



Pakistan International Bulk Terminal Limited



QUARTERLY REPORT
September 30, 2017

CONTENTS

■ Company Information	3
■ Directors' Report	4
■ ڈائریکٹرز کی 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, ACA
--	--------------------------

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, 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 406-407, 4th Floor, The Plaza at II Talwar, Block-9, Clifton, Karachi. Farogh Naseem & Co., Advocates 46-E/4, 46th Street, Block-6, P.E.C.H.S., Karachi. The Continental Law Associates Panorama Centre, Saddar, Karachi.
----------------------	---

Bankers	Al-Baraka Bank (Pakistan) Limited Askari Bank Limited Dubai Islamic Bank Limited Faysal Bank Limited JS Bank Limited MCB Bank Limited	Meezan Bank Limited National Bank of Pakistan 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) for the period ended September 30, 2017.

BUSINESS REVIEW

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

The Company commenced its commercial operations from July 3, 2017. However, under the Implementation Agreement, PQA is required to issue the "Certificate of Successful Commissioning" for which the Company is continuously following up. 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 first operational period, your Company has handled 308,163 tons of coal cargo through various vessels with positive contribution margins. However, net loss before taxation is Rs. 685.8 million, mainly due to fixed costs, depreciation and amortization of the infrastructure project. Other income during the period is Rs. 23.5 million (September 30, 2016: Rs. 20.065 million) comprising of the interest income on the deposits held with commercial banks. During the period, the Company also has provided for taxation of Rs. 472.990 million, of which Rs. 470.464 million is deferred tax on account of taxable temporary differences. Net loss after tax is Rs. 1,158.8 million with an EPS of Rs. (0.78).

GOING FORWARD

Your Company is in negotiations with potential customers for commercial contracts for handling cargoes of coal, clinker and cement, 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 shareholder's value.

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

For and on behalf of the Board of Directors

Sharique Azim Siddiqui
Chief Executive Officer
Karachi: October 25, 2017

ڈائریکٹر کی رپورٹ

پاکستان انٹرنیشنل بلک ٹرمینل لمیٹڈ کے ڈائریکٹر زحصص یا ذنگان کو عرصہ مختتمہ 30- ستمبر 2017ء کے لیے کمپنی کے مالیاتی گوشوارے مع آڈیٹر کی رپورٹ بخوشی پیش کرتے ہیں۔

کاروبار کا جائزہ

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

ابتدائی کاروباری سرگرمیوں کے دوران آپ کی کمپنی نے مختلف جہازوں کے ذریعے 308,163 ٹن کوئلے کو مثبت منافع کے ساتھ کنارے لگایا جبکہ خسارہ قبل از ٹیکس 685.8 ملین روپے ہے جو کہ خاص طور پر پراجیکٹ کے انفراسٹرکچر کی فرسودگی اور قدر میں کمی کی متعین شدہ قیمتوں کی وجہ سے ہے۔ دیگر آمدنی کی مد میں 23.5 ملین روپے حاصل کئے (ستمبر 2016-20.065 ملین روپے) جس میں تجارتی بینک کے ساتھ رکھے گئے منافع بخش ذخائر کی آمدنی شامل ہے۔ اس عرصہ کے دوران کمپنی نے ٹیکس کے لئے 472.990 ملین روپے فراہم کئے جس میں سے 470.464 ملین روپے قابل ٹیکس عارضی متفرقات کی مد میں التوائی ٹیکس ہے۔ فی حصص آمدنی (0.78 روپے) کے ساتھ کل خسارہ بعد از ٹیکس 1,158.8 ملین روپے ہے۔

آگے بڑھتے ہوئے

آپ کی کمپنی کی انتظامیہ کے کوئلہ اور سینٹ کی انتظام کاری کے حوالہ سے کارآمد گاہوں کے ساتھ تجارتی معاہدوں پر مذاکرات جاری ہیں تاکہ ان کی متعلقہ ترحیب 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۔

آخر میں بورڈ آف ڈائریکٹرز اپنے اس عزم کا اعادہ کرتے ہیں کہ کوئلے، کلنر 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 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، 25- اکتوبر 2017ء

