

QUARTERLY REPORT

March 31, 2017



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 A. 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 A. 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 A. 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
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Legal Advisor	Khalid Anwer & Co. 153-K , Sufi Street, Block-2, PECHS, Karachi 75400 Kabraji & Talibuddin 64-A/1, Gulshan-e-Faisal, Bath Island, Karachi. The Continental Law Associates Panorama Centre, Saddar, Karachi.
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Bankers	Al-Baraka Bank 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
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Registrar / Transfer Agent	Technology Trade (Pvt.) Ltd. 241-C, Block-2, P.E.C.H.S., Karachi. Tel: 92-21-34391316-7
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Registered & Head Office	2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi-74000 Pakistan. Tel. 92-21-32400450-3Fax. 92-21-32400281
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Directors' Report

The Directors are pleased to present the Financial Statements of Pakistan International Bulk Terminal Limited (PIBT) (Company) for the period ended March 31, 2017.

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 & Un-loaders" and the "Power House Equipment", respectively, has arrived and installed at the Site. Currently, testing & commissioning are being performed at the Site.
4. As fully described in the financial statements, 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 respectively. The Directors would like to express their gratitude to the Foreign and Local Lenders for investing confidence in the Project.
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. The Right Issue of PKR 2,153 million was fully subscribed by the shareholders and the entire process of allotment of right shares was completed on March 30, 2017. The Directors express their gratitude to our Shareholders in the general public and the Institutional Investors in the Company.
6. 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 stay respective orders 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 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 grounds on which sales tax and income tax as levied does not attract the provision of the relevant laws, and thus are of the view that the eventual outcome will be in favour of the Company.

FINANCIAL PERFORMANCE

During the period, the Company has earned other income of Rs. 88.849 million (March 2017: Rs.69.535 million) which mainly comprises of the interest income on the deposits held with the Commercial Bank. The Company has posted a profit before taxation amounting to Rs. 43.703 million against a profit of Rs. 26.263 million during the previous period. Net Profit after tax is Rs. 30.152 million in comparison with a profit of Rs. 16.678 million during the previous period.

FINANCIAL RESULTS

These are summarized below:

	<i>Rupees in '000'</i>
Profit before taxation	43,703
Taxation	(13,551)
Profit after tax	30,152
EPS- Basic & Diluted	Rs. 0.021

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.

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: April 28, 2017

ڈائریکٹر کی رپورٹ

پاکستان انٹرنیشنل بلک ٹرمینل لمیٹڈ کے ڈائریکٹر زھص بانیگان کو 31- مارچ 2017ء کو ختم ہونے والے عرصے کیلئے کمپنی کے مالیاتی گوشوارے پیش کرنے میں خوشی محسوس 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 پورٹ کنگنک / سینٹ 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 کونسل، سینٹ اور کنگنک 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 ایک معاہدہ کیا ہے جس کی قیمت 12.499 بلین روپے ہے۔ سردست، ترقیاتی 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 بیلت 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 اور تنصیب مکمل ہو چکی ہے اور آزمائشی کارروائیاں جاری ہیں۔
- 4- 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 ملین ڈالر اور 7,200 ملین 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 اور سرمایہ کاروں سے بھی اظہار تشکر کرتے ہیں۔
- 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 اجراء کی منظوری دی۔ 2,153 ملین روپے کا رائٹ اشو حصص یافتگان کے ذریعے کلی طور پر قبول کر لیا گیا اور رائٹ شیئرز کی الاٹمنٹ کا سارا عمل 30 مارچ 2017ء کو مکمل ہوا۔ ڈائریکٹران اپنے حصص یافتہ عوام الناس اور کمپنی میں ادارتی سرمایہ کاروں سے اظہار تشکر کرتے ہیں۔
- 6- اسی دوران کمپنی نے معزز سندھ ہائی کورٹ میں پورٹ مشینری اور آلات کی درآمدگی پر نافذ سٹیزنگس اور ٹیکس کو چیلنج کرتے ہوئے ایک پٹیشن دائر کی۔ چنانچہ سندھ ہائی کورٹ نے حکم اتناعی جاری کیا اور اتھارٹیز کو کمپنی کے خلاف مزید کسی متجاوز اقدام سے باز رہنے کی ہدایات جاری کیں اور اسے کمپنی کے سندھ ہائی کورٹ کے ناظر کے حق میں جگ گارٹی

