

Progress with Care





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Company Information

Board of Directors

Chairman

Capt. Haleem Ahmed 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 Iftikhar Khan, ACA

Legal Advisors

Khalid Anwer & Co.

153-K, Sufi Street, Block-2, PECHS,
Karachi - 75400

Kabraji & Talibuddin

406-407, 4th Floor, The Plaza at Do Talwar,
Block 9, Clifton, Karachi - 75600

The Continental Law Associates

Panorama Centre, Saddar, Karachi

Auditors

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

8th Floor, Progressive Plaza, Beaumont Road,
P.O. Box 15541, Karachi - 75530

Registrar / Transfer Agent

Technology Trade (Pvt.) Ltd.

241-G, Block-2, P.E.C.H.S., Karachi

Tel: 92-21-34391316-7

Audit Committee

Chairman

Syed Nizam A. Shah

Members

Mr. Aasim Azim Siddiqui

Mr. Ali Raza Siddiqui

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 Iftikhar Khan, ACA

Bankers

Al-Baraka Bank Limited

Askari Bank Limited

Dubai Islamic Bank Pakistan 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

Registered & Head Office

2nd Floor, Business Plaza,

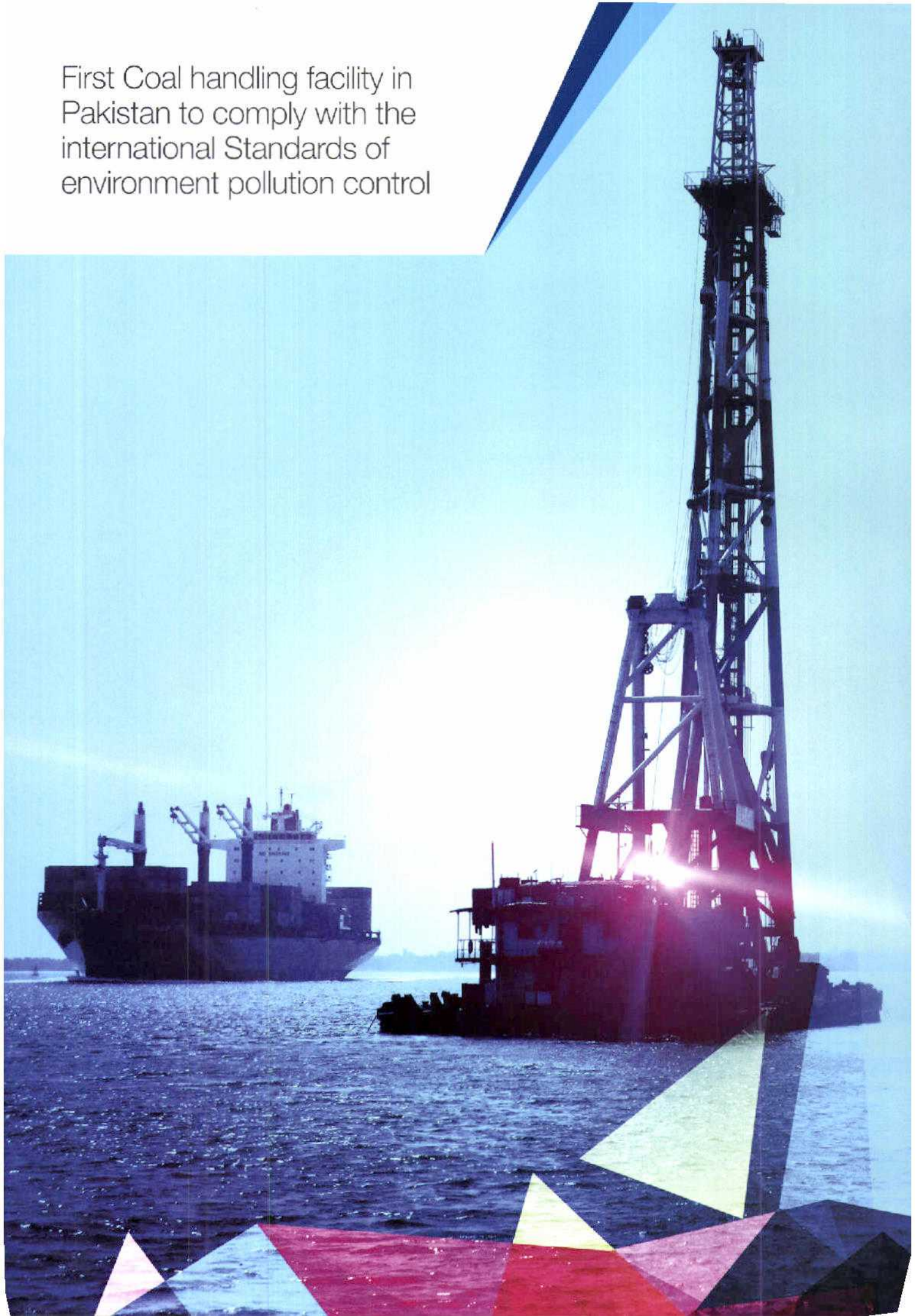
Mumtaz Hassan Road,

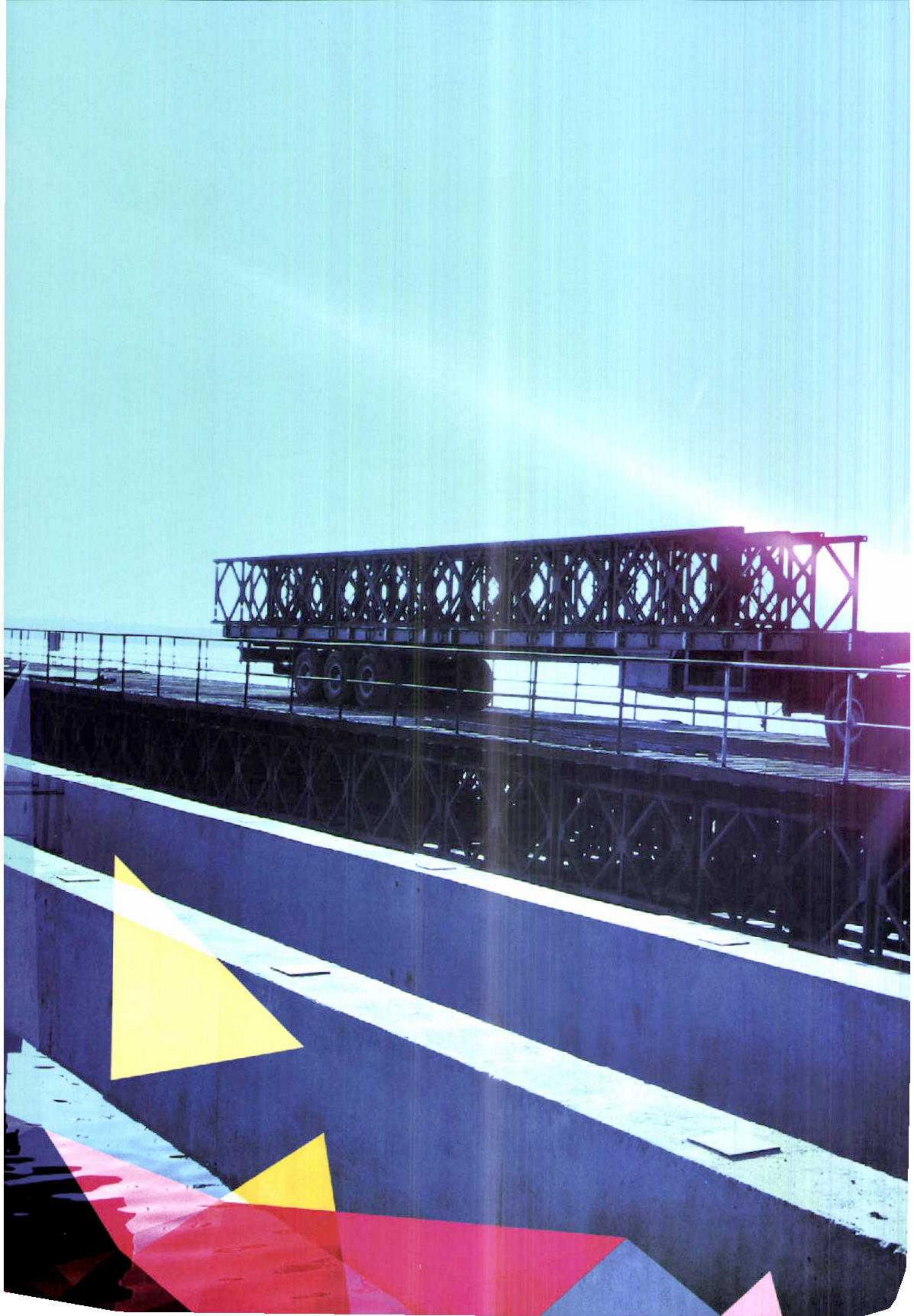
Karachi-74000 Pakistan.

Tel: 92-21-32400450-3

Fax: 92-21-32400281

First Coal handling facility in
Pakistan to comply with the
international Standards of
environment pollution control







Vision

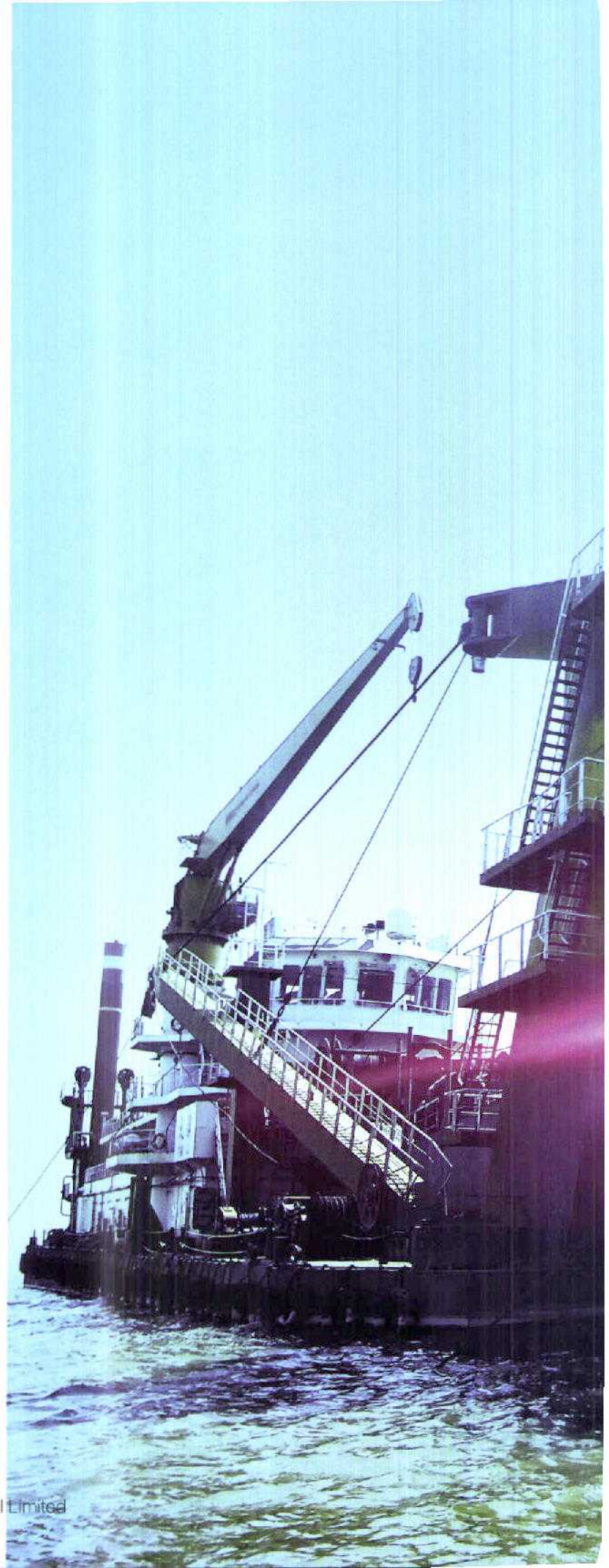
To develop modern infrastructure in Pakistan to handle bulk coal, clinker & cement at international standards of efficiency and at the best global environmental practices.

Mission

To successfully set-up the country's first state-of-the-art dirty bulk terminal at Port Qasim and to provide mechanized bulk cargo handling services to the trade and industry on the best global standards.

The Project

- PIBT is the terminal operating company which has entered into an implementation agreement with the Port Qasim Authority to establish a modern Coal, Clinker & Cement bulk handling facility at Port Qasim.
- PIBT is carrying out the construction activities at it's project site at Port Qasim Authority.
- The project is on a 30 year Built, Operate and Transfer concession from the Port Qasim Authority.