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2017
(UN-AUDITED)**

	September 30, 2017 (Un-audited)	June 30, 2017 (Audited)
ASSETS	----- (Rupees in '000) -----	
NON-CURRENT ASSETS		
Property, plant and equipment	4 25,319,093	25,084,550
Intangible assets	386,551	317,684
Deferred tax	5 -	87,135
	<u>25,705,644</u>	<u>25,489,369</u>
CURRENT ASSETS		
Trade debts	41,902	113,419
Trade deposits, prepayments and other receivables	13,861	16,978
Sales tax refundable	6 636,316	655,002
Taxation – net	6 271,414	256,967
Cash and bank balances	7 1,365,415	1,994,203
	<u>2,328,908</u>	<u>3,036,569</u>
TOTAL ASSETS	<u>28,034,552</u>	<u>28,525,938</u>
SHARE CAPITAL AND RESERVES		
Authorized capital		
1,500,000,000 (June 2017: 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 2017: 1,270,679,294) Ordinary shares of Rs. 10/- each fully paid in cash	14,859,959	14,859,959
Accumulated Loss/profit	<u>(1,061,830)</u>	<u>96,986</u>
	<u>13,798,129</u>	<u>14,956,945</u>
NON-CURRENT LIABILITIES		
Long-term financing	12,111,481	12,085,131
Retention money - EPC contractor	327,396	327,396
Staff compensated absences	20,853	17,382
Deferred tax	5 383,329	-
	<u>12,843,059</u>	<u>12,429,909</u>
CURRENT LIABILITIES		
Trade and other payables	43,955	60,403
Current maturity of long-term financing	382,005	382,005
Current maturity of retention money – EPC contractor	654,793	654,793
Accrued interest	312,611	41,883
	<u>1,393,364</u>	<u>1,139,084</u>
CONTINGENCIES AND COMMITMENTS	8	
TOTAL EQUITY AND LIABILITIES	<u>28,034,552</u>	<u>28,525,938</u>

The annexed notes from 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2017
(UN-AUDITED)**

	Quarter ended	
	September 30, 2017	September 30, 2016
Note	----- (Rupees in '000) -----	
Revenue – net	202,102	-
Cost of services	(549,116)	-
Gross loss	<u>(347,014)</u>	<u>-</u>
Administrative expenses	(65,296)	(12,702)
Finance Cost	(297,078)	-
Other income	23,562	20,065
(Loss) / profit before taxation	<u>(685,826)</u>	<u>7,363</u>
Taxation	(472,990)	(2,282)
(Loss) / profit after taxation	<u>(1,158,816)</u>	<u>5,081</u>
		(Restated)
Earnings per ordinary share – basic and diluted	<u>Rs. (0.780)</u>	<u>Rs. 0.003</u>

The annexed notes from 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2017
(UN-AUDITED)**

	Quarter ended	
	September 30, 2017	September 30, 2016
	----- (Rupees in '000) -----	
(Loss) / profit for the period	(1,158,816)	5,081
Other comprehensive income – net of taxation	-	-
Total comprehensive (Loss) / income	<u>(1,158,816)</u>	<u>5,081</u>

The annexed notes from 1 to 12 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 CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2017
(UN-AUDITED)**

	Quarter ended	
	September 30, 2017	September 30, 2016
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit for the period before taxation	(685,826)	7,363
Adjustments for non-cash items:		
Depreciation	320,442	576
Amortization	5,119	3
Exchange loss	26,350	-
Gain on sale of fixed assets	(754)	(118)
Staff compensated absences	3,521	125
	354,678	586
Decrease / (increase) in current assets		
Trade debts	71,517	-
Trade deposits, prepayments and other receivables	3,116	2,872
Sales tax refundable	18,685	(373,384)
	93,318	(370,512)
Increase in current liabilities		
Trade and other payables	(16,459)	659,350
Accrued interest	(270,728)	112,929
	254,269	772,279
Cash generated from operations	16,439	409,716
Taxes paid	(16,973)	(143,507)
Increase in retention money – net	-	21,335
Staff compensated absences paid	(50)	(12)
Net cash (used in) / generated from operating activities	(584)	287,532
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(628,971)	(11,226)
Additions to capital work in progress	-	(2,418,596)
Proceeds from sale of fixed assets	767	600
Net cash used in investing activities	(628,204)	(2,492,222)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term loan	-	5,977,595
Net cash generated from financing activities	-	5,977,595
Net decrease in cash and cash equivalents	(628,788)	3,835,905
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	1,365,415	6,033,342

The annexed notes from 1 to 12 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, 2017
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Revenue reserve- accumulated profit / loss	Total
	------(Rupees in '000)-----		
Balance as at July 01, 2016	12,706,793	70,128	12,776,921
Profit for the period	-	5,081	5,081
Other comprehensive income	-	-	-
Total comprehensive income	-	5,081	5,081
Balance as at September 30, 2016	<u>12,706,793</u>	<u>75,209</u>	<u>12,782,002</u>
Balance as at July 01, 2017	14,859,959	96,986	14,956,945
Loss for the period	-	(1,158,816)	(1,158,816)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(1,158,816)	(1,158,816)
Balance as at September 30, 2017	<u>14,859,959</u>	<u>(1,061,830)</u>	<u>13,798,129</u>

The annexed notes from 1 to 12 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, 2017
(UN-AUDITED)**

1. THE COMPANY AND ITS INFORMATION

- 1.1 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 Limited (PSX) on December 23, 2013. The registered office of the Company is situated at 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi.
- 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. The Company commenced its commercial operations from July 3, 2017. However, under the Implementation Agreement, PQA is required to issue the "Certificate of Successful Commissioning" for which the Company is continuously following up.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

This condensed interim financial information is unaudited, required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and is 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. This condensed interim financial information does 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, 2017.