داخل کرنے سے مشروط کیا، پورٹ مشینری اور آلات کی درآمدگی پر نافذ سٹریٹجک اور انکم ٹیکس کے دعویٰ کی حد تک جو کہ کمپنی بہم مہیا کر چکی ہے۔ انتظامیہ اس امر پر یقین رکھتی ہے اور اپنے قانونی مشیروں کی ہدایت پر بھروسہ کرتی ہے کہ اس چارہ جوئی کے نتائج کمپنی کے حق میں برآمد ہوں گے۔

مالیاتی سرگرمیاں

اس دورانیہ میں کمپنی نے دیگر آمدنی کی مد میں 88.849 ملین روپے حاصل کیے (مارچ 2017: 69.535 ملین روپے) جس میں کرنشل بینک کے ساتھ رکھے گئے رہن پر مارک اپ کی آمدنی پر حاصل شدہ نفع شامل ہے۔ کمپنی پچھلے دورانیہ میں 26.263 ملین روپے منافع کے مقابلے میں 43.703 ملین روپے قبل از ٹیکس منافع حاصل کر چکی ہے۔ پچھلے عرصہ 16.678 ملین روپے کے خالص منافع کے مقابلے میں بعد از ٹیکس منافع 30.152 ملین روپے رہا۔

مالیاتی نتائج

اس کا خلاصہ درج ذیل میں ہے:

000 روپے میں	
43,703	قبل از ٹیکس منافع
(13,551)	ٹیکس
30,152	بعد از ٹیکس منافع
0.021 روپے	نی شیئر منافع - بنیادی اور ڈائلیوٹڈ

CHEC کی جانب سے منصوبے پر کی جانے والی ترقیاتی سرگرمیوں کی موجودہ رفتار طبعاً بخیر ہے جس میں آلات کی سپلائی ترقی 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۔

آخر میں بورڈ آف ڈائریکٹرز اپنے اس عزم کا اعادہ کرتے ہیں کہ کوئٹہ، گلگت 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 پائے گا اور ملک میں بندرگاہ کے انفراسٹرکچر کو ترقی دینے میں معاون ثابت ہوگا۔

منجانب بورڈ آف ڈائریکٹرز

شارق عظیم صدیقی

چیف ایگزیکٹو آفیسر

کراچی: 28 اپریل 2017ء



**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2017**

		March 31, 2017 (Un-audited)	June 30, 2016 (Audited)
		----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
	4	24,362,747	16,475,660
Property, plant and equipment			
Intangible assets		320,728	330,481
Deferred tax	5	79,073	65,078
		<u>24,762,548</u>	<u>16,871,219</u>
CURRENT ASSETS			
Trade deposits and short term prepayments		6,321	12,923
Other receivables		-	230
Sales tax refundable	9.1.1	670,991	163,488
Taxation - net	9.1.2	262,701	52,971
Cash and bank balances	6	3,000,677	2,197,437
		<u>3,940,690</u>	<u>2,427,049</u>
TOTAL ASSETS		<u>28,703,238</u>	<u>19,298,268</u>
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		<u>15,000,000</u>	<u>15,000,000</u>
Issued, subscribed and paid-up capital			
1,485,995,900 (June 2016: 1,270,679,294) Ordinary shares of Rs. 10/- each fully paid in cash	7	14,859,959	12,706,793
Accumulated profit		100,280	70,128
		<u>14,960,239</u>	<u>12,776,921</u>
NON-CURRENT LIABILITIES			
Long term financing - secured	8	12,227,779	5,072,404
Retention money EPC contractor		982,189	948,426
Staff compensated absences		15,813	13,211
		<u>13,225,781</u>	<u>6,034,041</u>
CURRENT LIABILITIES			
Trade and other payables		42,111	470,028
Current maturity of long-term financing	8	190,469	-
Accrued mark-up on long-term financing		284,638	17,278
		<u>517,218</u>	<u>487,306</u>
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u>28,703,238</u>	<u>19,298,268</u>