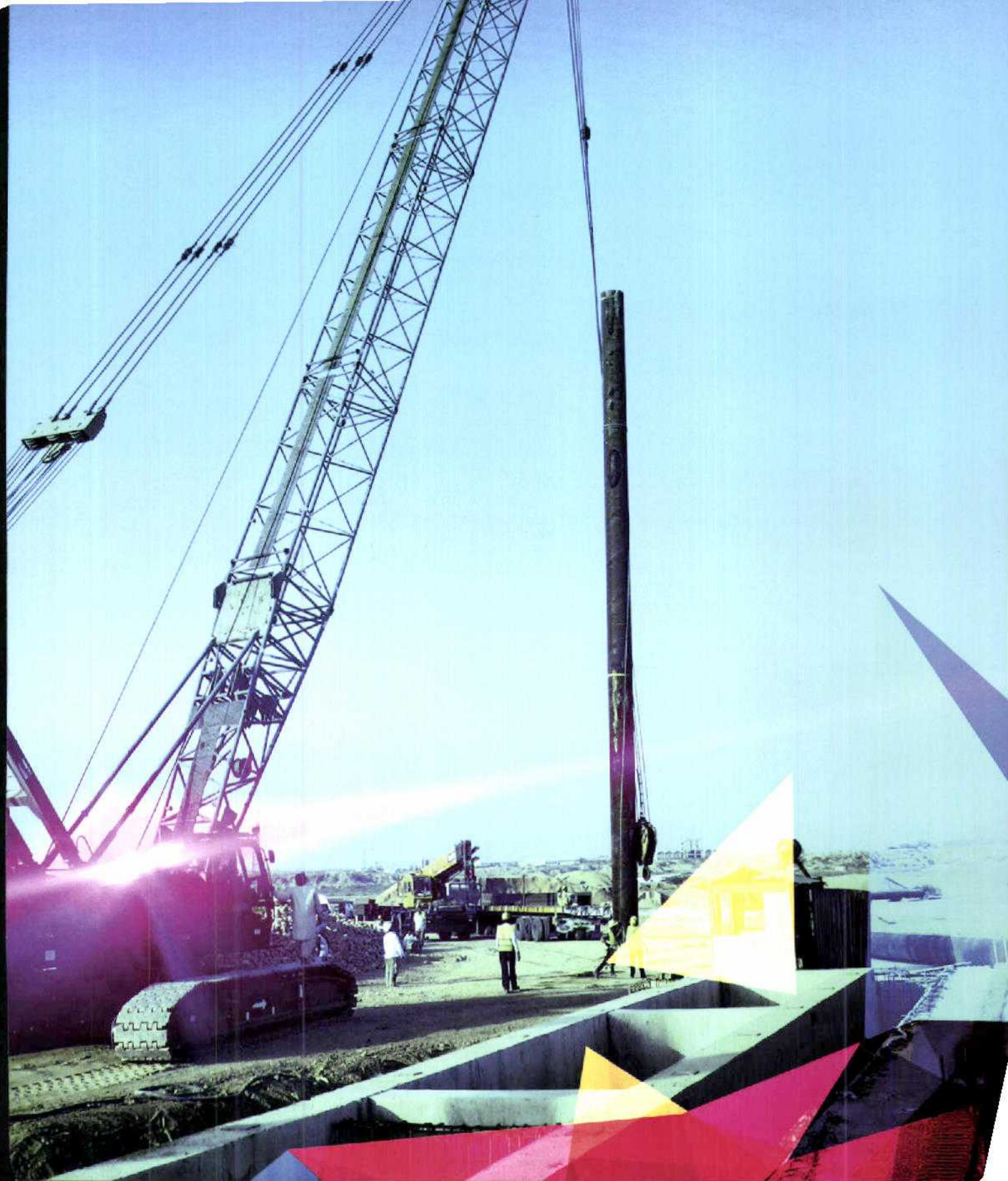




Corporate Objectives

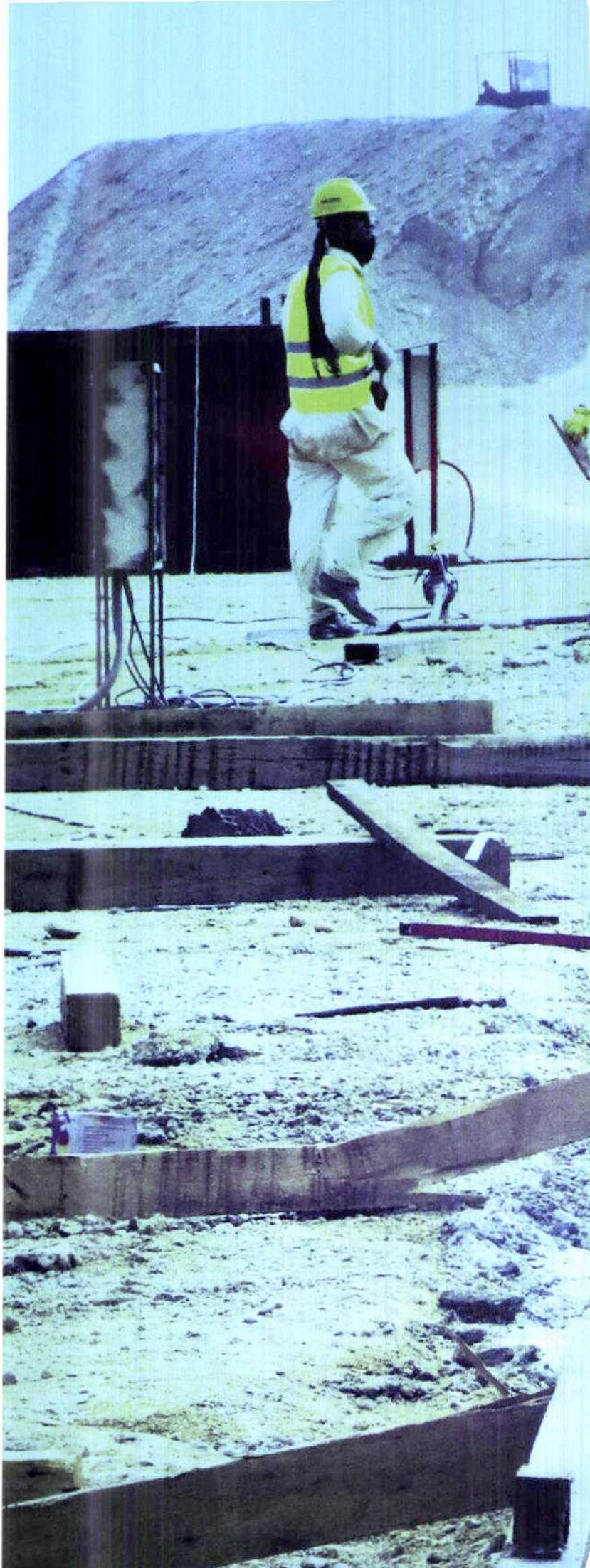
- To develop the bulk terminal as a modern state-of-the-art handling facility.
- To contribute towards enhancing the country's port infrastructure for handling bulk cargo of coal, cement and clinker.
- To operate the terminal at best international standards of efficiency.
- To commit contributing towards planting mangroves in Port Qasim area on approximately 500 hectares (over 1,200 acres) at and around the jurisdiction of Port Qasim Authority.
- To develop and introduce innovative new methods of dirty bulk cargo logistics in Pakistan for the benefit of the country's trade and industry.
- To adopt the best global standards of Health, Safety & Environment.

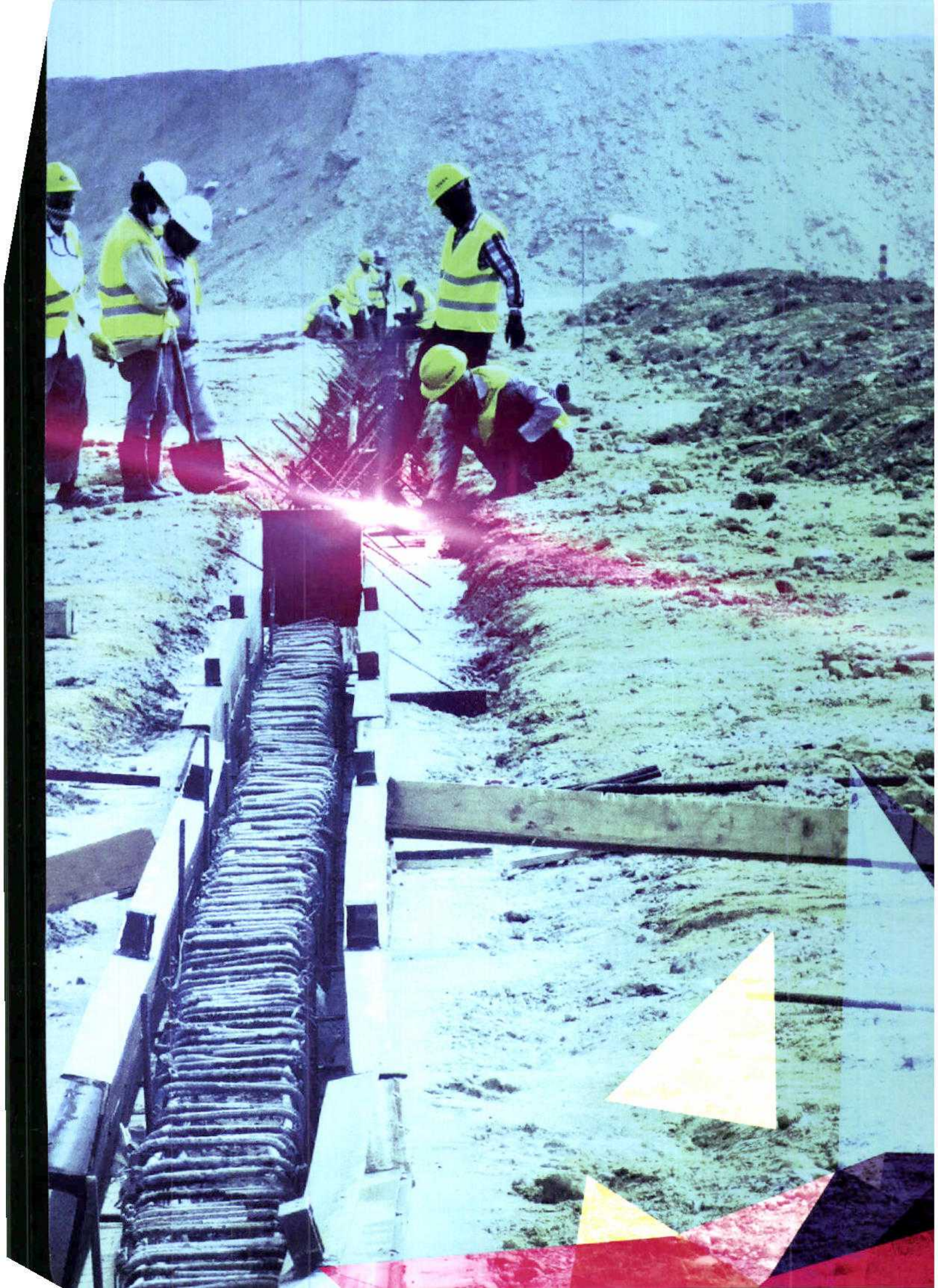




Development Strategy

- To reclaim and undertake civil works on 25 hectares of storage area at Port Qasim.
- To construct a 2.5 km trestle carrying conveyor belt, which connects the Storage Area to the Jetty.
- To construct a two berths operational jetty connected via trestle bridge to the backup Storage Area.
- To import modern mechanized coal, clinker and cement handling equipment at the terminal.
- To set up 50,000 tons capacity of cement silos.
- To set up an indigenous Power Plant.
- To establish common-user terminal handling facilities for providing port infrastructure to the cement firms for exporting loose bulk cement and clinker.
- To establish port facilities for enhanced coal imports in the country for potential use by power plants and for the present use of the cement industry.







Common user facility
for exporting bulk
cement & clinker



Board of Directors



Capt. Haleem A. Siddiqui
Chairman



Capt. Zafar Iqbal Awan
Director



Nizam A. Shah
Director



Ali Raza Siddiqui
Director



Sharique A. Siddiqui
CEO



Aasim A. Siddiqui
Director



Masood Ahmed Usmani
Director



Arsalan I. Khan
CFO & Company Secretary

Notice of the 6th Annual General Meeting

Notice is hereby given that 6th Annual General Meeting of the shareholders of Pakistan International Bulk Terminal Limited ("Company") will be held on Monday, October, 05, 2015 at 12 PM at Beach Luxury Hotel, Karachi to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2015 together with the Directors' and Auditors' reports thereon.
2. To appoint auditors of the Company and fix their remuneration.

Special Business:

3. To consider and, if thought fit, pass with or without modification, the following resolutions as 'Special Resolutions' with or without modification for alterations in the Articles of Association of the Company:

"RESOLVED THAT Article 42, 43, 61 and 88 of the Articles of Association of the Company be and are hereby amended to read as follows:

Article 42:

"42. No business shall be transacted at any general meeting unless a quorum of general meeting is present at the time when the meeting proceeds to business and throughout its proceedings. Subject to the provisions of section 160 (2) (a) of the Ordinance, at least ten members or their authorized representatives holding fifty percent of the total voting power of the Company, present in person or through proxy shall be the quorum for shareholders meetings."

Article 43:

"43. If within half an hour from the time appointed for the meeting a quorum for shareholders meetings is not present, the meeting shall be adjourned to the same time and place no earlier than 10 days and no later than 21 days thereafter, as the Chairman may determine. The quorum requirements in Article 42 shall apply to such adjourned meeting provided that if the quorum requirements set out in Article 42 are not met within 30 minutes from the start of such adjourned meeting, the quorum for such adjourned meeting shall be at least two members (holding voting shares)."

Article 61:

"61. The number of directors to be elected shall be fixed according to the provisions of section 178 of the Ordinance subject to the condition that the number of directors to be elected in accordance with the provisions of the Ordinance

shall be a minimum of seven and maximum of nine. In addition to the Directors elected or deemed to have been elected by shareholders, the Company may have, subject to the provisions of the Ordinance, directors nominated by the Company's creditors or other special interest by virtue of contractual arrangements."

Article 88:

"88. The quorum necessary for the transaction of the business of the Directors (or a Committee of Directors) meeting shall be majority of the Directors, including an independent director. For the purposes of this Article, an alternate director appointed by a director shall be counted in a quorum at a meeting at which the Director appointing him is not present."

"RESOLVED FURTHER THAT the following new Articles be and are hereby inserted in the existing Articles of Association of the Company:

Article 88A:

"88A. In the absence of quorum, a meeting of Directors (or a committee of Directors) shall be adjourned to the same time and place no earlier than 10 days and no later than 21 days thereafter, as the Chairman (or the Board or the Committee of Directors, as the case may be) may determine. The quorum requirements in Article 88 shall apply to such adjourned meeting."

Article 92A:

"92A. The Directors may participate at a meeting of the Board through audio/video conferencing."

"FURTHER RESOLVED THAT the Chief Executive and the Company Secretary be and are hereby singly authorized to do all acts, deeds and things, take all steps and actions necessary, ancillary and incidental for altering the Articles of Association of the Company including filing of all requisite documents/statutory forms as may be required to be filed with the Registrar of Companies, Securities and Exchange Commission of Pakistan and complying with all other regulatory requirements so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolution."