2.2 Accounting convention

These 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, 2017.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of this condensed interim financial information requires in conformity with above requirements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant as same as those applied to the financial statements as at and 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.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2017, other than those specified below;

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.

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.

		September 30, 2017 (Un-audited)	June 30, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
4. PROPERTY, PLANT AND EQUIPMENT			
Fixed assets	4.1.1	25,147,492	76,080
Capital work-in-progress	4.1	171,601	25,008,470
		<u>25,319,093</u>	<u>25,084,550</u>

4.1 Capital work-in-progress

		September 30, 2017 (Un-audited)
		(Rupees in '000)
Opening 1 July 2017		25,008,470
Addition during the period		628,971
Transfer to fixed assets	4.1.1	(25,391,855)
Transfer to intangible		(73,985)
		<u>171,601</u>

4.1.1 Transfers from capital work-in-progress to fixed assets during the period are as follows:

	Quarter ended	
	September 30, 2017	September 30, 2016
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Port Infrastructure	13,362,580	-
Leasehold Improvements	2,498,487	-
Buildings	1,012,009	-
Cargo Handling Equipment	6,083,027	-
Terminal Equipment	993,534	-
Port Power Generation	1,396,967	-
EDP Equipment	30,321	-
Vehicles	13,622	-
Furniture and Fixtures	1,308	-
	<u>25,391,855</u>	<u>-</u>

5. DEFERRED TAX

Credit / (debit) balances arising in respect of timing differences relating to:

- pre-commencement expenses	(82,778)	(87,135)
- accelerated tax depreciation	466,107	-
	<u>383,329</u>	<u>(87,135)</u>

6. SALES TAX REFUNDABLE AND TAXATION – NET

Includes sales tax and income tax levies of Rs. 676.185 million (June 30, 2017: Rs. 676.185 million) and Rs. 227.384 million (June 30, 2017: Rs. 227.384 million) respectively, which were charged and collected by the Government Authorities at the time of import of partial shipments of project equipment as fully explained in note 8.1

7. CASH AND BANK BALANCES

Bank balances of Rs.105.8 million were under lien with bank against letters of guarantee including letter of guarantee described in note 8.2.3

8. CONTINGENCIES AND COMMITMENTS

8.1 CONTINGENCIES

8.1.1 The Company has filed a petition before the Honorable High Court of Sindh (SHC) challenging the levy of sales tax imposed against the import of plant, machinery 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, machinery and equipment, which the Company has duly provided. The management believes, based on the advice of its legal advisor that the grounds on which sales tax is levied does not attract the provision of Sales Tax Act, 1990 and thus is of the view that the eventual outcome will be in favour of the Company. Accordingly, no provision has been recorded in these financial statements.

8.1.2 The Company also filed a petition before the SHC challenging levy of income tax imposed against the import of plant, machinery 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, machinery and equipment, which the Company has 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 is of the view that the eventual outcome will be in favour of the Company. Accordingly, no provision has been recorded in these financial statements.

8.2 COMMITMENTS

8.2.1 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, 2017: Rs. 259 million).

8.2.2 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 8.1 amounted to Rs. 858.2 million. Securities for the abovementioned guarantees have been provided by the sponsors.

8.2.3 The Company has provided a Custom Bonded Guarantee to Pakistan Customs Authority issued by Faysal Bank on behalf of the Company in accordance with the requirements of Section 554(6)(d) of Customs Rules 2001 in equivalence of USD 1 million amounting to Rs.104.8 million.

9. 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. Significant transactions with related parties are as follows:

	Quarter ended	
	September 30, 2017	September 30, 2016
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Associated Companies		
Transactions during the period		
Entities having directors in common with the Company		
Premier Mercantile Services (Private) Limited		
Rent against office premises	475	716
Purchase of vehicle	-	184
Travel Club (Private) Limited		
Payment for travelling expenses	145	1,054
EFU General Insurance Limited		
Insurance Premium	30,526	32,236

	Quarter ended	
	September 30, 2017 ---- (Un-audited) ----	September 30, 2016
Staff retirement contribution plan		
Contributions to staff provident fund	1,202	1,218

9.1 Period / year end balances

	September 30, 2017 (Un-audited) ----- (Rupees in '000) -----	June 30, 2017 (Audited) ----- (Rupees in '000) -----
EFU General Insurance Limited	1,326	-

10. 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:

	September 30, 2017 (Un-audited) ----- (Rupees in '000) -----	June 30, 2017 (Audited) ----- (Rupees in '000) -----
Reclassification from property, plant and equipment (CWIP) to intangible assets (Port Concession Rights) – written down value	<u>25,346,604</u>	<u>25,008,470</u>
Recognition of intangible assets (Port Concession Rights) on account of rent of backup and waterfront area (Rent)	<u>86,183</u>	<u>86,897</u>
Recognition of present value of concession liability on account of intangibles (Rent)	<u>106,357</u>	<u>105,658</u>
Interest expense charged for the period / year on account of intangibles (Rent)	<u>2,130</u>	<u>8,292</u>

11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on October 25, 2017.

12. GENERAL

Amounts 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