements of Pakistan International Bulk Terminal Limited (PIBT) (the Company) for the period ended September 30, 2020.

BUSINESS REVIEW

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

During the period, your Company has handled 2,320,006 tons cargo against 2,140,313 tons in the same period last year depicting consistent performance. The management of the Company is focusing on strategies to bring more efficiency in cargo handling operations, with the objective of providing unparalleled services to its customers.

During the period, the Company has posted net profit after taxation which also includes exchange gain on currency revaluation of USD denominated foreign loans. Financial highlights of the Company for quarter ended September 30, 2020 as compared to the same period last year is presented below:

PKR in '000

Particulars	1st Quarter 2020-2021	1st Quarter 2019-2020
Revenue	2,604,362	2,336,777
Gross profit	866,772	680,760
Net profit	461,783	479,148
Earnings per Share (Rs.)	0.26	0.27

GOING FORWARD

The Company has shown improvement in revenue, gross profit and EBITDA, and constantly endeavors to further optimize costs which will help improve shareholders' return in the future.

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

For and on behalf of the Board of Directors

Sharique Azim Siddiqui
Chief Executive Officer
Karachi: October 22, 2020

بیانِ نظماً

پاکستان انٹرنیشنل بلک ٹرمینل لمیٹڈ کے ناظمین عرصہ مختتمہ 30۔ ستمبر، 2020ء کے لیے کمپنی کے مالیاتی گوشوارے 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 2010ء کو پورٹ قاسم اتھارٹی کے ساتھ 30 سالہ مدت کے لئے، بناؤ، چلاؤ اور منتقل کر دہی بنیاد پر ایک معاہدہ کیا۔

اس عرصہ میں مستقل کاروباری سرگرمیوں سے ظاہر ہوتا ہے آپ کی کمپنی نے مختلف جہازوں کے ذریعے گزشتہ برس کے 2,140,313 ٹن کوئلے کے حجم کے مساوی عرصہ کے مقابلہ میں 2,320,006 ٹن کوئلہ کنٹارے لگایا ہے۔ کمپنی کی انتظامیہ اپنے گاہکوں کو بے مثال خدمات کی فراہمی کے مقصد کے ساتھ کارگو کی بہتر انجام کاری میں مزید بہتری لانے کے لئے حکمت عملیوں پر پوری توجہ مرکوز کئے ہوئے ہے۔

اس عرصہ میں آپ کی کمپنی نے کل منافع قبل از ٹیکس کا اندراج کیا ہے جو خاص طور پر غیر ملکی قرضہ جات اور ڈالر کی قدر میں بڑھوتی کی متعین شدہ قیمتوں کی وجہ سے ہے۔ حالیہ سہ ماہی کا گزشتہ برس کی سہ ماہی سے موازنہ کیا جائے تو 30۔ ستمبر، 2020ء کے لئے آپ کی کمپنی کی مالیاتی کارکردگی حسب ذیل ہے۔

روپوں میں '000

تفصیلات	پہلی سہ ماہی 2020-2021	پہلی سہ ماہی 2019-2020
آمدن	2,604,362	2,336,777
مجموعی منافع	866,772	680,760
کل منافع	461,783	479,148
کمائی فی حصص (روپیہ)	0.26	0.27

آگے بڑھتے ہوئے

کمپنی نے ٹیکس ادا کیگی کے بعد سہ ماہی بر سہ ماہی تقابلی آمدن میں مجموعی منافع اور ایبدا کے منافع میں واضح بہتری ظاہر کی ہے اور اپنے حصص یافتگان کو مستقبل میں بہتر منافع کی فراہمی کے لئے لاگتوں میں بہتری لانے پر بھرپور کوششیں جاری ہیں۔

آخر میں مجلسِ نظماً اپنے اس عزم کا اعادہ کرتی ہے کہ کوئلے ہلکنگ اور سینٹ کے انتظام و انصرام کے لیے پاکستان کے اس پہلے اور جدید ترین بلک کارگو ٹرمینل کو فعال رکھے گی جس نے بین الاقوامی معیار پر پورا اترتے ہوئے ماحولیاتی آلودگی پر قابو پایا ہے اور ملک میں بندرگاہ کے بنیادی ڈھانچے کو ایک نئی جدت اور ترقی سے ہمکنار کیا ہے۔