A statement of material facts under Section 160 (1) (b) of the Companies Ordinance, 1984 pertaining to the special business is being sent to the shareholders along with this notice.

By Order of the Board,

Arsalan I. Khan
Company Secretary

Karachi
Dated: September 11, 2015

Notes:

1. The Share Transfer Books of the Company shall remain closed from September 28, 2015 to October 5, 2015 (both days inclusive) for determining the entitlement of the shareholders for attending the Annual General Meeting. Physical transfers and deposit requests under the Central Depository System received by the Company's Independent Share Registrar M/s Technology Trade (Private) Limited, Dagia House, 241-C, Block 2, P.E.C.H.S. Karachi by the close of business on September 25, 2015 will be treated in time to attend and vote at the meeting.
2. A member of the Company, entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another person as his / her proxy to attend, speak and vote instead of him / her and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Annual General Meeting as are available to the Member. Proxy form, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the Meeting. The proxy need not to be a Member of the Company. The proxy shall produce his / her original Computerized National Identity Card (CNIC) or passport to prove his identity. Form of proxy is attached to the Notice.
3. In case of corporate entity, the Board of Directors' / Trustee' resolution / power of attorney with specimen signature of the nominee shall be submitted with the proxy form to the Company, and the same shall be produced in original at the time of the meeting to authenticate the identity.
4. Members are requested to notify any change in their address immediately to our Registrar M/s Technology Trade (Pvt.) Ltd., 241-C, PECHS, Block 2, Karachi.
5. Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) are requested to send the same to our Registrar at the above address the earliest.
6. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING

- I. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time if attending the meeting. CDC account holders are also requested to bring their CDC participate ID number and account number.

- II. In case of corporate entity, the Board of Directors' / Trustee resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. FOR APPOINTING PROXIES

- I. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement (note 2 above).
- II. The proxy form shall be witnessed by two persons whose names, address and CNIC numbers shall be mentioned on the form.
- III. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- IV. The proxy shall produce his original CNIC or original passport at the time of the meeting.
- V. In case of corporate entity, the Board of Directors' / Trustee' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) along with proxy form to the Company.
7. **CNIC Requirement:** The shareholders are requested to provide a valid copy of their CNIC / NICOP / Passport to the Independent Share Registrar at the above mentioned address, at their earliest convenience.

8. Circulation of Annual Audited Financial Statements and Notice of AGM to Members through E-mail:

SECP through its Notification No. SRO 787 (I)/2014, dated September 08, 2014, has allowed companies to circulate Annual Audit Financial Statements ("Annual Financial Statements") along with Notice of Annual General Meeting ("Notice of AGM") to its members through email.

In order to avail this facility, the members who desire to opt to receive Annual Financial Statements and Notice of AGM through email are requested to provide their written consent and email addresses to the Share Registrar at the above mentioned address. For the convenience of the members, a "Standard Request Form" has been placed on the website of the Company to communicate their e-mail address and consent for electronic transmission of Annual Financial Statements and Notice of AGM. In case any member, subsequently, requests for hard copy of Annual Financial Statements, the same shall be provided free of cost within seven days of receipt of such request.

Statement Under Section 160 (1) (b) of the Companies Ordinance, 1984 pertaining to Special Business:

This Statement sets out the material facts pertaining to the Special Business to be transacted at the 6th Annual General Meeting of the Company.

Agenda No. 3 – Amendments in Articles of Association of the Company:

The Board of Directors has proposed the following amendments in the Articles of Association of the Company:

Existing Articles	Amended / New Articles	Reasons/ effect of proposed Alterations
Article 42: "No business shall be transacted at any general meeting unless a quorum of meeting is present at the time when the meeting proceeds to business and throughout its proceedings. Subject to the provisions of section 160 (2) (a) of the Ordinance, members or their authorized representative having twenty five percent of the total voting power of the Company, present in person or through proxy shall be a quorum."	Article 42: (Amended) "No business shall be transacted at any general meeting unless a quorum of general meeting is present at the time when the meeting proceeds to business and throughout its proceedings. Subject to the provisions of section 160 (2) (a) of the Ordinance, at least ten members or their authorized representatives holding fifty percent of the total voting power of the Company, present in person or through proxy shall be the quorum for shareholders meetings."	To bring the Article in line with the requirement of the Companies Ordinance, 1984.
Article 43: "If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to date, time and place to be determined and at the adjourned meeting the members present being not less than two shall be a quorum."	Article 43: (Amended) "If within half an hour from the time appointed for the meeting a quorum for shareholders meetings is not present, the meeting shall be adjourned to the same time and place no earlier than 10 days and no later than 21 days thereafter, as the Chairman may determine. The quorum requirements in Article 42 shall apply to such adjourned meeting provided that if the quorum requirements set out in Article 42 are not met within 30 minutes from the start of such adjourned meeting, the quorum for such adjourned meeting shall be at least two members (holding voting shares)."	To fix quorum requirement in the case of an adjourned general meeting.

Existing Articles	Amended / New Articles	Reasons/ effect of proposed Alterations
Article 61: "The number of directors to be elected shall be fixed according to the provisions of Section 178 of the Ordinance subject to the condition that until otherwise determined, the number of directors to be elected in accordance with the provisions of the Ordinance shall not be less than seven or as fixed by the Board of Directors from time to time. In addition to the Directors elected or deemed to have been elected by shareholders, the Company may have, subject to the provisions of the Ordinance, directors nominated by the Company's creditors or other special interest by virtue of contractual arrangements."	Article 61: (Amended) "The number of directors to be elected shall be fixed according to the provisions of Section 178 of the Ordinance subject to the condition that the number of directors to be elected in accordance with the provisions of the Ordinance shall be a minimum of seven and maximum of nine. In addition to the Directors elected or deemed to have been elected by shareholders, the Company may have, subject to the provisions of the Ordinance, directors nominated by the Company's creditors or other special interest by virtue of contractual arrangements."	To fix the maximum number of directors to be elected pursuant to the provision of Section 178 of the Companies Ordinance, 1984.
Article 88: "The quorum necessary for the transaction of the business of the Directors may be fixed by the Company in general meeting and unless so fixed shall be three directors personally present or one-third of the number of directors, for the time being, whichever is higher. For the purposes of this Article, an Alternate director appointed by a director shall be counted in a quorum at a meeting at which the Director appointing him is not present."	Article 88: (Amended) "The quorum necessary for the transaction of the business of the Directors (or a Committee of Directors) meeting shall be majority of the Directors, including an independent director. For the purposes of this Article, an alternate director appointed by a director shall be counted in a quorum at a meeting at which the Director appointing him is not present."	To re-fix the quorum requirement for directors meetings.
	Article 88A: (New) "In the absence of quorum, a meeting of Directors (or a committee of Directors) shall be adjourned to the same time and place no earlier than 10 days and no later than 21 days thereafter, as the Chairman (or the Board or the Committee of Directors, as the case may be) may determine. The quorum requirements in Article 87 shall apply to such adjourned meeting."	To provide for the adjournment of directors meetings and allied matters.
	Article 92A: (New) "The Directors may participate at a meeting of the Board through audio/video conferencing."	To provide for participation of directors through video conferencing.

Interest of Directors etc:

The directors of the Company are not interested, directly or indirectly, in this business except to the extent of their shareholding in the Company.

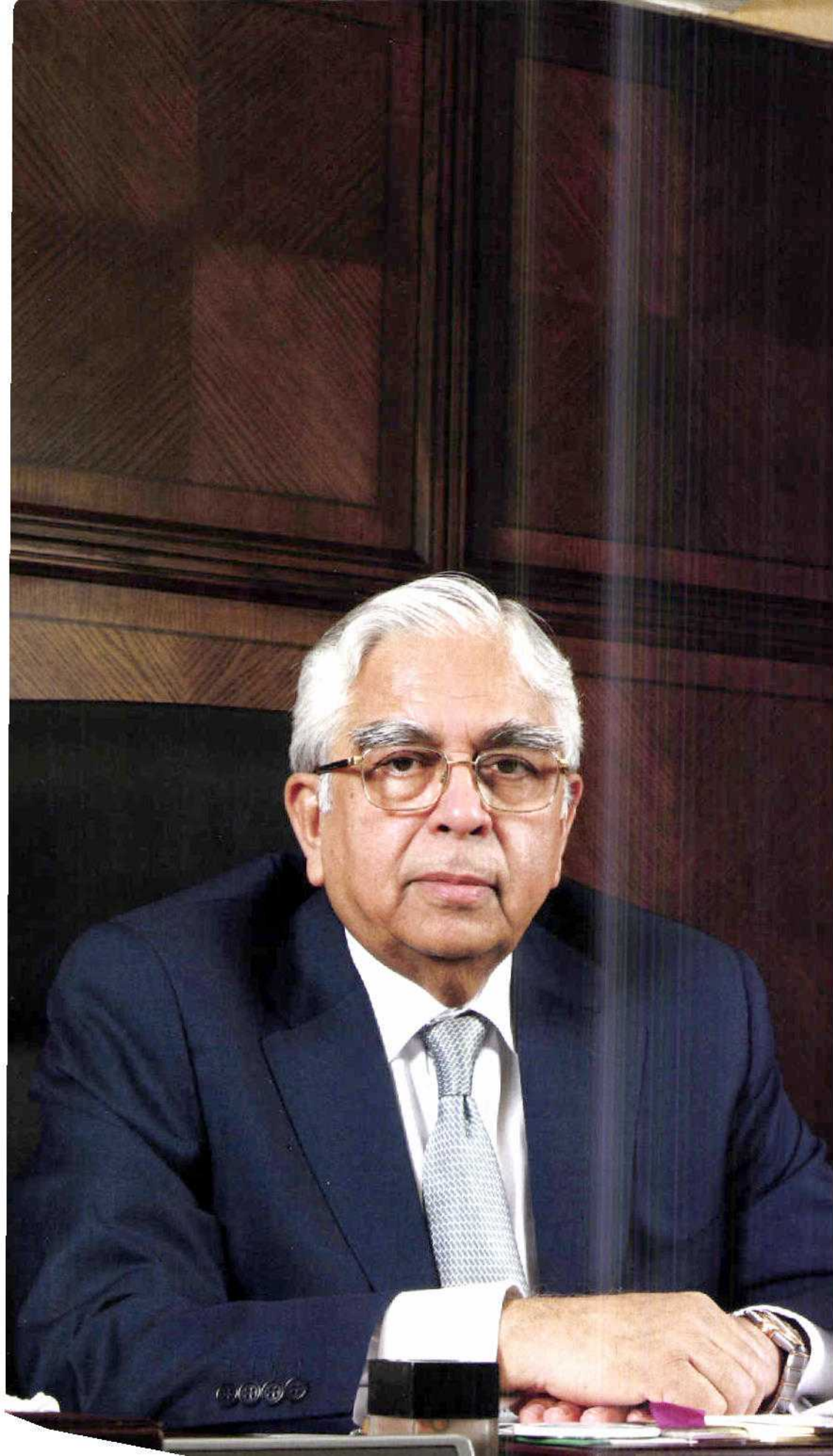
Inspection of Documents:

A copy of the original and amended copies of the Articles of Association have been kept at the Registered Office of the Company which could be inspected on any working days during usual business hours till the date of Annual General Meeting.



Pioneering International
Standards of efficiency







From the Chairman's Desk

Bismillah hir rahman nir Raheem

As mentioned in detail in the Directors' Report, appointment of China Harbour Engineering Company Limited ("CHEC") as the new Contractor for Project Construction, and appointment of Northern Heavy Industries Group Company Limited ("NHI") & Shanghai Zhenhua Heavy Industries Company ("ZPMC") as the Contractor for Equipment supply and installation has instituted synergies in the construction phase of the Project and we look forward to the completion of the Project in the best and timely manner. We are enhancing the coal side capacities to cater to the upcoming Independent Power Producers' conversion to coal and to ultimately provide additional share holder value.

I would like to congratulate the shareholders and commend the management, shareholders and the regulatory authorities for the successful subscription and allotment of the Right Issue and the subsequent equity subscription by International Finance Corporation (IFC).

Our target remains that PIBT will, Insha-Allah, be the Country's first Coal, Clinker and Cement handling terminal facility. Our objective is to build the port infrastructure of Pakistan so that the ports can offer modern handling services to the trade of the Country. I am hopeful that PIBT will achieve this mission and will become a pioneer state-of-the-art terminal to handle dirty bulk cargoes at international standards of productivity.

On behalf of PIBT, I would like to thank the management of Port Qasim Authority, our lenders, IFC, OPEC Funds for International Development, Syndicate of local Pakistani commercial banks, our vendors, our Contractors and our valued shareholders, for their continued support and commitment to our Project.

Capt. Haleem Ahmed Siddiqui

Chairman

Karachi: August 21, 2015

Directors' Report

The Directors are pleased to present the Annual Report of Pakistan International Bulk Terminal Limited (PIBT) ("The Company") together with the audited financial statements of the Company for the year ended June 30, 2015.

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 Directors have approved the expansion of the project, whereby the overall handling capacity of the terminal will be increased from 12 mtpa to 16 mtpa. The expansion of the capacity will be in line with the national requirement of coal imports for the upcoming / planned power plants, thus increasing the national coal handling capacity for the imported coal at the Ports in Pakistan.
3. 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 has commenced civil works activity with target completion date of end of 2016.
4. The Company plans to enter into two Equipment Supply Contracts ("ESC"), one for the Conveyor Belt System, and the other for the Ship-to-Shore Cranes. The Company has appointed M/s Hamburg Port Consultancy, Germany as consultant in the procurement process of the plant and equipment. The technical specifications of the Plant and Machinery had already been finalized and the tenders had also been evaluated. Subsequent to the year end, the Company has entered into an ESC with Northern Heavy Industries Group Company Limited ("NHI"), on July 13, 2015 and an ESC with Shanghai Zhenhua Heavy Industries Company

("ZPMC"), on August 11, 2015, for the purchase, delivery & commissioning of the "Conveyor Belt System" and the "Crane System – Ship Loaders & Un-loaders", respectively, with a commissioning date of third quarter calendar year 2016.