The annexed notes from 1 to 16 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 NINE MONTHS PERIOD ENDED MARCH 31, 2017
(UN-AUDITED)**

	Note	Nine Months ended		Quarter Ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		----- (Rupees in '000) -----			
Administrative expenses		(45,146)	(43,272)	(19,849)	(8,838)
Other income	10	88,849	69,535	23,735	15,377
Profit before taxation		<u>43,703</u>	<u>26,263</u>	<u>3,886</u>	<u>6,539</u>
Taxation	11	(13,551)	(9,585)	(1,205)	(2,093)
Profit after taxation		<u>30,152</u>	<u>16,678</u>	<u>2,681</u>	<u>4,446</u>
Earnings per ordinary share - basic and diluted		<u>Rs. 0.021</u>	(Restated) <u>Rs. 0.012</u>	(Restated) <u>Rs. 0.002</u>	(Restated) <u>Rs. 0.003</u>

The annexed notes from 1 to 16 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 NINE MONTHS PERIOD ENDED MARCH 31, 2017
(UN-AUDITED)**

	Nine Months ended		Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- (Rupees in '000) -----			
Profit for the period	30,152	16,678	2,681	4,446
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	30,152	16,678	2,681	4,446

The annexed notes from 1 to 16 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 NINE MONTHS PERIOD ENDED MARCH 31, 2017
(UN-AUDITED)**

	Nine Months ended	
	March 31, 2017	March 31, 2016
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	43,703	26,263
Adjustments for non-cash items:		
Depreciation	1,781	1,287
Amortization	10	10
Realised gain on investment	-	(11)
Gain on disposal of fixed assets	(118)	-
Staff compensated absences	285	272
Operating profit before working capital changes	45,661	27,821
(Increase) / Decrease in current assets		
Trade deposits and short term prepayments	6,832	(2,444)
Sales tax refundable	(507,504)	-
	(500,672)	(2,444)
(Decrease) / Increase in current liabilities		
Trade and other payables	(427,917)	1,049,040
Cash (used in) / generated from operations	(882,928)	1,074,417
Taxes paid	(237,276)	(23,254)
Staff compensated absences paid	(252)	-
Increase in retention money net	33,762	637,249
Net cash (used in) / generated from operating activities	(1,086,694)	1,688,412
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to operating fixed assets	(24,707)	(25,321)
Additions to capital work in progress	(7,567,880)	(7,809,509)
Proceeds from disposal of operating fixed assets	613	-
Redemption of short-term investments	-	413
Net cash used in investing activities	(7,591,974)	(7,834,117)
CASH FLOWS FROM FINANCING ACTIVITIES		
Transaction costs paid on long term finance	(21,996)	(32,706)
Proceeds from long term financing	7,350,738	-
Proceeds against issue of shares	2,153,166	5,120,648
Net cash generated from financing activities	9,481,908	5,087,942
Net increase / (decrease) in cash and cash equivalents	803,240	(1,057,763)
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	3,000,677	352,360

The annexed notes from 1 to 16 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 NINE MONTHS PERIOD ENDED MARCH 31, 2017
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Revenue reserve- accumulated 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	-	16,678	16,678
Other comprehensive income	-	-	-
Total comprehensive income	-	16,678	16,678
Balance as at March 31, 2016	<u>12,706,793</u>	<u>51,746</u>	<u>12,758,539</u>
Balance as at July 01, 2016	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	<u>14,859,959</u>	<u>100,280</u>	<u>14,960,239</u>

The annexed notes from 1 to 16 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 NINE MONTHS PERIOD ENDED MARCH 31, 2017
(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 are unaudited, required to be presented to the shareholders under the Listing Regulations of Pakistan Stock Exchange and Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 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 shall prevail. 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 Company's annual financial statements for the year ended June 30, 2016.