مخانب مجلسِ نظماً

شارق عظیم صدیقی

چیف ایگزیکٹو آفیسر

کراچی، 22۔ اکتوبر، 2020ء

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020**

	September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
Note	----- (Rupees in '000) -----	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6 25,023,640	25,199,618
Intangible assets	340,297	344,247
Deferred tax	7 679,923	710,135
	<u>26,043,860</u>	<u>26,254,000</u>
CURRENT ASSETS		
Stores and spares	488,379	458,025
Trade debts – unsecured	758,621	884,172
Advances, deposits, prepayments and other receivables	201,655	150,425
Sales tax refundable	-	54,450
Taxation – net	1,539,472	1,433,510
Cash and bank balances	1,391,886	432,956
	<u>4,380,013</u>	<u>3,413,538</u>
TOTAL ASSETS	<u>30,423,873</u>	<u>29,667,538</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 2,000,000,000 (June 30, 2019: 2,000,000,000) ordinary shares of Rs. 10/- each	<u>20,000,000</u>	<u>20,000,000</u>
Issued, subscribed and paid-up capital 1,786,092,772 (June 30, 2019: 1,786,092,772) ordinary shares of Rs. 10/- each fully paid in cash	17,860,928	17,860,928
Accumulated loss	<u>(3,404,460)</u>	<u>(3,866,243)</u>
	<u>14,456,468</u>	<u>13,994,685</u>
NON-CURRENT LIABILITIES		
Long-term financing - secured	12,285,687	12,324,685
Staff compensated absences	53,384	50,201
Deferred government grant	19,111	11,621
Defined benefit obligation	21,172	23,118
	<u>12,379,354</u>	<u>12,409,625</u>
CURRENT LIABILITIES		
Trade and other payables	1,331,873	1,369,021
Current maturity of long-term financing - secured	1,859,260	1,841,075
Current portion of deferred government grant	6,370	3,874
Sales tax payable	68,533	-
Accrued interest	322,015	49,258
	<u>3,588,051</u>	<u>3,263,228</u>
CONTINGENCIES AND COMMITMENTS	8	
TOTAL EQUITY AND LIABILITIES	<u>30,423,873</u>	<u>29,667,538</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Sharique Azim Siddiqui
Chief Executive Officer

Arsalan I. Khan
Chief Financial Officer

Capt. Zafar Iqbal Awan
Director

**CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2020
(UN-AUDITED)**

	September 30, 2020	September 30, 2019
Note	----- (Rupees in '000) -----	
Revenue – net	2,604,362	2,336,777
Cost of services	(1,737,590)	(1,656,017)
Gross profit	866,772	680,760
Administrative and general expenses	(123,804)	(93,931)
Other income	14,754	22,451
Finance cost	(275,372)	(383,326)
Other income – exchange gain	110,415	438,061
Profit before taxation	592,765	664,015
Taxation	9 (130,982)	(184,867)
Net profit for the period	461,783	479,148
Other comprehensive income	-	-
Total comprehensive profit for the period	461,783	479,148
	----- (Rupees) -----	
Earnings per ordinary share – basic and diluted	0.26	0.27

The annexed notes from 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2020
(UN-AUDITED)**