5. 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. 181,040 million (June 2014: Rs. 6,068 million) which comprises the interest income on the deposits held with the Commercial Bank and unrealized gain on investment in money / income funds. The company has posted a profit before taxation amounting to Rs. 126,901 million against a loss of Rs. 27,769 million during the previous year. Net Profit after tax is Rs. 81,381 million in comparison with a loss of Rs. 16,868 million during the previous year.

Financial Results

These are summarized below:

	Ruppes in '000'
Profit before taxation	126,901
Taxation	(45,520)
Profit after tax	81,381
Un-appropriated loss brought forward	(46,313)
Un-appropriated profit carried forward	35,068
EPS - Basic & Diluted	Rs. 0.11

Project Finance

1. During the year end, to strengthen the capital base of the Company in line with shareholders commitment to the Company's Lenders, and to create a strong financial standing to facilitate Project Completion, the Board of Directors of the Company, approved the issue of 704,037,921 ordinary shares by way of right issue at the rate of 12.9 shares for every one existing ordinary share at par value of Rs. 10 per share. The Right Issue was fully subscribed by the entitled shareholders and the allotment of the shares was made on July 08, 2014.





2. 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 Board of Directors had proposed an issue of shares other right for 189,653,626 shares at Par value of Rs. 10 each, approximating to 20% of the issued, subscribed & paid - up capital of the Company according special resolution of the members at the 5th Annual General Meeting of the Company held on October 15, 2014. The members also passed the said special resolution. Accordingly, the Company had obtained approval of the Securities & Exchange Commission of Pakistan for the issue in accordance with the requirements of the Companies Ordinance, 1984. Subsequent to the year end, the Company has received Rs. 1,896,536,260/- as cash consideration for the issue of these shares on July 16, 2015 and the shares have been allotted to IFC on the same date.
3. The Directors express their gratitude to our Shareholders in the general public and the Institutional Investors in the Company. The Directors would also like to express their gratitude to our Lenders and Port Qasim Authority for their continued support to our Project.
4. As described in point 2 to the "Operational Overview & Project Brief" above, the Directors have approved the expansion of the project. Accordingly, the total project cost is now estimated at USD 255 million with projected debt-equity ratio of 49:51. The Company has secured amended facilities from the local financial institutions, and, is in the advance level of negotiations for securing amended facilities with the foreign financial institutions, in respect of the overall incremental debts.

Appropriation

The Board of directors has not recommended any dividends and / or bonus for the financial year 2015, as the Company has not yet commenced commercial operations. This recommendation is in line with the overall financing plan shared with the investors.

Compliance With The Code Of Corporate Governance

The compliance with the Code of Corporate Governance set out by the Karachi Stock Exchange in the listing regulations, relevant for the year ended June 30, 2015 have been duly complied with. A statement to this effect is annexed with the report.

Corporate Governance And Financial Reporting Framework

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- Proper books of account have been maintained by the Company.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The value of investments of provident fund based on their un-audited accounts as on June 30, 2015 was Rs. 18.462 million.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- The Board arranged briefings for its Directors to apprise them of their duties and responsibilities. During the year, the Chairman of the Board, who is a non-executive director, along with an executive director and a non-executive director has obtained certifications from an organization outside Pakistan on the Best Practices of Corporate Governance.
- Details of purchase/sale of shares of the company by its directors, CEO, CFO, Company Secretary and their spouses and minor children and Pattern of shareholding is included in the annexed shareholders' information.

Meetings Of The Directors

Board of Directors

During the year five meetings of the Board of Directors were held. Attendance by the Directors is as follows:

Name of Directors	Meetings attended	Name of Directors	Meetings attended
Captain Haleem A. Siddiqui	4	Syed Nizam A. Shah	4
Mr. Sharque A. Siddiqui	5	Captain Zafar Iqbal Awan	4
Mr. Aasim A. Siddiqui	5	Mr. Ali Raza Siddiqui	5
		Mr. Masood Ahmed Usmani	4

Committees of the Board of Directors

During the year, four meetings of the Audit Committee (AC) and one meeting of the Human Resource & Remuneration Committee (HRC) were held. Attendance by the members is the follows:

Name of AC members	AC Meetings attended	Name of HRC members	HRC Meetings attended
Syed Nizam A. Shah	4	Syed Nizam A. Shah	1
Mr. Aasim A. Siddiqui	4	Mr. Sharique A. Siddiqui	1
Mr. Ali Raza Siddiqui	4	Mr. Ali Raza Siddiqui	1

Auditors

The auditors M/s Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants retire and being eligible they have offered themselves for reappointment. The Audit Committee has recommended the reappointment of the retiring auditors for the year ending June 30, 2016 and the Board agrees to the recommendation of the Audit Committee.

Code Of Ethics & Business Principles

The Board has adopted the Statement of Ethics and Business Principles, which is signed and acknowledged by all the Directors and employees of the Company and are required to abide by the Code.

Green Operations

PIBT will also be the first handling facility to comply with World Bank standards of environment pollution control. In this respect, PIBT has developed an Environmental Management Plan (EMP) in compliance with applicable laws & regulations of Pakistan, IFC's performance standards and World Bank Group Environment Health & Safety Guidelines.

Key aspects of the EMP are:

- Dust emission control
- Noise pollution control
- Waste water management
- Solid waste Management
- Dredge material disposal Management
- Biodiversity conservation & sustainable natural resources management

These aspects of the EMP and the related regulations etc. have been forwarded to and agreed upon with the Contractor(s), and will be implemented over the course of construction of the terminal.

Corporate Social Responsibility

The development of an enterprise is inextricably linked to the welfare and well-being of the people associated with it. Pakistan International Bulk Terminal Limited embraces responsibility for the impact of its activities on the environment, employers, communities and all other stakeholders of the public sphere.

As part of its Corporate Social Responsibility Program,

the Company had signed an agreement with the International Union for the Conservation of Nature (IUCN) to undertake the restoration of the degraded mangroves forests in the Indus Delta. The overall objective of the program was the protection and long term viability of the coastal ecosystems, especially mangroves of the northern creeks of the Indus delta (the area controlled by Port Qasim Authority) to ensure that they can continue to provide the functions, products

and attributes of those ecosystems at sustainable levels for the benefits of the local communities, the people of Sindh, and the people of Pakistan as a whole. The Project covered mangrove plantation at an area of 500 hectares within Port Qasim jurisdiction, and establishment of a 50,000-container-mangrove plant nursery. During the period, extensive and regular maintenance of the plantation has been carried for their conservation and an immediate benefit was provided to the community in the form of wages to laborers engaged from Rehri and Lat Basti, villages located near PIBT Site, during such maintenance. Moreover, the Company, on its own, has started plantation of mangroves alongside the trestle area on site which will support the dust emission control plan and help sustain the ecosystems of the area.

Major Events After Balance Sheet Date

As disclosed previously in this report, the Board of Directors had proposed an issue of shares other right for 189,653,626 shares at Par value of Rs. 10 each, approximating to 20% of the issued, subscribed & paid - up capital of the Company according special resolution of the members at the 5th Annual General Meeting of the Company held on October 15, 2014.

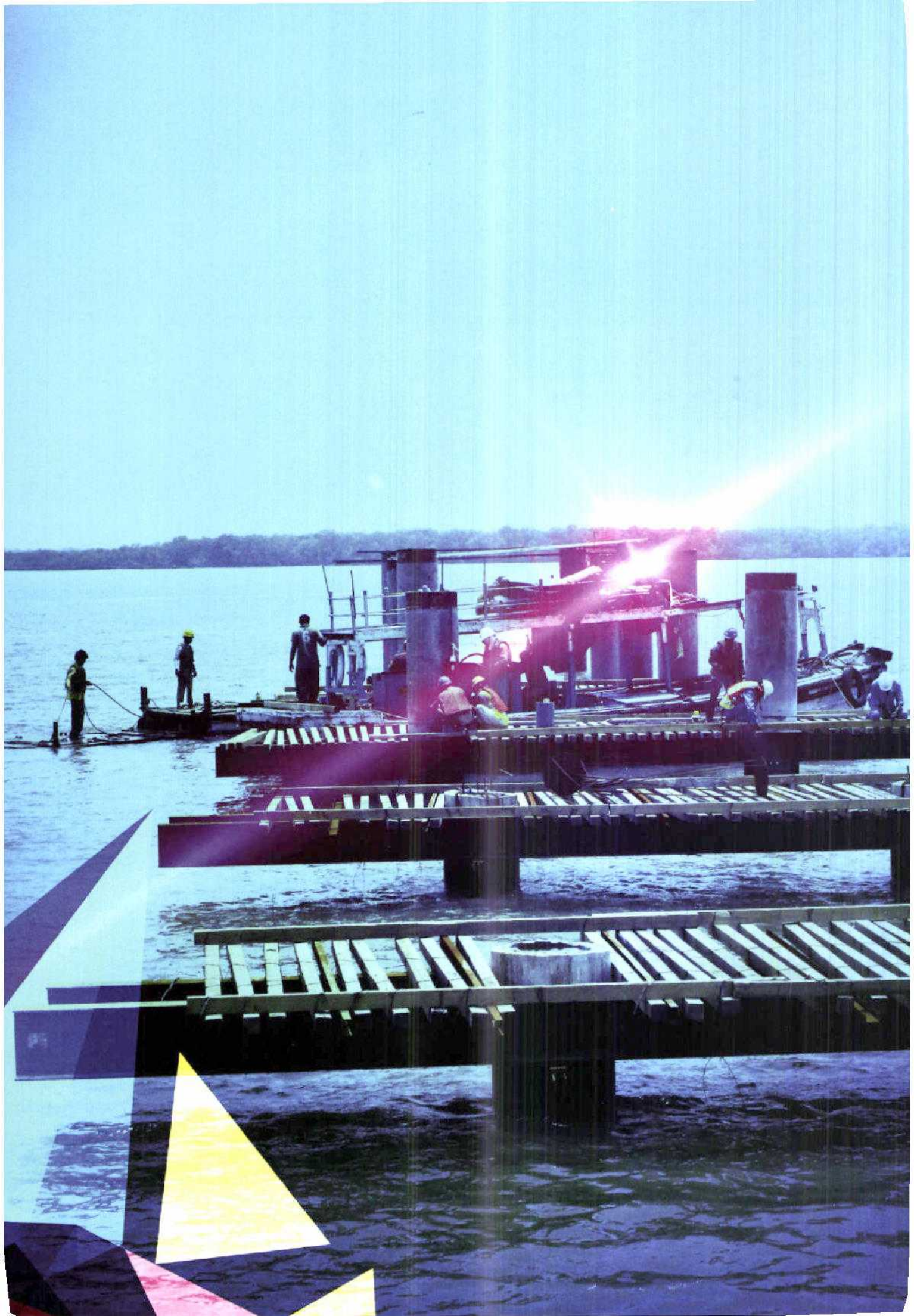
The members also passed the said special resolution. Subsequent to the year end, the Company has received Rs. 1,896,536,260/- as cash consideration for the issue of these shares on July 16, 2015 and the shares have been allotted to IFC on the same date.

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: August 21, 2015





Key Financial Data

	2015	2014	2013	2012	2011
	----- (Rupees in '000) -----				
PROFIT & LOSS SUMMARY*					
Other Income	181,040	6,068	8,142	10,237	7,667
Profit / (Loss) before taxation	126,901	(27,769)	(31,018)	(10,364)	7,341
Profit / (Loss) after taxation	81,381	(16,868)	(20,747)	(6,681)	8,166
BALANCE SHEET SUMMARY					
Non-Current Assets	6,416,287	4,064,542	3,163,273	1,202,500	407,074
Current Assets	1,411,245	2,526,345	87,728	44,550	17,497
Capital Expenditure during the year	2,315,678	837,683	1,842,901	788,781	403,448
Share Capital	7,586,145	545,766	545,766	545,766	425,000
Share Holders' Equity	7,621,213	499,453	516,321	537,068	422,983
Advance / Subscription against proposed issue of right shares	-	6,066,330	2,105,000	700,000	-
Non-Current Liabilities	159,329	8,278	-	-	-
Current Liabilities	46,990	16,826	629,680	9,982	1,588
STATISTICS					
Break up Value Per Ordinary Share (Rs.)	10.05	9.15	9.46	9.84	9.95
Market Value Per Ordinary Share (Rs.)**	36.06	29.79	-	-	-
Earnings Per Ordinary Share (Rs.)	0.11	(0.02)	(0.14)	(0.12)	(0.02)
	(Restated)				

* As the Company has yet to start its commercial operations, therefore, the "Key Operational Data" has not been provided.

** The Company was listed at the Karachi Stock Exchange Limited on December 23, 2013. The market value represents closing rate of the Company's share as at the close of financial year.

CORPORATE GOVERNANCE





Statement of Compliance with code of Corporate Governance for the year ended June 30, 2015

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in the Listing Regulation No. 35 of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Board of Directors of Pakistan International Bulk Terminal Limited (PIBT) (the Company) has always supported and re-confirms its commitment to continued support and implementation of the highest standards of Corporate Governance at all times.
2. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

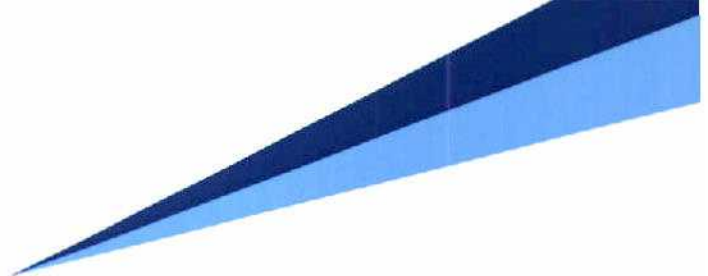
Category	Name
Independent Directors	Syed Nizam A. Shah
	Mr. Ali Raza Siddiqui
Executive Directors	Mr. Aasim Azim Siddiqui
	Mr. Sharique Azim Siddiqui
Non - Executive Directors	Capt. Haleem A. Siddiqui
	Capt. Zafar Iqbal Awan
	Mr. M. Masood Ahmed Usmani

The independent directors meet the criteria of independence under clause i (b) of the Code.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a

stock exchange, has been declared as a defaulter by that stock exchange.