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.

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 and the Company's condensed interim financial statements for the half year ended December 31, 2016.

		March 31, 2017 (Un-audited)	June 30, 2016 (Audited)
	Note	----- (Rupees in '000) -----	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	68,861	60,076
Capital work-in-progress	4.2	24,293,886	16,415,584
		<u>24,362,747</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	24,707	33,763
Disposals during the period / year		(495)	(4,025)
		<u>84,288</u>	<u>75,632</u>
Less: depreciation charged during the period / year		<u>15,427</u>	<u>15,556</u>
		<u>68,861</u>	<u>60,076</u>
4.1.1 Additions during the period / year			
Vehicles		20,010	32,938
Computers		1,188	488
Office equipment		3,509	337
		<u>24,707</u>	<u>33,763</u>

		July 1, 2016 (Audited)	Additions during the period	March 31, 2017 (Un-audited)
	Note	----- Rupees in '000' -----		
4.2 Capital work- in- progress				
Civil works	4.2.1	11,779,656	3,604,797	15,384,453
Consultancy and survey fees		785,885	156,246	942,131
Advance to EPC & ESC contractors		2,783,371	3,339,301	6,122,672
Depreciation and amortization		101,873	23,389	125,262
Borrowing costs	4.2.2	86,771	582,273	669,044
Other ancillary costs	4.2.3	878,028	172,296	1,050,324
		<u>16,415,584</u>	<u>7,878,302</u>	<u>24,293,886</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 8.

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

		March 31, 2017 (Un-audited)	June 30, 2016 (Audited)
		----- (Rupees in '000) -----	
5. DEFERRED TAX			
Deductible temporary differences arising on:-			
pre-incorporation expenses		3,211	3,211
pre-commencement expenses		75,862	61,867
		<u>79,073</u>	<u>65,078</u>

6. CASH AND BANK BALANCES

Bank balances of Rs.104.8 million were under lien with bank against letters of guarantee as described in note 9.2.4.

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

March 31, 2017	June 30, 2016		March 31, 2017	June 30, 2016
(Number of Shares)			----- (Rupees in '000) -----	
		Ordinary shares of Rs.10/- each fully paid in cash		
1,270,679,294	758,614,504	Opening balance	12,706,793	7,586,145
<u>215,316,606</u>	<u>512,064,790</u>	Issued during the period / year	<u>2,153,166</u>	<u>5,120,648</u>
<u>1,485,995,900</u>	<u>1,270,679,294</u>	Closing balance	<u>14,859,959</u>	<u>12,706,793</u>

- 7.1 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 entire process of allotment of right shares was completed on March 30, 2017.

	March 31, 2017 (Un-audited)	June 30, 2016 (Audited)
Note	----- (Rupees in '000) -----	
8. LONG-TERM FINANCING - secured		
<u>Foreign currency loans</u>		
<i>Under finance facility agreements</i>		
International Finance Corporation (IFC)	8.1 2,774,550	1,169,486
OPEC Fund For International Development (OFID)	8.2 2,743,140	1,156,190
<u>Local currency loans</u>		
<i>Under commercial facility agreements</i>		
Conventional facility	8.3 3,900,000	1,644,000
Musharaka facility	8.4 3,300,000	1,391,100
	<u>12,717,690</u>	<u>5,360,776</u>
Less: unamortized transaction costs	<u>299,442</u>	<u>288,372</u>
Less: current maturity	<u>190,469</u>	<u>-</u>
	<u>489,911</u>	<u>288,372</u>
	<u>12,227,779</u>	<u>5,072,404</u>

- 8.1 The Company has entered into a loan agreement with IFC for a total facility amounting to USD 26.500 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 drawdown of the entire facility.
- 8.2 The Company has entered into a loan agreement with OFID for an amount of USD 26.200 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 drawdown of the entire facility.
- 8.3 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 drawdown of the entire facility.

