



QUARTERLY REPORT

September 30, 2016



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. Aasim Azim Siddiqui 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. Ali Raza Siddiqui Mr. Sharique Azim 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
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Kabraji & Talibuddin
64-A/1, Gulshan-e-Faisal, Bath Island, Karachi.

The Continental Law Associates
Panorama Centre, Saddar, Karachi.

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 Information of Pakistan International Bulk Terminal Limited (PIBT) (Company) for the period ended September 30, 2016.

OPERATIONAL OVERVIEW & PROJECT BRIEF:

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 amounting to Rs. 12.499 billion. CHEC is carrying on civil works construction activity with target completion date of end of 2016.
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, with a commissioning date of end of 2016. Partial shipments for Conveyor Belt System under NHI ESC and Power House Equipment under CHEC ESC have arrived at the Site during and subsequent to the period end. Crane System Ship Loaders & Un-loaders under the ZPMC ESC has arrived at the Site subsequent to the period end.
4. The current progress activities carried on by CHEC at the Project and their pace are satisfactory along-with the timeline for equipment supply, delivery and commissioning and it is expected that the Project would be completed within its stipulated deadlines.

FINANCIAL PERFORMANCE

During the period, the Company has earned other income of Rs. 20.065 million (Sep 2015: Rs. 33.334 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. 7.363 million against a profit of Rs. 13.430 million during the previous period. Net Profit after tax is Rs. 5.081 million in comparison with a profit of Rs. 9.132 million during the previous period.

FINANCIAL RESULTS

These are summarized below:

	<i>Rupees in '000'</i>
Profit before taxation	7,363
Taxation	(2,282)
Profit after tax	5,081
EPS- Basic & Diluted	Rs. 0.0004

PROJECT FINANCE

1. As per the financing commitments with International Finance Corporation (IFC), a portion of the financing to be provided by IFC is to be made in the form of equity. In line of the above commitments, the members of the Company, in the Annual General Meeting of the Company held on October 15, 2014, approved the issue of shares otherwise than right to IFC, which were allotted on July 16, 2015 to IFC, after obtaining the necessary approvals from the regulatory authorities.
2. The Board of Directors of the Company, in their meeting held on August 21, 2015, approved the issue of shares by way of right issue. The entire process of allotment of right shares was completed on November 26, 2015. The Directors express their gratitude to our Shareholders in the general public and the Institutional Investors in the Company.
3. As fully described in the financial information, the Company has made draw-downs from its foreign and local loan facilities amounting to USD 47.072 million and PKR 6,431.2 million of the total committed loans of USD 52.7 million and PKR 7,200 million respectively. The Directors would like to express their gratitude to the Foreign and Local Lenders for instigating confidence among all the stakeholders of the Project.

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: October 26, 2016

ڈائریکٹر کی رپورٹ

پاکستان انٹرنیشنل بلک ٹرمینل لمیٹڈ کے ڈائریکٹرز 30 ستمبر 2016 کو ختم ہونے والی سہ ماہی کے لیے کمپنی مالیاتی گوشواروں کی رپورٹ پیش کرنے میں خوش 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 پبلکنگ ایسٹ کے ٹرمینل کی تعمیر، ترقی، آپریشن اور انتظامات کا معاہدہ کیا ہے۔ کمپنی کی 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 کوئلے، سینٹ اور کلننگ بلک کے بندوبست کی جگہ کے لیے انجینئرنگ، تعمیر، تنصیب، ٹیسٹنگ اور تعمیراتی کام کا ج کے اختیارات کی بابت انجینئرنگ، خریداری اور تعمیر (EPC) کے مقصد کے تحت ایک معاہدہ کیا جس کی قیمت 12.499 ملین روپے ہے۔ CHEC نے تعمیراتی کام کا تیزی سے آغاز کر دیا ہے جس کی تکمیل 2016 کے آخر تک متوقع ہے۔
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) سہ ماہی ترتیب "کنویئر بیلٹ سسٹم"، "کرین سسٹم" شپ لوڈرز اور ان-لوڈرز اور "پاور ہاس کے آلات" کی خریداری، ترسیل اور انتظامات کے لیے ایسا ہی معاہدہ CHEC کے ساتھ ہوا جس کے انتظامات کی تاریخ 2016 کے اواخر میں تھی۔ مذکورہ بالا آلات کی جڑوی شیپٹ پہنچانا شروع ہو چکی ہے۔
4. CHEC کی جانب سے منصوبے پر کی جانے والی ترقیاتی سرگرمیوں کی موجودہ رفتار مطمئن بخش ہے جس میں آلات کی سپلائی، ترسیل اور انتظامات بھی شامل ہیں اور توقع ہے کہ منصوبہ مقررہ وقت کے اندر پایہ تکمیل کو پہنچ جائے گا۔