5. There were no casual vacancies on the Board during the year.
6. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
8. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
10. The Board arranged briefings for its Directors to apprise them of their duties and responsibilities. Two of the non-executive Directors and one of the Independent Directors of the Company have obtained the Certification under Director Education Program conducted by various institutes as specified by SECP. In addition, the other Independent Director of the company meets the criteria of exemption under clause (xi) of the code, and accordingly is exempted from director's



training program. Furthermore, the Chairman of the Board, who is a non-executive Director, along with an executive Director & a non executive director has obtained certifications from an organisations outside Pakistan on the Best Practices of Corporate Governance. In future, arrangements will also be made for other Directors for acquiring certification under the directors training program.

experienced for the purpose and is conversant with the policies and procedures of the Company.

11. There has been no new appointment at the CFO, Company Secretary and Head of Internal Audit position during the year.
12. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
14. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the Code.
16. The Board has formed an Audit Committee. It comprises three members, of whom two are independent directors and one is executive director. The chairman of the committee is an independent director.
17. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
18. The Board has set-up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
19. The Board has formed a Human Resources and Remuneration Committee. It comprises three members, of whom two are independent directors and one is executive director. The chairman of the committee is an independent director.
20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.
21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
22. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.
23. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
24. We confirm that all other material principles enshrined in the Code have been complied with.

Sharique A. Siddiqui
Chief Executive Officer
August 21, 2015

Review Report to the Members on Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Pakistan International Bulk Terminal Limited (the Company) for the year ended 30 June 2015 to comply with the requirements of Listing Regulation No. 35 Chapter XI of Karachi Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for its review

and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2015.

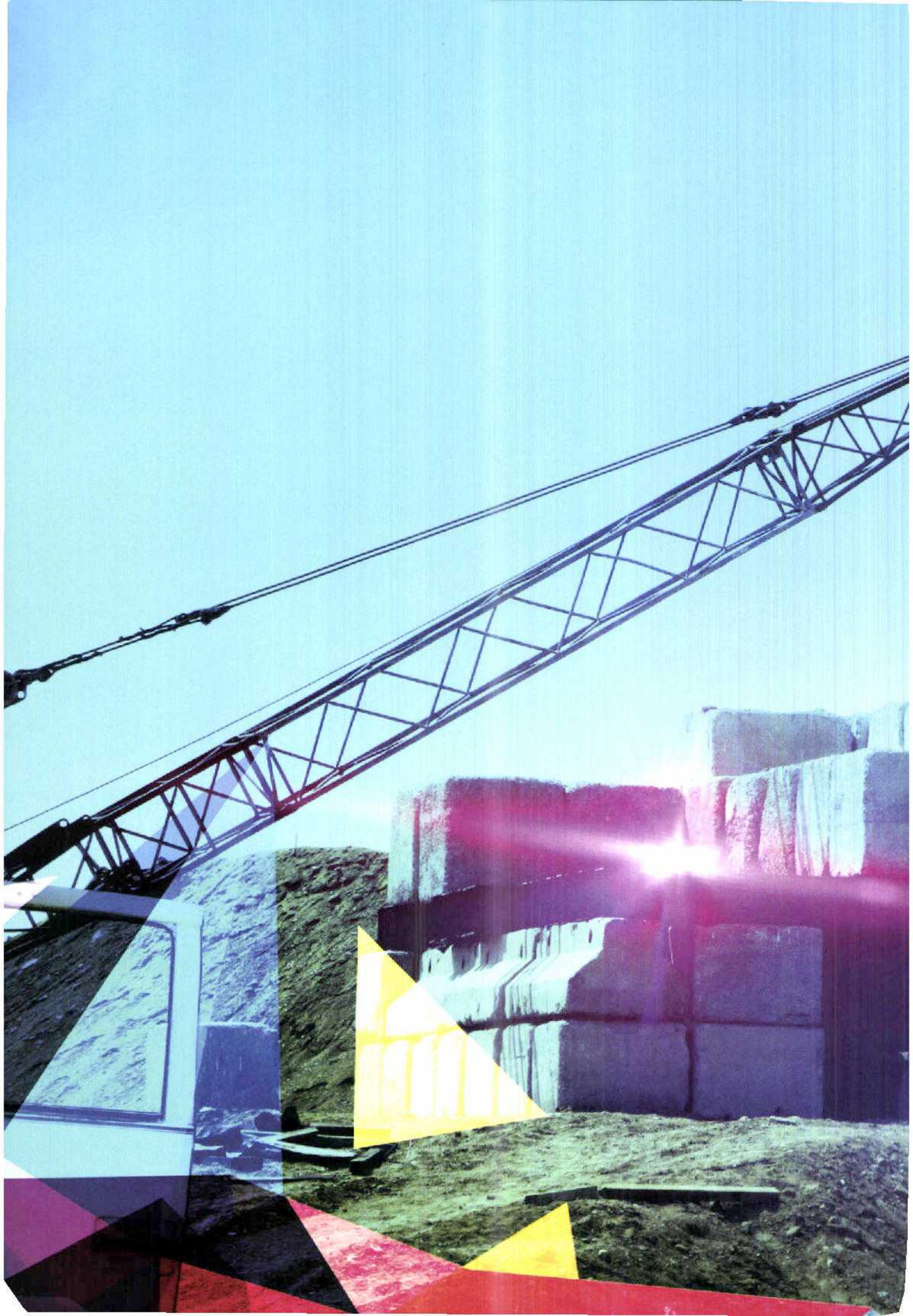
Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Date: August 21, 2015