	September 30, 2020	September 30, 2019
	----- (Rupees in '000) -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	592,765	664,015
Adjustments for non-cash items:		
Depreciation	310,669	299,411
Amortisation	3,950	5,028
Finance cost	275,372	383,326
Unrealised exchange gain	(110,415)	(536,750)
Staff compensated absences	3,946	7,342
Amortization of government grant	(1,909)	-
Provision for defined benefit obligation	6,806	-
Gain on disposal of operating fixed assets	(991)	(2,677)
Profit before working capital changes	487,428	155,680
(Increase)/decrease in current assets		
Stores and spares	(30,355)	(137,050)
Trade debts – unsecured	125,551	(15,388)
Advances, deposits, prepayments and other receivables	(51,230)	(109,691)
Sales tax refundable	122,983	146,724
	166,949	(115,405)
Decrease in current liabilities		
Trade and other payables	(30,923)	(70,090)
Cash generated from operations	1,216,219	634,200
Taxes paid	(206,733)	(198,461)
Finance cost paid	(3,419)	-
Contribution to defined benefit plan	(8,727)	-
Staff compensated absences paid	(763)	(175)
Net cash generated from operating activities	996,577	435,564
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(135,530)	(155,522)
Proceeds from sale of operating fixed assets	1,830	2,100
Net cash used in investing activities	(133,700)	(153,422)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing – secured	-	-
Proceeds from refinance scheme for payment of wages and salaries	99,633	-
Net cash generated from financing activities	99,633	-
Net increase in cash and cash equivalents	962,510	282,142
Cash and cash equivalents at the beginning of the period	298,089	325,886
Cash and cash equivalents at the end of the period	1,260,599	608,028
Bank balance under lien	131,287	104,800
Cash and bank balances	1,391,886	712,828

The annexed notes from 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2020
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Revenue reserve – (accumulated losses)	Reserves		Total equity and reserves
			Other component of equity – Actuarial gain on defined benefit obligation	Total reserves	
----- (Rupees in '000) -----					
Balance as at July 01, 2019 (Audited)	17,860,928	(5,015,947)	-	(5,015,947)	12,844,981
Net profit for the period	-	479,148	-	479,148	479,148
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive profit for the period	-	479,148	-	479,148	479,148
Balance as at September 30, 2019 (Un-audited)	17,860,928	(4,536,799)	-	(4,536,799)	13,324,129
Balance as at July 01, 2020 (Audited)	17,860,928	(3,871,662)	5,419	(3,866,243)	13,994,685
Net profit for the period	-	461,783	-	461,783	461,783
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	461,783	-	461,783	461,783
Balance as at September 30, 2020 (Un-audited)	17,860,928	(3,409,879)	5,419	(3,404,460)	14,456,468

The annexed notes from 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2020
(UN-AUDITED)**

1. THE COMPANY AND ITS OPERATIONS

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

Geographical location and address of business units

Registered office	The Company's registered office is situated at 2nd floor, Business Plaza, Mumtaz Hassan Road, Karachi.
Terminal	The Company's terminal is situated at NWIZ/LL/02, North Western Industrial Zone, Port Qasim Authority.

- 1.2. The Company has entered into a Build Operate Transfer (BOT) contract with Port Qasim Authority (PQA) on November 06, 2010 for the construction, development, operations and management of a coal and clinker / cement terminal at Port Muhammad Bin Qasim for a period of thirty years. After the expiry date, the Company will transfer all the concession assets to PQA as disclosed in note 11 to these condensed interim financial statements.

2. STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

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

The Securities and Exchange Commission of Pakistan (SECP) vide its SRO No. 24 (1) / 2012 dated January 16, 2012 has granted waiver in respect of application of IFRIC 12 "Service Concession Arrangements" due to the practical difficulties faced by the companies. The impact on the financial results of the Company due to application of IFRIC 12 is disclosed in note 11 to these condensed interim financial statements. Accordingly, the Company has not applied IFRIC 12 in preparation of these condensed interim financial statements.

3. BASIS OF PREPARATION

These condensed interim financial statements are un-audited and are being submitted to the shareholders as required under Section 237 of the Act. These condensed interim financial statements do not include all the information and disclosures required for complete set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2020.

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, 2020.

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 recognized 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, 2020.

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, 2020.