مالیاتی کارکردگی

اس دوران میں کمپنی نے دیگر آمدنی کی مدد میں 20.065 ملین روپے حاصل کیے (2015: 33.334 ملین روپے) جس میں کمرشل بینک کے ساتھ رکھے گئے رہن پر مارک اپ کی آمدنی پر حاصل شدہ نفع شامل ہے۔ کمپنی پچھلے دوران میں 13.430 ملین روپے کے منافع کے مقابلے میں 7.363 ملین روپے قبل از ٹیکس منافع حاصل کر چکی ہے۔ پچھلے عرصہ 9.132 ملین روپے کے خالص منافع کے مقابلے میں بعد از ٹیکس منافع 5.081 ملین روپے رہا۔

مالیاتی نتائج

اس کا خلاصہ درج ذیل میں ہے:

000 ملین روپے میں	
7,363	قبل از ٹیکس منافع
(2,282)	ٹیکس
5,081	بعد از ٹیکس منافع
0.0004 روپے	فی شیئر منافع - بنیادی اور ڈائیوڈنڈ

منصوبے کا سرمایہ

1. بین الاقوامی مالیاتی کارپوریشن (IFC) کے مالی معاہدوں کے مطابق مالیات کا ایک حصہ IFC مہیا کرے گا جسے ایکویٹی کی شکل دی جائے گی۔ مندرجہ بالا معاہدوں کو مد نظر رکھتے ہوئے کمپنی کے ممبران نے 15 اکتوبر 2014 کو منعقد ہونے والی سالانہ جنرل میٹنگ میں کمپنی کو اضافی شیئرز کے اجراء کی منظوری دی گئی، جنہیں ریگولیٹری اتھارٹی سے ضروری اجازت کے بعد 16 جولائی 2015 کو بین الاقوامی مالیاتی کارپوریشن (IFC) کو الاٹ کر دیا گیا۔
2. کمپنی کے بورڈ آف ڈائریکٹرز نے 21 اگست 2015 کو ہونے والی اپنی میٹنگ میں اضافی شیئرز کے اجراء کی الاٹمنٹ کا پورا طریقہ کار 26 نومبر 2015 کو مکمل ہوا۔ ڈائریکٹرز نے عام لوگوں اور کمپنی کے ادارہ جاتی سرمایہ کاروں سے اظہار تشکر کیا۔
3. جیسا کہ مالیاتی گوشواروں میں پوری طرح بتا دیا گیا کہ کمپنی نے بین الاقوامی اور مقامی قرضوں کی سہولتوں میں کل طے شدہ قرضوں کا 52.7 ملین ڈالر اور 7,200 ملین روپے میں سے بالترتیب 47,072 ملین ڈالر اور 6,431.2 ملین روپے کی کوئی کی۔ منصوبے کے تمام اسٹیک ہولڈرز میں اعتماد برقرار رکھنے پر ڈائریکٹرز بین الاقوامی اور مقامی قرض دہندگان سے بھی اظہار تشکر کرنا چاہیں گے۔