Place: Karachi





PIBT EVENTS



Chairman Port Qasim Visit at PIBT Site





China Visit for Bulk Equipment Procurement



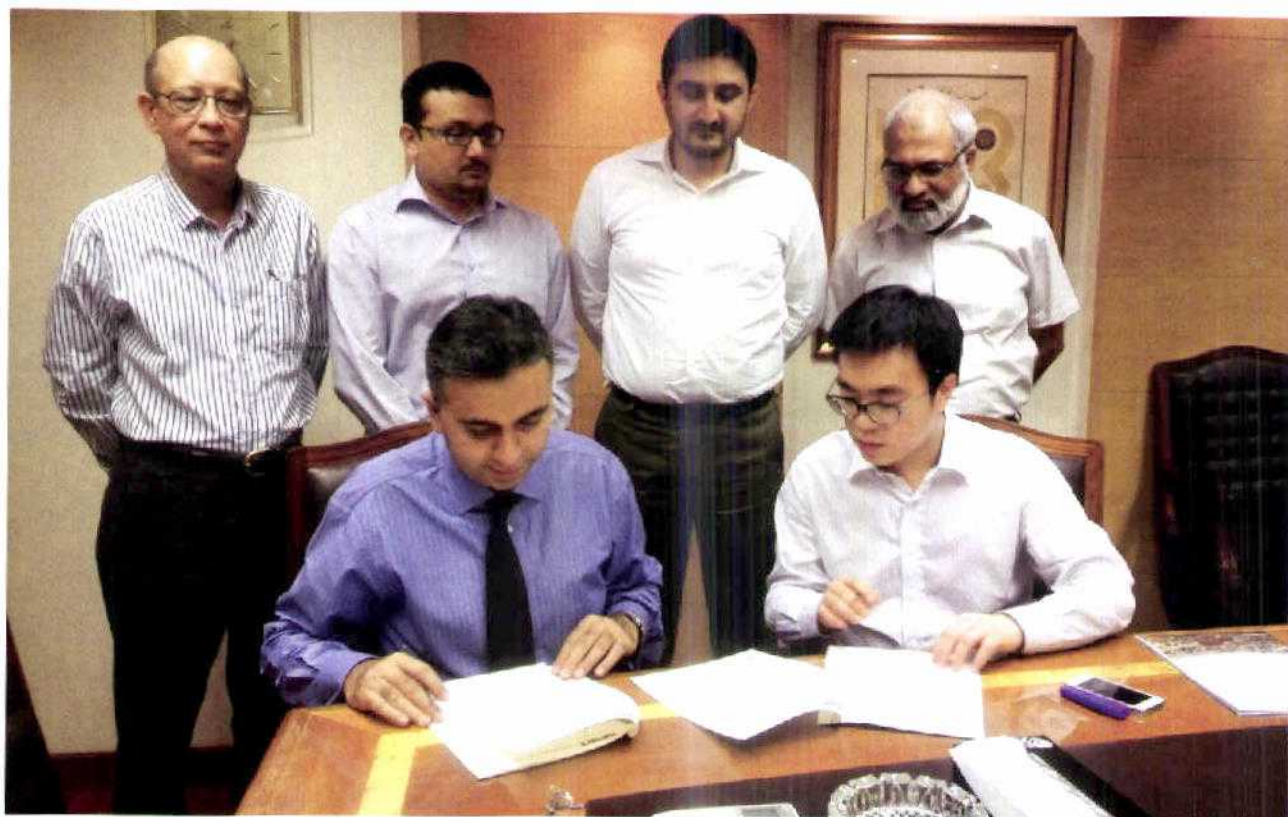


Signing of Conveyor System Contract





Signing of Crane Equipment Contract and Letter of Award



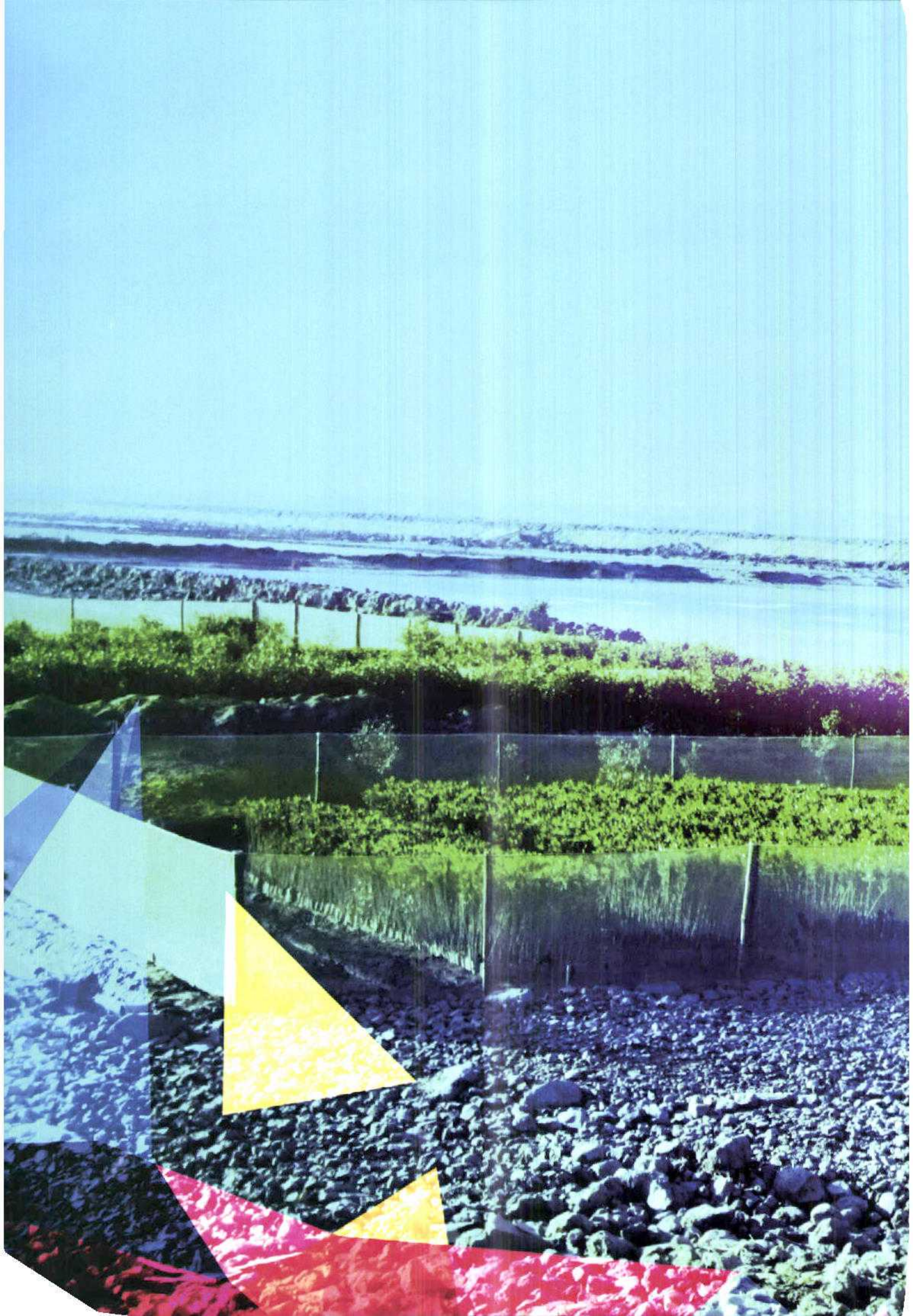
IFC visit at PIBT Site



Project Progress Meetings







MANGROVES

Nursery adjacent to Project
Site maintained by PIBT





CONSTRUCTION

Activities at PIBT Site



Jetty Construction



Trestle Construction



Dredging Activity

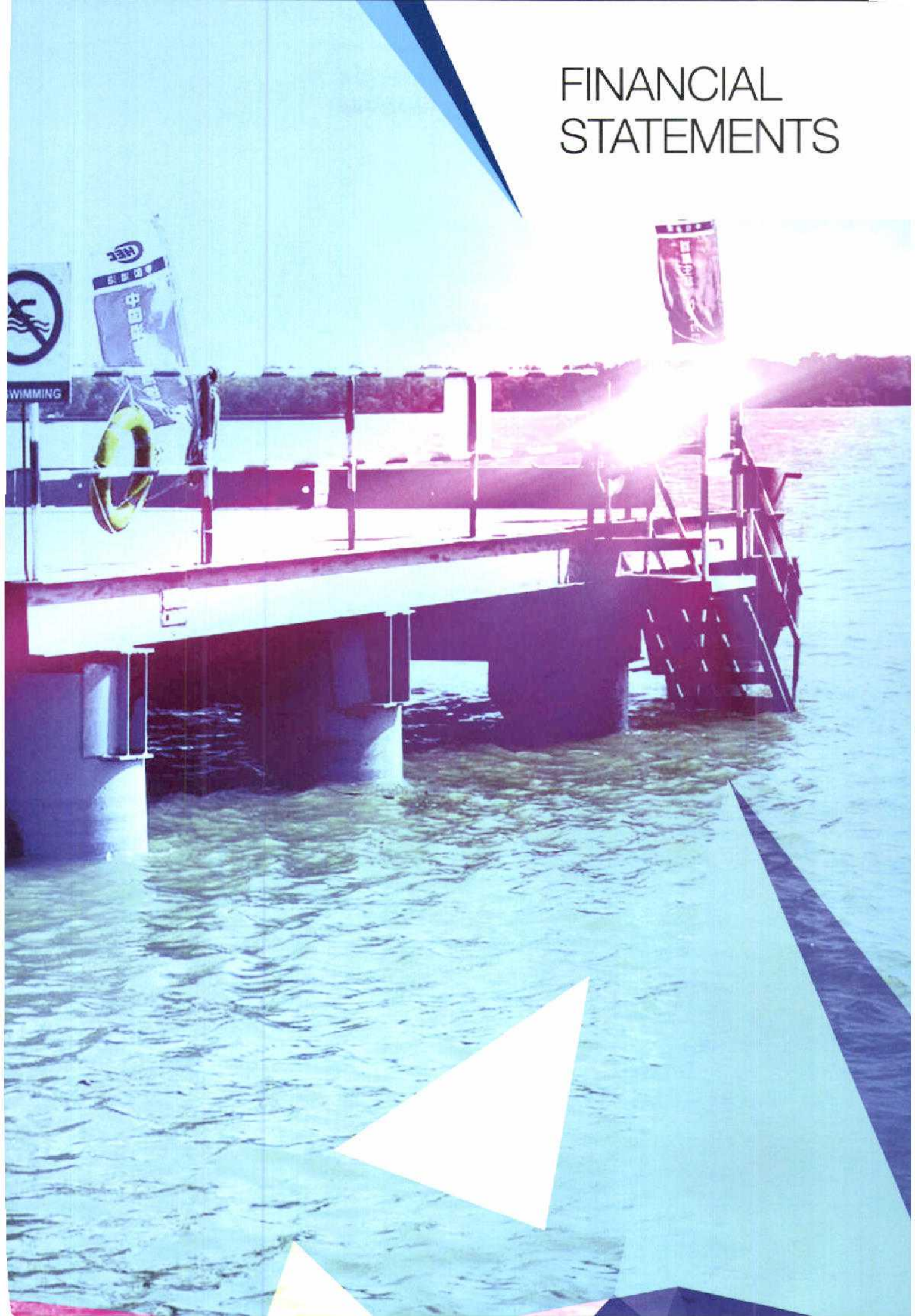


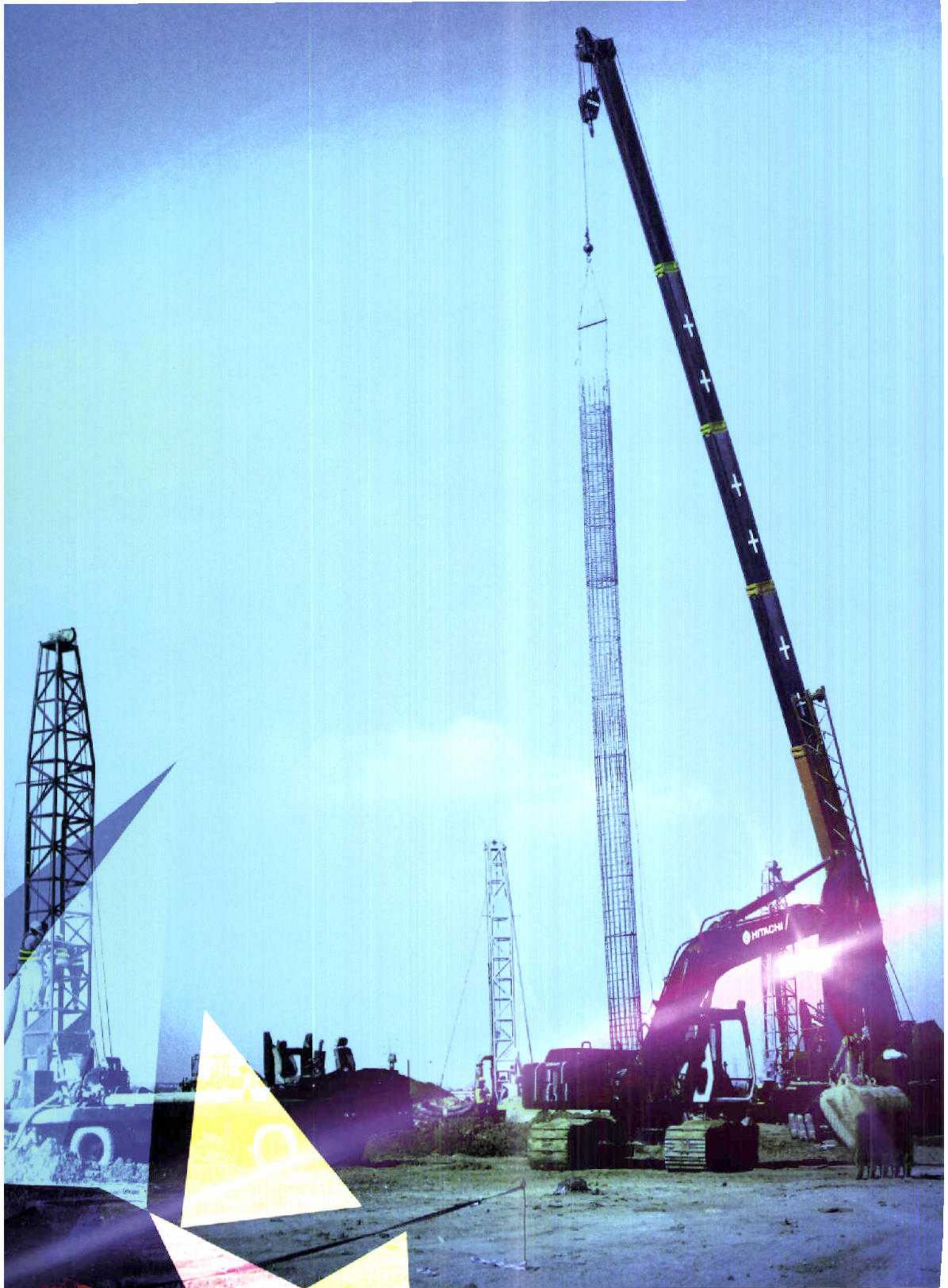
Construction Works





FINANCIAL STATEMENTS





Auditors' Report to the Members

We have audited the annexed balance sheet of PAKISTAN INTERNATIONAL BULK TERMINAL LIMITED (the Company) as at 30 June 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for changes as stated in note 2.4 to the financial statements with which we concur;

- ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Audit Engagement Partner: Riaz A. Rehman Chamdia
Date: August 21, 2015
Place: Karachi

Balance Sheet

As at June 30, 2015

	Note	2015 ----- (Rupees in '000) -----	2014 -----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	5,846,214	3,521,594
Intangible assets	5	343,486	356,015
Deferred transaction costs on long term financing	6	177,305	150,713
Deferred tax	7	49,282	36,220
		<u>6,416,287</u>	<u>4,064,542</u>
CURRENT ASSETS			
Deposits and other receivables		324	250
Short term investments	8	403	376
Taxation – net		395	-
Cash and bank balances	9	1,410,123	2,525,719
		<u>1,411,245</u>	<u>2,526,345</u>
TOTAL ASSETS		<u>7,827,532</u>	<u>6,590,887</u>
SHARE CAPITAL AND RESERVES			
Authorised capital			
1,500,000,000 (2014: 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			
758,614,504 (2014: 54,576,583) Ordinary shares of Rs. 10/- each fully paid in cash	10	7,586,145	545,766
Accumulated profit / (loss)		<u>35,068</u>	<u>(46,313)</u>
		<u>7,621,213</u>	<u>499,453</u>
Subscription against issue of right shares		-	6,066,330
		<u>7,621,213</u>	<u>6,565,783</u>
NON-CURRENT LIABILITIES			
Retention money - EPC contractor		149,410	-
Staff compensated absences		9,919	8,278
		<u>159,329</u>	<u>8,278</u>
CURRENT LIABILITIES			
Trade and other payables	11	46,990	16,791
Taxation – net		-	35
		<u>46,990</u>	<u>16,826</u>
COMMITMENTS			
	12		
TOTAL EQUITY AND LIABILITIES		<u>7,827,532</u>	<u>6,590,887</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

Sharique Azim Siddiqui
Chief Executive Officer

Capt. Zafar Iqbal Awan
Director

Profit and Loss Account

For the year ended June 30, 2015

	Note	2015 ----- (Rupees in '000) -----	2014 -----
Administrative expenses	13	(50,519)	(33,724)
Other operating expenses – workers' welfare fund		(3,620)	(113)
Other income	14	181,040	6,068
Profit / (loss) before taxation		126,901	(27,769)
Taxation	15	(45,520)	10,901
Profit / (loss) after taxation		81,381	(15,868)
Earnings / (loss) per ordinary share – basic and diluted	16	0.11	(Restated) Rs. (0.02)

The annexed notes from 1 to 23 form an integral part of these financial statements.

Sharique Azim Siddiqui
Chief Executive Officer

Capt. Zafar Iqbal Awan
Director

Statement of Comprehensive Income

For the year ended June 30, 2015

	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
Profit / (loss) for the year	81,381	(16,868)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year	<u>81,381</u>	<u>(16,868)</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

Sharique Azim Siddiqui
Chief Executive Officer

Capt. Zafar Iqbal Awan
Director

Cash Flow Statement

For the year ended June 30, 2015

	2015	2014
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	126,901	(27,769)
Adjustments for non-cash items		
Depreciation	1,376	1,126
Gain on sale of short term investment	-	(82)
Gain on sale of fixed assets	(281)	-
Unrealised gain on investment – net	(27)	(341)
Amortization	6	17
Staff compensated absences	179	827
Operating Profit / (loss) before working capital changes	128,154	(26,222)
(Increase) / decrease in current assets		
Deposits and other receivables	(74)	14,883
Accrued mark – up	-	110
	(74)	14,993
Increase / (decrease) in current liabilities		
Trade and other payables	30,200	(621,833)
Cash generated from / (used in) operations	158,280	(633,062)
Increase in retention money	149,410	-
Staff compensated absences paid	(146)	-
Taxes paid	(59,012)	(1,552)
Net cash generated from / (used in) operating activities	248,532	(634,614)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(38,143)	(2,101)
Additions to intangible assets	(404)	-
Additions to capital work in progress	(2,277,131)	(835,582)
Proceeds from sale of fixed assets	4,094	-
Proceeds from redemption of short term investments	-	45,350
Net cash used in investing activities	(2,311,584)	(792,333)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	974,049	-
Transaction costs paid on long term financing	(26,593)	(35,834)
Subscription received against proposed issue of right shares	-	3,961,330
Net cash generated from financing activities	947,456	3,925,496
Net (decrease) / increase in cash and cash equivalents	(1,115,596)	2,498,549
Cash and cash equivalents at the beginning of the year	2,525,719	27,170
Cash and cash equivalents at the end of the year	9 1,410,123	2,525,719

The annexed notes from 1 to 23 form an integral part of these financial statements.

Sharique Azim Siddiqui
Chief Executive Officer

Capt. Zafar Iqbal Awan
Director

Statement of Changes in Equity

For the year ended June 30, 2015

	Issued, subscribed and paid-up capital	Revenue reserve - accumulated profit / (loss)	Total
	----- (Rupees in '000) -----		
Balance as at July 01, 2013	545,766	(29,445)	516,321
Loss for the year	-	(16,868)	(16,868)
Other comprehensive loss	-	-	-
Total comprehensive loss	-	(16,868)	(16,868)
Balance as at June 30, 2014	<u>545,766</u>	<u>(46,313)</u>	<u>499,453</u>
Issue of right shares during the year	7,040,379	-	7,040,379
Profit for the year	-	81,381	81,381
Other comprehensive income	-	-	-
Total comprehensive income	7,040,379	81,381	7,121,760
Balance as at June 30, 2015	<u>7,586,145</u>	<u>35,068</u>	<u>7,621,213</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

Sharique Azim Siddiqui
Chief Executive Officer

Capt. Zafar Iqbal Awan
Director

Notes to the Financial Statements

For the year ended June 30, 2015

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 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 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 financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Ordinance, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The Securities and Exchange Commission of Pakistan (SECP) in pursuance of the SRO No. 24 (1) / 2012 dated January 16, 2012 has granted waiver 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 (Refer note 21).

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the accounting policies, management has made the following judgments, estimates and assumptions which are significant to the financial statements.

	Notes
• determining the residual values, useful lives and impairment of property, plant and equipment	3.1 & 4
• classification and valuation of investments	3.3 & 8
• deferred tax	3.7 & 7

Notes to the Financial Statements

For the year ended June 30, 2015

A judgment has been made by the management, whereby, all costs that are directly attributable to the project have the probability that associated future economic benefits will flow to the entity, are capitalized as capital work-in-progress. These will be expensed out (in form of impairment) in case if the project does not eventually materialize.