	September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
Note	----- (Rupees in '000) -----	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	6.1 24,721,095	24,879,073
Capital work-in-progress	6.2 302,545	320,545
	<u>25,023,640</u>	<u>25,199,618</u>
6.1 Operating fixed assets		
Written down value as at the beginning of the period / year	24,879,073	25,671,133
Additions during the period / year	<u>153,530</u>	<u>439,956</u>
	25,032,603	26,111,089
Less:		
Disposals during the period / year at written down value	(839)	(1,796)
Depreciation charged during the period / year	<u>(310,669)</u>	<u>(1,230,220)</u>
	<u>24,721,095</u>	<u>24,879,073</u>
6.2 Capital work-in-progress		
Opening balance	320,545	237,345
Additions during the period / year	135,530	523,156
Transfers to operating fixed assets	<u>(153,530)</u>	<u>(439,956)</u>
Closing balance	<u>302,545</u>	<u>320,545</u>
7. DEFERRED TAX		
Arising on taxable temporary difference		
- accelerated tax depreciation	(2,556,550)	(2,509,605)
- amortization	(5,554)	(3,254)
Arising on deductible temporary differences		
- tax losses	2,910,158	2,950,144
- ACT (in excess of corporate tax)	176,189	119,429
- pre-commencement expenses	28,685	32,782
- government grant	7,390	4,494
- minimum tax	113,465	109,441
- defined benefit obligation	<u>6,140</u>	<u>6,704</u>
	<u>679,923</u>	<u>710,135</u>

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, 2020.

8.2. Commitments

There is no change in the status of the commitment as disclosed in note 18.2 to the annual financial statements of the Company for the year ended June 30, 2020 except for the unexecuted capital expenditure contracts amounting to Rs. 228.1 million (June 30, 2020: Rs. 304.9 million).

Quarter ended	
September 30, 2020	September 30, 2019
----- (Un-audited) -----	
---- (Rupees in '000) ---	

9. TAXATION

Current	100,770	35,052
Deferred	30,212	149,815
	<u>130,982</u>	<u>184,867</u>

10. TRANSACTIONS WITH RELATED PARTIES

10.1. Related parties of the Company comprise companies with common directorship, retirement funds, directors and key management personnel. Detail of related parties with whom the Company has entered into transactions with or has arrangement / agreement in place during the period along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

Name of related party and relationship	Nature of transactions	September 30, 2020	September 30, 2019
		----- (Unaudited) -----	
		---- (Rupees in '000) ---	
Associated companies			
Premier Mercantile Services (Private) Limited	Rent against office premises	695	695
Portlink International Services (Private) Limited	Consultancy services	9,018	8,198
EFU General Insurance Limited	Insurance premium	45,692	44,827
Premier Software (Private) Limited	IT Support Services	339	339
Other related parties			
Key management personnel	Remuneration and benefits	35,499	32,426
Staff retirement contribution plan	Contribution	10,852	9,791
Defined benefit obligation	Contribution	8,727	-
Sponsors	Securities pledged for facilities	1,050,100	429,100

10.2. Outstanding balance of Portlink International Services (Private) Limited as at September 30, 2020 was Rs. 9.01 million (June 30, 2020: Rs. Nil).

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

As explained in note 1.2, the required disclosure is as follows:

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

	September 30, 2020 (Un-audited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)
Reclassification from property, plant and equipment to intangible assets (Port Concession Rights) – written down value	<u>25,860,355</u>	<u>24,861,900</u>
Reclassification from intangible assets to intangible assets (Port Concession Rights) – written down value	<u>338,669</u>	<u>343,861</u>
Reclassification from stores and spares to intangible assets (Port Concession Rights) – written down value	<u>488,379</u>	<u>458,025</u>
Recognition of intangible assets (Port Concession Rights) on account of rent of backup and waterfront area (rent)	<u>65,788</u>	<u>66,403</u>
Recognition of present value of concession liability on account of intangible assets (rent)	<u>104,275</u>	<u>106,571</u>
Interest expense charged for the period / year on account of intangible assets (rent)	<u>2,489</u>	<u>9,671</u>
Amortisation expense charged for the period / year on account of intangible assets (rent)	<u>615</u>	<u>2,459</u>
Amortisation expense charged for the period / year on account of concession assets (PPE)	<u>324,201</u>	<u>1,258,221</u>

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 22, 2020 by the Board of Directors of the Company.

13. GENERAL

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

Sharique Azim Siddiqui
Chief Executive Officer

Arsalan I. Khan
Chief Financial Officer

Capt. Zafar Iqbal Awan
Director

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