آخر میں بورڈ آف ڈائریکٹرز اپنے اس عزم کا اعادہ کرتے ہیں کہ کونسلے، مینجمنٹ اور سیکنڈ کے بندوبست کے لیے پاکستان کا پہلا اور بہترین بلک کارگو ہینڈلنگ ٹرمینل بنائیں گے جو بین الاقوامی معیار پر پورا اترتے ہوئے ماحولیاتی آلودگی پر قابو پانے گا اور ملک میں بندرگاہ کے انفراسٹرکچر کو ترقی دینے میں معاون ثابت ہوگا۔

منجانب بورڈ آف ڈائریکٹرز

شائق عظیم صدیقی
چیف ایگزیکٹو آفیسر
کراچی: 26 اکتوبر 2016



**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2016
(UN-AUDITED)**

		September 30, 2016 (Un-audited)	June 30, 2016 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	18,974,785	16,475,660
Intangible assets		327,230	330,481
Deferred tax	5	69,016	65,078
		<u>19,371,031</u>	<u>16,871,219</u>
CURRENT ASSETS			
Trade deposits and short term prepayments		10,278	12,923
Other receivables		2	230
Sales tax refundable		536,872	163,488
Taxation - net		190,259	52,971
Cash and bank balances		6,033,342	2,197,437
		<u>6,770,753</u>	<u>2,427,049</u>
TOTAL ASSETS		<u><u>26,141,784</u></u>	<u><u>19,298,268</u></u>
SHARE CAPITAL AND RESERVES			
Authorized 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			
1,270,679,294 (June 2016:1,270,679,294) Ordinary shares of Rs. 10/- each fully paid in cash		12,706,793	12,706,793
Accumulated profit		75,209	70,128
		<u>12,782,002</u>	<u>12,776,921</u>
NON-CURRENT LIABILITIES			
Long-term financing	6	11,115,984	5,072,404
Retention money - EPC contractor		969,762	948,426
Staff compensated absences		14,449	13,211
		<u>12,100,195</u>	<u>6,034,041</u>
CURRENT LIABILITIES			
Trade and other payables		1,129,379	470,028
Accrued interest		130,208	17,278
		<u>1,259,587</u>	<u>487,306</u>
COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		<u><u>26,141,784</u></u>	<u><u>19,298,268</u></u>

The annexed notes from 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2016
(UN-AUDITED)**

	Note	Quarter Ended	
		September 30, 2016	September 30, 2015
		----- (Rupees in '000) -----	
Administrative expenses		(12,702)	(19,237)
Other charges - workers' welfare fund		-	(667)
Other income		20,065	33,334
Profit before taxation		<u>7,363</u>	<u>13,430</u>
Taxation	8	(2,282)	(4,298)
Profit after taxation		<u>5,081</u>	<u>9,132</u>
Earnings per ordinary share - basic and diluted	9	<u>0.0004</u>	<u>(Restated) 0.0007</u>

The annexed notes from 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2016
(UN-AUDITED)**

	Quarter Ended	
	September 30, 2016	September 30, 2015
	----- (Rupees in '000) -----	
Profit for the period	5,081	9,132
Other comprehensive income - net of taxation	-	-
Total comprehensive income	<u><u>5,081</u></u>	<u><u>9,132</u></u>

The annexed notes from 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2016
(UN-AUDITED)**

	Quarter ended	
	September 30, 2016	September 30, 2015
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	7,363	13,430
Adjustments for non-cash items:		
Depreciation	576	638
Amortization	3	3
Gain on sale of fixed assets	(118)	-
Unrealized gain on investment - net	-	(5)
Staff compensated absences	125	231
	7,949	14,297
Decrease / (Increase) in current assets		
Trade deposits, short term prepayments	2,644	(7,482)
Other receivables & accrued markup	228	-
Sales Tax Refundable	(373,384)	-
	(370,512)	(7,482)
Increase in current liabilities		
Trade and other payables	659,350	32,485
Accrued interest	112,929	-
	409,716	39,300
Cash generated from operations		
Taxes paid	(143,507)	(11,200)
Increase in retention money net	21,335	139,846
Staff compensated absences paid	(12)	-
	287,532	167,946
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(11,226)	(376)
Additions to capital work in progress	(2,418,596)	(2,091,065)
Proceeds from sale of fixed assets	600	-
Net cash used in investing activities	(2,429,222)	(2,091,441)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	1,896,536
Proceeds from long term loan	5,977,595	-
Transaction cost paid on long term finance	-	(12,396)
Net cash generated from financing activities	5,977,595	1,884,140
Net increase / (decrease) in cash and cash equivalents	3,835,905	(39,355)
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	6,033,342	1,370,768