- 2.4. The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except that the Company has adopted the following revised standards, improvements to accounting standards, interpretations and amendments to IFRS which became effective for the current year:

New / Revised Standards, Interpretation and Amendments

IAS 19 – Employee Benefits – (Amendment) – Defined Benefit Plans: Employee Contributions

IAS 32 – Financial Instruments: Presentation – (Amendment) – Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment) – Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment) (note 3 below)
– Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

Improvements to Accounting Standards Issued by the IASB

IFRS 2 Share-based Payment – Definitions of vesting conditions

IFRS 3 Business Combinations – Accounting for contingent consideration in a business combination

IFRS 3 Business Combinations – Scope exceptions for joint ventures

IFRS 8 Operating Segments – Aggregation of operating segments

IFRS 8 Operating Segments – Reconciliation of the total of the reportable segments' assets to the entity's assets

IFRS 13 Fair Value Measurement – Scope of paragraph 52 (portfolio exception)

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Revaluation method – proportionate restatement of accumulated depreciation / amortization

IAS 24 Related Party Disclosures – Key management personnel

IAS 40 Investment Property – Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the financial statements.

Notes to the Financial Statements

For the year ended June 30, 2015

2.5 Standards and amendments to approved accounting standards that are not yet found effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Amendment to Standard / Interpretation	Effective date (annual periods Beginning on or after)
IFRS 10 – Consolidated Financial Statements	01 January 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	01 January 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	01 January 2016
IFRS 11 – Joint Arrangements	01 January 2015
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IFRS 12 – Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 – Fair Value Measurement	01 January 2015
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 16 Property, Plant and Equipment and IAS 38 Intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	01 January 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The Company expects that the adoption of the above revision, amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

In addition to the above standards and interpretations, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Notes to the Financial Statements

For the year ended June 30, 2015

IASB effective
date
(annual periods
Beginning
on or after)

Standard

IFRS 9 – Financial Instruments: Classification and Measurement

01 January 2018

IFRS 14 – Regulatory Deferral Accounts

01 January 2016

IFRS 15 – Revenue from Contracts with Customers

01 January 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

3.1.1 Fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to profit and loss account using straight line method so as to write off the historical cost of the assets over their estimated useful lives at the rates specified in note 4.1 to these financial statements. Depreciation on additions is charged from the month in which the asset is available to use and on disposals up to the month the respective asset was in use. Assets residual values, useful lives and methods are reviewed, and adjusted, if appropriate, at each financial year end.

The carrying values of property, plant and equipment are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Company.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account in the period in which they arise.

3.1.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when these assets are available for use.

Notes to the Financial Statements

For the year ended June 30, 2015

3.8 Staff benefits

Provident fund

The Company operates a recognized provident fund scheme for all its employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 8.33% of basic salary.

Staff compensated absences

The Company provides a facility to its employees for accumulating their annual earned leave under an unfunded scheme.

Provisions are made to cover the obligation under the scheme on accrual basis and are charged as an expense. Accrual for compensated absences for employees is calculated on the basis of one month's gross salary. The amount of liability recognized in the balance sheet is calculated by the Company using the above basis as the difference in liability is not expected to be material using the Projected Unit Credit Method.

3.9 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services rendered whether or not billed to the Company.

3.10 Interest / mark-up bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the profit and loss account over the period of the borrowing using the effective interest method.

Gains and losses are recognised in profit and loss account when the liabilities are derecognised as well as through amortisation process.

3.11 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are capitalised as a part of the cost of related asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

3.12 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.13 Functional and presentation currency

These financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

3.14 Revenue recognition

Profit on savings accounts is recognised on accrual basis.

Notes to the Financial Statements

For the year ended June 30, 2015

	Note	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
4. PROPERTY, PLANT AND EQUIPMENT			
Fixed assets	4.1	45,894	24,216
Capital work-in-progress	4.2	5,800,320	3,497,378
		<u>5,846,214</u>	<u>3,521,594</u>

4.1. The following is a statement of fixed assets:

	Cost as at July 01, 2014	Additions/ (disposals)	Cost as at June 30, 2015	Accumulated depreciation as at July 01, 2014	Depreciation for the year	Accumulated depreciation as at June 30, 2015	Book value as at June 30, 2015	Dep. rate % per annum
	(Rupees in '000)							
Owned								
Vehicles	34,973	38,750 (7,986)	63,737	13,770	10,082 (6,173)	19,679	44,058	20-33.33
Computers	4,820	841	5,664	2,715	1,763	4,478	1,186	33.33
Furniture and fixtures	5,546	240	5,786	4,907	534	5,441	345	33.33
Office equipment	1,739	339	2,048	1,470	273	1,743	305	33.33
2015	47,078	38,143 (7,986)	77,235	22,862	12,652 (4,173)	31,341	45,894	

	Cost as at July 01, 2013	Additions	Cost as at June 30, 2014	Accumulated depreciation as at July 01, 2013	Depreciation for the Year	Accumulated depreciation as at June 30, 2014	Book value as at June 30, 2014	Dep. rate % per annum
	(Rupees in '000)							
Owned								
Vehicles	34,199	774	34,973	6,202	7,568	13,770	21,203	20-33.33
Computers	3,941	879	4,820	1,251	1,464	2,715	2,105	33.33
Furniture and fixtures	5,151	395	5,546	3,288	1,641	4,907	639	33.33
Office equipment	1,666	53	1,739	899	571	1,470	269	33.33
2014	44,977	2,101	47,078	11,618	11,244	22,862	24,216	

4.1.2 Depreciation charge for the year has been allocated as under:

	Note	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
Administrative expenses	13	1,376	1,126
Capital work-in-progress	4.2	11,276	10,118
		<u>12,652</u>	<u>11,244</u>

Notes to the Financial Statements

For the year ended June 30, 2015

4.1.3 Details of disposal of property, plant and equipment having book value exceeding Rs.50,000 each are as follows:

Particulars	Cost	Accumulated depreciation	Book value	Sales proceeds	Mode of disposal	Particulars of buyers
(Rupees in '000)						
<u>Vehicles</u>						
	1,045	734	314	314	Company policy	Sirajuddin Ghumro
	755	613	155	153	Company policy	Zeeshan Liaquat
	1,359	475	877	1,000	Negotiation	Masood ul haq
	4,750	2,286	2,454	2,612	Negotiation	Mass International (Pvt.) Ltd.
	<u>7,194</u>	<u>4,116</u>	<u>3,798</u>	<u>4,079</u>		

	Note	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
4.2 Capital work-in-progress			
Civil works	4.2.1	3,511,407	2,149,994
Consultancy and survey fees		563,415	432,247
Advance to EPC contractor		1,100,490	624,950
Depreciation and amortization	4.1.2 & 5.2	75,051	50,850
Other ancillary costs	4.2.2	549,957	239,337
		<u>5,800,320</u>	<u>3,497,378</u>

4.2.1 This represents amount charged by the EPC Contractor for civil work carried out on the Project site.

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

5. INTANGIBLE ASSETS

	Cost as at July 01, 2014	Additions	Cost as at June 30, 2015	Accumulated amortization as at July 01, 2014	Amortization charge for the year	Accumulated amortization as at June 30, 2015	Book value as at June 30, 2015	Amortization rate %
(Rupees in '000)								
Computer software	552	404	956	534	63	597	359	33.33
Right to use infrastructure facilities (note 5.1)	386,104	-	386,104	30,107	12,870	42,977	343,127	3.33
2015	<u>386,656</u>	<u>404</u>	<u>387,060</u>	<u>30,641</u>	<u>12,933</u>	<u>43,574</u>	<u>343,486</u>	
	Cost as at July 01, 2013	Additions	Cost as at June 30, 2014	Accumulated amortization as at July 01, 2013	Amortization charge for the year	Accumulated amortization as at June 30, 2014	Book value as at June 30, 2014	Amortization rate %
(Rupees in '000)								
Computer software	552	-	552	368	166	534	18	33.33
Right to use infrastructure facilities (note 5.1)	385,104	-	385,104	17,236	12,871	30,107	355,997	3.33
2014	<u>386,656</u>	<u>-</u>	<u>386,656</u>	<u>17,604</u>	<u>13,037</u>	<u>30,641</u>	<u>356,015</u>	

Notes to the Financial Statements

For the year ended June 30, 2015

5.1 This represents Peripheral Development Charges (PDC) of leasehold land paid to PQA as per the BOT contract for the grant of the right to use the site and related facilities for the construction, management and operation of the coal and clinker / cement terminal.

5.2 Amortization charge for the year has been allocated as under:

	Note	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
Administrative expenses	13	6	17
Capital work-in-progress	4.2	12,927	13,020
		<u>12,933</u>	<u>13,037</u>

6. DEFERRED TRANSACTION COSTS ON LONG-TERM FINANCING

This represents front end fee, commitment fee and mobilization fee on loans from financiers, as per their respective loan agreements (refer note 12.3 to 12.6). The said costs will be adjusted from the loan proceeds upon initial recognition and thereafter will be amortized over the loan term as allowed under the relevant accounting standards.

	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
7. DEFERRED TAX		
Arising on deductible temporary difference		
- pre incorporation expenses	3,315	3,626
- pre-commencement expenses	45,967	32,594
	<u>49,282</u>	<u>36,220</u>

8. SHORT TERM INVESTMENTS

Designated at fair value through profit or loss

Number of units			Cost	Fair value	Cost	Fair value
2015	2014		2015	2014	2014	2014
			----- (Rupees in '000) -----			
		Listed – Mutual Funds (Open Ended)				
1,450	1,368	HLB Money Market Fund	-	147	-	137
1,277	1,191	JS Cash Fund	-	131	-	122
1,240	1,166	UBL Liquidity Plus Fund	35	125	35	117
			35	403	35	376
		Unrealized gain on revaluation of investments	368	-	341	-
			<u>403</u>	<u>403</u>	<u>376</u>	<u>376</u>

Notes to the Financial Statements

For the year ended June 30, 2015

	Note	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
9. CASH AND BANK BALANCES			
With banks:			
- in current account		35	5
- in savings account	9.1	1,409,558	47,303
- in right issue account	10.1	-	2,477,231
		<u>1,409,593</u>	<u>2,524,539</u>
Cash in hand		530	1,180
		<u>1,410,123</u>	<u>2,525,719</u>

9.1 These carry profit at the rates ranging from 6 to 6.25 percent (2014: 8.25 percent) per annum.

10. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of shares			2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
2015	2014			
54,576,583	54,576,583	Ordinary shares of Rs.10/- each		
704,037,921	-	fully paid in cash		
<u>758,614,504</u>	<u>54,576,583</u>	Opening balance	545,766	545,766
		Issued during the year	7,040,379	-
		Closing balance	<u>7,586,145</u>	<u>545,766</u>

10.1 The Board of Directors of the Company, in their meeting held on April 11, 2014, approved the issue of 704,037,921 ordinary shares by way of right issue at the rate of 12.9 shares for every one existing ordinary share at par value of Rs. 10 per share. The entire process of allotment of right shares was completed on July 08, 2014.

	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
11. TRADE AND OTHER PAYABLES		
Accrued liabilities	27,837	16,669
Workers' Welfare Fund	3,620	113
Withholding tax	15,533	9
	<u>46,990</u>	<u>16,791</u>

12. COMMITMENTS

- 12.1 Performance bond issued by bank on behalf of the Company to POA in pursuance of the Implementation Agreement in equivalence of USD 2.5 million amounted to Rs. 254 million (2014: Rs. 264.250 million).
- 12.2 Capital expenditure contracted but remaining to be executed amounted to Rs. 10,146 billion pertaining to the new contract for civil works at the Company's site.

Notes to the Financial Statements

For the year ended June 30, 2015

- 12.3** The Company has entered into a loan agreement with International Finance Corporation (IFC) on June 28, 2012 for an amount of USD 26,500,000 for a period of 12 years repayable in 18 semi annually installments commencing from September 15, 2015. This loan carries markup at the rate of 6 months' LIBOR + 5% and will be secured against the project assets of the Company. The Company has not made any draw down from this loan facility.
- 12.4** The Company has entered into a loan agreement with OPEC Fund for International Development (OFID) on July 12, 2012 for an amount of USD 20,000,000 for a period of 12 years repayable in 18 semi annually installments commencing from September 15, 2015. This loan carries markup at the rate of 6 months' LIBOR + 5% and will be secured against the project assets of the Company. The Company has not made any draw down from this loan facility.
- 12.5** The Company has entered into a Term Finance Facility on November 12, 2012, and as amended on January 26, 2015, 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 3,900,000,000 for a period of 12 years repayable in 18 semi-annual installments commencing from September 15, 2017. This loan carries mark-up at the rate of 6 months KIBOR + 3% and will be secured against the project assets of the Company. The Company has not made any draw down from this loan facility.
- 12.6** The Company has entered into a Musharaka agreement on November 12, 2012, and as amended on January 26, 2015, with four financial institutions namely Al Baraka Bank Limited, Dubai Islamic Bank Pakistan Limited, Faysal Bank Limited, and Meezan Bank Limited for an aggregate amount of Rs 3,300,000,000 for a period of 12 years repayable in 18 semi-annual installments commencing from September 15, 2017. Faysal Bank Limited is acting as a Musharaka agent for the agreement. The loan carries mark-up at the rate of 6 months KIBOR + 3% and will be secured against the project assets of the Company. The Company has not made any draw down from this facility.
- 12.7** The Company is in advanced level of negotiations for the amendments of the above loan facilities (Note 12.3 to 12.6). The major amendments include revision in repayment schedule, whereby the above loans will be repayable in 18 semi annual installments commencing from December 15, 2017, and the enhancement of the loan facility from OFID (note 12.4) from USD 20,000,000 to USD 26,200,000.