- 8.4 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 drawdown of the entire facility.
- 8.5 The Company may declare dividends subject to satisfaction of certain financial covenants under the facilities mentioned in notes 8.1 to 8.4.
- 8.6 The above long term financing arrangements (notes 8.1 to 8.4) has been secured, at 25% security margin, by way of the following charges ranking paripassu 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

9. CONTINGENCIES AND COMMITMENTS

9.1 CONTINGENCIES

- 9.1.1 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.
- 9.1.2 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.

9.2 COMMITMENTS

- 9.2.1 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).
- 9.2.2 Capital expenditure contracted but remaining to be executed amounted to Rs. 1,193 million (June 30, 2016: Rs. 3,910 million) pertaining to the contract for civil works construction and Rs. 2,617 million (June 30, 2016: 4,893 million) pertaining to letters of credit under contract for equipment procurement.
- 9.2.3 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 9.1 amounted to Rs. 858.2 Million.
- 9.2.4 Guarantee bond issued by bank on behalf of the Company to the Collector Customs, MCC Port Muhammad Bin Qasim in pursuance of the Company's application for declaration as custom's bonded area in equivalence of USD 1 million amounted to 104.8 million.

	Nine Months ended		Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- (Un-Audited) -----			
	----- (Rupees in '000) -----			
10. OTHER INCOME				
Income from financial assets				
Profit on savings account	88,731	69,524	23,735	15,377
Realised gain on investment	-	11	-	-
Gain on disposal of fixed assets	118	-	-	-
	<u>88,849</u>	<u>69,535</u>	<u>23,735</u>	<u>15,377</u>
11. TAXATION				
Current	27,543	22,255	7,358	4,921
Prior	3	1,177	-	-
Deferred	(13,995)	(13,847)	(6,153)	(2,828)
	<u>13,551</u>	<u>9,585</u>	<u>1,205</u>	<u>2,093</u>
12. EARNINGS PER ORDINARY SHARE				
Profit after taxation	<u>30,152</u>	<u>16,678</u>	<u>2,681</u>	<u>4,446</u>
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	<u>1,405,890,776</u>	<u>1,405,890,776</u>	<u>1,405,890,776</u>	<u>1,405,890,776</u>
Basic earnings per share	<u>Rs. 0.021</u>	<u>(Restated) Rs. 0.012</u>	<u>Rs. 0.002</u>	<u>(Restated) Rs. 0.003</u>
12.1	There is no dilution effect on basic earnings per share of the Company.			
13. 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:				
	Nine Months ended		Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- (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	1,394,771	931,473	-
Purchase of vehicle	184	-	-	-
Rent against office premises	2,156	1,800	909	450

	Nine Months ended		Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- (Un-Audited) -----			
	----- (Rupees in '000) -----			
Travel Club (Private) Limited				
Payment for travelling expenses	6,368	5,627	4,125	3,667
EFU General Insurance Limited				
Insurance premium	52,619	46,121	19,897	42,325
Portlink International Services (Private) Limited				
Rent against office premises	638	-	161	-
Staff retirement contribution plan				
Contributions to staff provident fund	3,966	3,286	1,460	1,105
Other related party				
Jahangir Siddiqui & Co. Limited				
Issue of share capital	249,633	381,293	249,633	-

13.1 Period / year end balances

	March 31, 2017 (Un-audited)	June 30, 2016 (Audited)
	----- (Rupees in '000) -----	
Associated Company		
Premier Mercantile Services (Private) Limited	243	-

14. 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:

	March31, 2017 (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>24,293,886</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>107,757</u>	<u>105,658</u>
Interest expense charged for the period / year on account of intangibles (rent)	<u>6,391</u>	<u>8,292</u>

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on April 28, 2017.

16. 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