The annexed notes from 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2016
(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 share capital	1,896,536	-	1,896,536
Profit for the period	-	9,132	9,132
Other comprehensive income	-	-	-
Total comprehensive income	-	9,132	9,132
Balance as at September 30, 2015	<u>9,482,681</u>	<u>44,200</u>	<u>9,526,881</u>
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>

The annexed notes from 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2016
(UN-AUDITED)**

1. THE COMPANY AND ITS INFORMATION

- 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

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, 2016.

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, 2016.

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 a same as those applied to the financial statements as at and for the year ended June 30, 2016. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of 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, 2016.

		September 30, 2016 (Un-audited)	June 30, 2016 (Audited)
	Note	----- (Rupees in '000) -----	
4. PROPERTY, PLANT AND EQUIPMENT			
Fixed assets		66,099	60,076
Capital work-in-progress	4.1	<u>18,908,686</u>	<u>16,415,584</u>
		<u>18,974,785</u>	<u>16,475,660</u>
4.1 Capital work-in-progress			
		Additions during the period	September 30, 2016
	Note	July 1, 2016	----- (Rupees in '000) -----
Civil works	4.2.1	11,779,656	1,267,679
Consultancy and survey fees		785,885	40,873
Advance to EPC & ESC contractors		2,783,371	908,797
Depreciation and amortization		101,873	7,394
Borrowing costs	4.2.2	86,771	109,966
Other ancillary costs	4.2.3	878,028	158,393
		<u>16,415,584</u>	<u>2,493,102</u>
		<u>18,908,686</u>	<u>18,908,686</u>
4.2.1	This represents amount charged by the EPC Contractor for civil work carried out on the Project site.		
4.2.2	This represents interest on long term financing obtained as mentioned in note 6.		
4.2.3	These include salaries, wages and benefits, legal and professional charges, insurance and other directly attributable costs.		
		September 30, 2016 (Un-audited)	June 30, 2016 (Audited)
	Note	----- (Rupees in '000) -----	
5. DEFERRED TAX			
Arising on deductible temporary difference			
-pre-incorporation expenses		3,211	3,211
-pre-commencement expenses		<u>65,805</u>	<u>61,867</u>
		<u>69,016</u>	<u>65,078</u>
6. LONG-TERM FINANCING			
Foreign currency loans			
Under finance facility agreements			
International Finance Corporation	6.1	2,500,735	1,169,486
OPEC Fund For International Development	6.2	2,472,421	1,156,190
Local currency loans			
Under commercial facility agreements			
Local debt - conventional facility	6.3	3,483,600	1,644,000
Local debt - musharaka facility	6.4	2,947,600	1,391,100
Total Outstanding Loans		<u>11,404,356</u>	<u>5,360,776</u>
Less: Unamortized transaction costs		(288,372)	(288,372)
Less: Current maturity		-	-
		<u>11,115,984</u>	<u>5,072,404</u>