	Note	2015 ----- (Rupees in '000) -----	2014 -----
13. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	13.1	8,100	7,230
Travelling and conveyance		1,102	880
Auditors' remuneration	13.2	1,168	1,463
Legal and professional charges		3,906	3,492
Office maintenance & other expenses		847	597
Vehicles running and maintenance		1,319	1,194
Insurance		179	202
Communication		336	284
Printing and stationery		373	446
Utilities		521	480
Depreciation	4.1.2	1,376	1,126
Amortization	5.2	6	17
Fees and subscription	13.3	18,305	9,243
Rent, rates and taxes		12,295	6,550
Bank charges		686	520
		<u>50,519</u>	<u>33,724</u>

Notes to the Financial Statements

For the year ended June 30, 2015

13.1 Includes Rs. 365,594 (2014: Rs. 291,448) in respect of defined contributory provident fund.

13.2 Auditors' remuneration

Statutory audit fee	500	450
Fee for review of half yearly accounts and other certifications	556	932
Out of pocket expenses	112	81
	<u>1,168</u>	<u>1,463</u>

13.3 Includes Rs. 11.24 million in respect of fee paid to CDC on account of fee for issue of right shares by the Company.

2015 2014
----- (Rupees in '000) -----

14. OTHER INCOME

Income from financial assets

Profit on savings account	180,732	5,645
Unrealised gain on revaluation of short term investment	27	341
Gain on sale of short term investment	-	82
	<u>180,759</u>	<u>6,068</u>

Income from non-financial assets

Gain on sale of property, plant and equipment	281	-
	<u>181,040</u>	<u>6,068</u>

Note 2015 2014
----- (Rupees in '000) -----

15. TAXATION

Current	58,557	1,599
Deferred	(13,062)	(12,500)
Prior	25	-
	<u>45,520</u>	<u>(10,901)</u>

15.1

15.1 Relationship between tax expense and accounting profit

Accounting profit / (loss) before tax	<u>126,901</u>	<u>(27,769)</u>
Corporate tax rate	33%	34%
Tax on accounting profit / (loss) at applicable rate	41,877	(9,441)
Tax effects of:		
- Tax credit on enlistment	-	(281)
- Different tax rate for deferred tax	3,628	(1,035)
- Expenses that are not allowable in calculating taxable income	(10)	(144)
- Prior year charge	25	-
	<u>45,520</u>	<u>(10,901)</u>

Notes to the Financial Statements

For the year ended June 30, 2015

		2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
16. EARNINGS PER ORDINARY SHARE – basic and diluted			
Profit / (loss) after taxation		81,381	(16,868)
		Number of shares	
Weighted average number of ordinary shares outstanding	16.1	746,924,013	746,924,013
Basic earnings per share	16.2	Rs. 0.11	(Rs. (0.02))

16.1 As fully disclosed in note 10.1, the Company issued right shares during the year. The impact of bonus element due to right issue is accounted for in the weighted average number of ordinary shares outstanding in the current and prior year.

16.2 There is no dilutive effect on basic earnings per share of the Company.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, currency risk, interest rate risk and capital risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

17.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk.

- (i) **Interest rate risk**
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of June 30, 2015, the Company is not exposed to interest rate risk.
- (ii) **Foreign currency risk**
Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. As at June 30, 2015, the Company is not exposed to currency risks in respect of financial assets or financial liabilities.

17.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on deposits and bank balances. The Company seeks to minimise the credit risk exposure through having exposure only to customers / parties considered credit worthy and obtaining securities where applicable.

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
Cash with Banks		
A-1+	990,723	378,754
A-1	418,870	2,145,784
	<u>1,409,593</u>	<u>2,524,538</u>
Short term investments		
AA	272	254
AA+	131	122
	<u>403</u>	<u>376</u>

17.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind. The maturity profile is monitored to ensure that adequate liquidity is maintained.

Year ended 30 June 2015

	On demand	Less than 3 months	3 to 12 Months	1 to 5 Years	Total
	(Rupees in '000)				
Trade and other payables	46,490	-	-	-	46,490
Total	<u>46,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,490</u>

Year ended 30 June 2014

	On demand	Less than 3 months	3 to 12 Months	1 to 5 Years	Total
	(Rupees in '000)				
Trade and other payables	16,791	-	-	-	16,791
Total	<u>16,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,791</u>

17.4 Capital risk management

The Company's objectives when managing capital is to safeguard the Company's ability to continue to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently in start-up phase and its capital risk management position will be developed in the near future.

17.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Notes to the Financial Statements

For the year ended June 30, 2015

18. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2015			2014		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees in '000)					
Fees	90	630	-	60	505	-
Remuneration	12,820	12,820	13,530	12,019	12,019	8,100
Housing rent	3,419	3,419	3,746	3,205	3,205	2,184
Retirement benefits	949	949	898	890	890	806
Medical	1,140	1,140	1,249	1,068	1,068	728
Utilities	1,140	1,140	1,249	1,068	1,068	728
	<u>19,558</u>	<u>20,098</u>	<u>20,672</u>	<u>18,310</u>	<u>18,755</u>	<u>12,346</u>
Number	<u>1</u>	<u>6</u>	<u>11</u>	<u>1</u>	<u>6</u>	<u>6</u>

- 18.1 The Chief Executive Officer, Executive Director and certain executives of the Company are also provided with the use of the Company maintained car and other benefits in accordance with terms of service.

19. 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. Balances with related parties have been disclosed in respective notes to the financial statements. Significant transactions with related parties are as follows:

	2015	2014
	----- (Rupees in '000) -----	
Associated Companies		
Transactions during the year		
Entities having directors in common with the Company		
Premier Mercantile Services (Private) Limited		
Issue of share capital	3,909,544	1,034,100
Rent against office premises	2,700	2,700
Travel Club (Private) Limited		
Payment for travelling expenses	8,641	10,497
EFU General Insurance Limited		
Insurance premium	149,999	878
Other related party		
Jahangir Siddiqui & Co. Limited		
Issue of share capital	1,483,500	450,000
Subscription against proposed issue of right shares	-	883,500

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
19.2 Year end balances		
Associated Company		
Premier Mercantile Services (Private) Limited	-	2,989,100
Other related party		
Jahangir Siddiqui & Co. Limited	-	1,483,500

20. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The members of the Company, in the Annual General Meeting of the Company held on October 15, 2014, approved the issue of 189,653,626 ordinary shares by way of issue of shares otherwise than right at par value of Rs. 10 per share and accordingly, the Company has obtained approval of the Securities & Exchange Commission of Pakistan for the issue in accordance with the Companies Ordinance, 1984. Subsequent to the year end, the Company has received Rs. 1,896,536,260 as cash consideration for the issue of these shares, which have been allotted on July 16, 2015.

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

As explained in note 2.1, the required mandatory disclosure is as follows:

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

	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
Reclassification from property, plant and equipment (CWIP) to intangible assets (Port Concession Rights) – written down value	<u>5,800,320</u>	<u>3,489,928</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>102,318</u>	<u>99,946</u>
Interest expense charged for the year on account of intangibles (rent)	<u>8,061</u>	<u>7,828</u>

22. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on August 21, 2015 by Board of Directors of the Company.

Notes to the Financial Statements

For the year ended June 30, 2015

23. GENERAL

23.1 Number of employees

Number of persons employed as at year end were 66 (2014: 55) and the average number of persons employed during the year were 59 (2014: 48).

23.2 Provident Fund

	2015 ----- (Rupees in '000) ----- ----- (Unaudited) -----	2014 ----- (Rupees in '000) ----- ----- (Unaudited) -----
General disclosures		
Receivable from / (payable to) the Fund	-	-
Size of the fund	18,462	13,377
Cost of investments	18,204	13,377
Fair value of investments	18,462	13,377
Percentage of investments	100%	100%

Categories of investments as a percentage of total assets of provident fund:

	2015 ----- (Unaudited) ----- (Rupees in '000) (%)		2014 ----- (Unaudited) ----- (Rupees in '000) (%)	
Deposit Account	13,179	71	13,377	100
Mutual Funds	5,283	29	-	-
Total	18,462	100	13,377	100

Investments of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

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

Sharique Azim Siddiqui
Chief Executive Officer

Capt. Zafar Iqbal Awan
Director

Pattern of Shareholding

as at June 30, 2015

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
9,399	1	5000	14,469,407
1,543	5001	10000	12,104,535
545	10001	15000	7,131,909
347	15001	20000	6,544,388
216	20001	25000	5,171,598
185	25001	30000	5,271,707
86	30001	35000	2,857,872
85	35001	40000	3,302,320
46	40001	45000	2,010,700
138	45001	50000	6,838,853
42	50001	55000	2,230,628
23	55001	60000	1,341,710
18	60001	65000	1,027,884
22	65001	70000	1,512,797
24	70001	75000	1,763,166
17	75001	80000	1,341,560
7	80001	85000	586,179
13	85001	90000	1,159,150
11	90001	95000	1,029,679
74	95001	100000	7,388,500
122	100001	200000	17,684,683
42	200001	300000	10,844,899
9	300001	400000	3,192,529
14	400001	500000	6,567,119
11	500001	600000	6,147,200
1	600001	700000	700,000
3	700001	800000	2,224,000
2	800001	900000	1,728,788
4	1000001	1100000	4,172,750
2	1100001	1200000	2,389,019
1	1300001	1400000	1,325,500
1	1400001	1500000	1,415,000
1	1500001	1600000	1,532,600
1	1800001	1900000	1,876,500
2	2000001	2100000	4,101,182
1	2300001	2400000	2,400,000
1	2500001	2600000	2,600,000
1	2700001	2800000	2,724,386
1	3700001	3800000	3,701,325
1	4300001	4400000	4,372,500
1	7500001	7600000	7,570,968
1	13500001	13600000	13,543,689
1	13700001	13800000	13,785,957
1	14000001	14100000	14,080,275
1	18800001	18900000	18,830,271
1	113700001	113800000	113,792,175
1	410200001	410300000	410,226,887
13,067			758,614,504

Categories of Shareholders	Number of Shareholders	Total Shares Held	Percentage %
Individuals	12,919	211,629,829	27.89%
Insurance Companies	4	4,787,435	0.63%
Financial Institutions	4	349,204	0.05%
Moderabas And Mutual Funds	7	495,872	0.07%
Foreign Investors	12	3,857,440	0.51%
Others	121	537,494,624	70.85%
	13,067	758,614,504	100%

Key Shareholdings

as at June 30, 2015

Categories of Shareholders	Number of Shareholders	Total Shares Held	Percentage %
Associated Companies, Undertaking And Related Parties			
Premier Mercantile Services (Private) Limited - Associated Company	1	410,226,687	
Jahangir Siddiqui & Company Limited - Other Related Party	1	117,493,500	
	2	527,720,187	69.56
Directors, Chief Executive Officer and thier Spouse and Minor Children			
Capt. Haleem Ahmed Siddiqui	1	18,830,272	
Capt. Zafar Iqbal Awan	1	55,017	
Mrs. Saba Haleem Siddiqui	1	7,570,968	
Mr. Aasim Azim Siddiqui	1	13,785,955	
Mr. Sharque Azim Siddiqui	1	13,543,682	
Mr. Muhammad Masood Ahmed Usmani	1	158,366	
Syed Nizam Shah	1	10,716	
Mr. Ali Raza Siddiqui	1	847	
	8	53,953,826	7.11
Company Secretary			
Mr. Arsalan Iftikhar Khan	1	103,606	0.01
Executives	7	266,475	0.04
Public Sector Companies & Corporation	-	-	-
Banks, Development Financial Institutions, Non Banking Financial Institutions, Insurance Companies, Modarabas & Mutual Funds	15	5,632,511	0.74
Foreign Investors & Others	131	13,631,877	1.80
Individuals	12,903	157,306,022	20.74
	13,067	758,614,504	100.00

Shareholders holding 5% or more voting interest	Number of Shareholders	Total Shares Held	Percentage %
Premier Mercantile Services (Private) Limited	1	410,226,687	54.08
Jahangir Siddiqui & Company Limited	1	117,493,500	15.48

Key Shareholdings

as at June 30, 2015

Details of Purchase / Sales of Shares by Directors, Executives, and their spouses/minor children during the year 2015.*

Name	Date	Purchase	Sale
Capt. Haleem Ahmed Siddiqui	8-Jul-15	15,000,000	-
Capt. Zafar Iqbal Awan	8-Jul-15	4,656	-
Mrs. Saba Haleem A. Siddiqui	8-Jul-15	7,026,294	-
Mr. Aasim Azim Siddiqui	8-Jul-15	10,225,000	-
Mr. Sharique Azim Siddiqui	8-Jul-15	10,000,012	-
Mr. Muhammad Masood Ahmed Usmani	8-Jul-15	150,828	-
Syed Nizam A. Shah	8-Jul-15	9,945	-
Mr. Ali Raza Siddiqui	8-Jul-15	786	-
Mr. Arsalan Ifikhar Khan	8-Jul-15	102,106	-

*The above have each subscribed to right shares as offered to them by the Company during the year at par value of Rs. 10/- each

Form of Proxy

The Company Secretary
Pakistan International Bulk Terminal Limited
2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi

I/We, _____ of _____ being member of Pakistan International Bulk Terminal Limited and holder of _____ Ordinary Shares as per Share Register Folio No _____ and/or CDC Participant I. D. No. _____ hereby appoint Mr./Mrs./Miss _____ of (full address) as my/us proxy to attend, speak and vote for me/us and on my/our behalf at the 6th Annual General Meeting of the Company to be held on October 5th, 2015 and at any adjournment thereof.

Signed this _____ day of _____ 2015.

Witnesses:

1. Name _____
Address _____
CNIC No. _____
Signature _____
2. Name _____
Address _____
CNIC No. _____
Signature _____

Signature
on Rs. 5/-
Revenue
Stamp

Notes:

1. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
2. The proxy in order to be valid must be signed across Five Rupees Revenue Stamp and should be deposited with the Company not later than 48 hours before the time of holding the Meeting.
3. The proxy shall authenticate his/her identity by showing his/her original CNIC or original passport and bring folio number at the time of attending the meeting.
4. Signature should agree with the specimen signature registered with the Company.
5. CDC shareholders and their Proxies must attach either an attested photocopy of their Computerized National Identity Card or Passport with this Proxy Form.
6. In case of proxy by a corporate entity, Board of Directors resolution/power of attorney with specimen signature and attested copies of CNIC or Passport of the proxy shall be submitted along with the proxy form.



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