- 6.1** The Company has entered into a loan agreement with IFC for an amount of USD 26.5 million repayable in 18 semi-annual installments commencing from December 15, 2017, at a markup rate of 6 months' LIBOR + 5%. As at the period end, the Company has made a drawdown of USD 23.670 million from this facility.
- 6.2** The Company has entered into a loan agreement with OPEC Fund for International Development (OFID) for an amount of USD 26.2 million repayable in 18 semi-annual installments commencing from December 15, 2017, at a markup rate of 6 months' LIBOR + 5%. As at the period end, the Company has made a drawdown of USD 23.402 million from this facility.
- 6.3** The Company has entered into a Term Finance Facility with five commercial banks namely Askari Bank Limited, JS Bank Limited, NIB Bank Limited, Sindh Bank Limited and The Bank of Punjab for an aggregate amount of Rs 3,900 million repayable in 18 semi-annual installments commencing from December 15, 2017, at a mark-up rate of 6 months KIBOR + 3%. As at the period end, the Company has made a drawdown of Rs. 3,483.6 million from this facility.
- 6.4** The Company has entered into a Musharaka agreement with four financial institutions namely Al Baraka Bank (Pakistan) Limited, Dubai Islamic Bank Limited, Faysal Bank Limited & Meezan Bank Limited for an aggregate amount of Rs. 3,300 million repayable in 18 semi-annual installments commencing from December 15, 2017, at a markup rate of 6 months KIBOR + 3%. Faysal Bank Limited is acting as a Musharaka agent for the agreement. As at the period end, the Company has made a drawdown of Rs. 2,947.6 from this facility.
- 6.5** The Company may declare dividends subject to satisfaction of certain financial covenants under the facilities mentioned in notes 6.1 to 6.4.
- 6.6** The above long term financing (from notes 6.1 to 6.4) 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

7. COMMITMENTS

- 7.1** 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. 262.5 million (June 30, 2016: Rs. 262.5 million).
- 7.2** As mentioned in note 6, the Company has entered into various long term financing arrangements. As at the period end date, commitments include undisbursed amounts of foreign currency loans amounting to USD 5.628 million and local currency facilities amounting to Rs. 768.8 million.
- 7.3** Capital expenditure contracted but remaining to be executed amounted to Rs. 3,476 million (June 30, 2016: Rs. 3,910 million) pertaining to the contract for civil works construction, Rs. 395 million (June 30, 2016: Nil) pertaining to the contracts for equipment procurement and Rs. 4,338 million (June 30, 2016: 4,893 million) pertaining to letters of credit under contracts for equipment procurement.

8. TAXATION

	Quarter ended	
	September 30, 2016	September 30, 2015
	---- (Un-audited) ----	
	----- (Rupees in '000) -----	
Current	6,220	10,454
Deferred	(3,938)	(6,156)
	<u>2,282</u>	<u>4,298</u>

	Quarter Ended	
	September 30, 2016	September 30, 2015
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
9. EARNINGS PER ORDINARY SHARE - basic and diluted		
Profit after taxation	<u>5,081</u>	<u>9,132</u>
	----- (Number of shares) -----	
Weighted average number of ordinary shares outstanding	<u>1,270,679,294</u>	<u>1,270,679,294</u>
Basic earnings per share	<u>0.0004</u>	<u>(Re-stated) 0.0007</u>

9.1 There is no dilution effect on basic earnings per share of the Company.

10. 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, 2016	September 30, 2015
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Associated Companies		
Transactions during the year		
Entities having directors in common with the Company		
Premier Mercantile Services (Private) Limited		
Rent against office premises	716	675
Purchase of vehicle	184	-
Travel Club (Private) Limited		
Payment for travelling expenses	1,054	886
EFU General Insurance Limited		
Insurance Premium	32,236	3,796
Staff retirement contribution plan		
Contributions to staff provident fund	1,218	1,083

10.1 There were no period end outstanding balances of related parties as at September 30, 2016 and September 30, 2015.

12. 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, 2016 (Un-audited)	June 30, 2016 (Audited)
	----- (Rupees in '000) -----	
Reclassification from property, plant and equipment (CWIP) to intangible assets (Port Concession Rights) written down value	<u>18,908,686</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>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>

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on October 26, 2016.

13. GENERAL

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

SHARIQUE AZIM SIDDIQUI
CHIEF EXECUTIVE OFFICER

CAPT. ZAFAR IQBAL AWAN
DIRECTOR

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