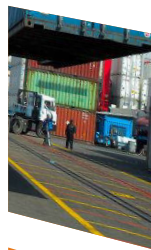


# QUARTERLY REPORT

September 30, 2016



**"Connecting Businesses"**  
Yesterday, Today & Tomorrow



**PICT**

Pakistan International Container Terminal Limited



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# Vision

Operate a Container Terminal at Karachi Port that provides the highest level of quality services to its clients.

# Mission

A Company dedicated to fulfilling the Port Service requirements of Customers and User of Karachi Port at an economic cost through optimum use of human and financial resources and giving a fair return to investors.



## COMPANY INFORMATION

### Board of Directors

**Chairman** Mr. Christian R. Gonzalez

**Directors** Mr. Aasim A. Siddiqui  
Mr. Roman Felipe S. Reyes  
Mr. Rafael D. Consing, Jr.  
Mr. Jose Manuel M. De Jesus  
Mr. Hans-Ole Madsen  
Mr. Sharique Azim Siddiqui

### Audit Committee

**Chairman** Mr. Roman Felipe S. Reyes  
**Members** Mr. Sharique Azim Siddiqui  
Mr. Rafael D. Consing, Jr.

**Chief Internal Auditor** Mr. Moammar Raza

### Human Resource and Remuneration Committee

**Chairman** Mr. Christian R. Gonzalez  
**Members** Mr. Sharique Azim Siddiqui  
Mr. Hans-Ole Madsen

### Key Management

**Chief Executive Officer** Capt. Zafar Iqbal Awan  
**Chief Financial Officer & Company Secretary** Mr. Muhammad Hunain  
**Chief Operating Officer** Mr. Khurram Aziz Khan

**Auditors** **Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants**  
6<sup>th</sup> Floor, Progressive Plaza,  
Beaumont Road, P.O. Box 15541,  
Karachi-75530

**Legal Advisor** **Usmani & Iqbal**  
F-73/11, Swiss Cottages, Block-4,  
Clifton, Karachi

**Bankers** Albaraka Bank (Pakistan) Limited  
Faysal Bank Limited  
Habib Bank Limited  
JS Bank Limited  
National Bank of Pakistan  
Samba Bank Limited

**Registered & Terminal Office** Berths 6 to 9, East Wharf, Karachi Port  
Karachi - Pakistan  
Tel: 32855701-14 Fax: 32854815

**Share Registrar/ Transfer Agent** **Technology Trade (Pvt.) Limited**  
Dagla House, 241-C, Block-2, PECHS  
Off. Shahra e Quaideen, Karachi  
Tel: 34391316-7 Fax: 32854815



## Directors' Report

On behalf of the Board of Directors (the Board), we are pleased to present the un-audited condensed interim financial information of the Company for the period ended September 30, 2016.

### General Review

The Company during the period ended September 30, 2016 handled 640,794 TEUs (Twenty-Foot Equivalent Units) as compared to 582,711 TEUs handled during the corresponding period last year. This growth in operations is due to the growth in overall Pakistan container market volume.

### Operating & Financial Results for the period ended September 30, 2016

These are summarized below:

	(Rupees in '000)
Profit before taxation	3,229,880
Less: Taxation	1,108,174
Profit after taxation	2,121,706
Reserves brought forward	1,602,152
Reserves carried forward	1,082,352
Earnings per Ordinary Share - Basic and Diluted	Rs.19.44

During the period ended September 30, 2016, the Company achieved turnover of Rs. 7,138 million as compared to Rs. 6,461 million in corresponding period last year showing an increase of 10.5%. This is due to increase in volume handled.

Gross profit for the period ended September 30, 2016 amounted to Rs. 3,588 million as compared to Rs. 3,110 million in the same period last year showing an increase of 15.4%. Profit after taxation amounted to Rs. 2,122 million as compared to Rs. 1,746 million in the corresponding period last year showing an increase of 21.5%.

The Company endeavors to maximize efficiencies and improve its services to the customers through its state-of-the-art infrastructure and high standards of productivity. The Company's achievements could not have been possible without the concerted efforts and dedication of our all stakeholders, who deserve best compliments in achieving consistent growth during this period.

For and on behalf of the Board

\_\_\_\_\_  
Capt. Zafar Iqbal Awan  
Chief Executive Officer

\_\_\_\_\_  
Christian R. Gonzalez  
Chairman

Karachi; October 25, 2016

## بیان نظام

ہم مجلس نظام کی جانب سے ۳۰ ستمبر ۲۰۱۶ کو ختم ہونے والی مدت کے لئے کمپنی کے غیر محاسب شدہ مندرجہ مخلص عبوری مالیاتی معلومات کو پیش کرنے پر مسرور ہیں۔

### عمومی معلومات

۳۰ ستمبر ۲۰۱۶ کو ختم ہونے والی مدت کے دوران کمپنی نے ۹۴،۷۳۰،۰۰۰ ٹی بی یوز (تیس فٹ برا عدد) تعامل کیے ہیں، اس کے برعکس گزشتہ سال کی اسی مدت کے دوران ۵۸۲،۷۱۱ ٹی بی یوز تعامل کیے تھے۔ کاروبار میں اضافے کی بنیادی وجہ پاکستان کے کنٹینر مارکیٹ کے حجم میں اضافہ ہے۔

۳۰ ستمبر ۲۰۱۶ کو ختم ہونے والی مدت کے تجارتی اور مالیاتی نتائج

ان نتائج کا خلاصہ درج ذیل ہے:

(روپے ہزاروں میں)

۳،۲۲۹،۸۸۰

منافع قبل از محصولات

۱،۱۰۸،۱۷۴

تفریق: محصولات

۲،۱۲۱،۷۰۶

منافع بعد از محصولات

۱،۲۰۲،۱۵۲

آوردہ مالیاتی ذخائر

۱،۰۸۲،۳۵۲

فرستادہ مالیاتی ذخائر

۱۹،۴۴ روپے

آمدنی فی عمومی حصص

۳۰ ستمبر ۲۰۱۶ کو ختم ہونے والی مدت کے دوران کمپنی نے ۱۳۸،۷ ملین روپے کا کاروبار حاصل کیا جو کہ گزشتہ سال کی یہی مدت میں ۲،۳۶۱ ملین روپے تھا نتیجتاً ۱۰.۵% کا اضافہ حاصل ہوا ہے۔ آمدنی میں اضافے کی بنیادی وجہ کاروبار میں اضافہ ہے۔

۳۰ ستمبر ۲۰۱۶ کو ختم ہونے والی مدت کے دوران مجموعی منافع ۳،۵۸۸ ملین روپے رہا بمقابلہ ۳،۱۱۰ ملین روپے کہ جو کہ گزشتہ سال کی اسی مدت میں حاصل ہوا تھا یعنی تقریباً ۱۵.۴% اضافہ حاصل ہوا ہے۔ منافع بعد از محصولات اس مدت کیلئے ۲،۱۲۲ ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت میں ۱،۷۴۶ ملین روپے تھا نتیجتاً ۲۱.۵% کا اضافہ حاصل ہوا ہے۔

کمپنی مسلسل اسی کوشش میں ہے کہ اپنی کارکردگی میں زیادہ سے زیادہ اضافہ کرے تاکہ اپنی اعلیٰ ترین ساختی ہیئت اور بلند پایہ معیار پیداوار کے ذریعے اپنے صارفین کیلئے خدمات میں مزید سے مزید بہتری لاسکے۔ اس مدت میں متواتر توسیع کے حصول کیلئے ہمارے تمام شرائط دار بہترین مدح کے مستحق ہیں کہ جن کی لگن اور شدید جدوجہد کے بغیر کمپنی کی کامیابی ممکن نہ ہو پاتی۔

مجلس نظام کی جانب سے

کرشین آگوزالیز

صدر مجلس نظام

کیپٹن ظفر اقبال اعوان

کمپنی کے سربراہ

کراچی: ۲۵ اکتوبر، ۲۰۱۶



**CONDENSED INTERIM BALANCE SHEET  
AS AT SEPTEMBER 30, 2016**

	Note	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
----- (Rupees in `000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	3,313,698	3,699,976
Intangibles		10,956	11,002
Long-term deposits		1,547	1,547
		<u>3,326,201</u>	<u>3,712,525</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		338,850	359,944
Trade debts		329,016	409,538
Advances		43,219	34,727
Deposits, prepayments and other receivables		233,025	234,278
Cash and bank balances		1,312,675	816,352
		<u>2,256,785</u>	<u>1,854,839</u>
<b>TOTAL ASSETS</b>		<u><u>5,582,986</u></u>	<u><u>5,567,364</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up capital		1,091,532	1,091,532
Reserves		1,082,352	1,602,152
		<u>2,173,884</u>	<u>2,693,684</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	6	-	298,755
Deferred tax		479,361	591,887
Long-term employee benefits		50,192	42,972
		<u>529,553</u>	<u>933,614</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,381,380	1,251,671
Unclaimed dividend		821,604	31,981
Accrued markup on long-term financing		12,961	5,555
Current maturity of long-term financing	6	597,511	597,511
Taxation-net		66,093	53,348
		<u>2,879,549</u>	<u>1,940,066</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>5,582,986</u></u>	<u><u>5,567,364</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		

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

**CHIEF EXECUTIVE**

**DIRECTOR**



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2016  
(UN-AUDITED)**

	Nine Months Ended		Quarter Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Note	(Rupees in `000)			
<b>Revenue</b>	<b>7,137,552</b>	<b>6,461,317</b>	<b>2,289,390</b>	<b>2,220,866</b>
Cost of services	(3,549,361)	(3,351,529)	(1,150,075)	(1,129,834)
<b>Gross profit</b>	<b>3,588,191</b>	<b>3,109,788</b>	<b>1,139,315</b>	<b>1,091,032</b>
Administrative expenses	(312,423)	(319,980)	(108,903)	(114,339)
Other income	62,555	57,105	14,657	26,900
Finance cost	8 (38,833)	(94,680)	(9,774)	(22,629)
Other expenses	(69,610)	(61,898)	(23,295)	(21,417)
<b>Profit before taxation</b>	<b>3,229,880</b>	<b>2,690,335</b>	<b>1,012,000</b>	<b>959,547</b>
Taxation	9 (1,108,174)	(944,634)	(297,213)	(309,970)
<b>Profit after taxation</b>	<b>2,121,706</b>	<b>1,745,701</b>	<b>714,787</b>	<b>649,577</b>
<b>Earnings per ordinary share - basic and diluted</b>	<b>Rs. 19.44</b>	<b>Rs. 15.99</b>	<b>Rs. 6.55</b>	<b>Rs. 5.95</b>

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

\_\_\_\_\_  
**CHIEF EXECUTIVE**

\_\_\_\_\_  
**DIRECTOR**



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2016**  
**(UN-AUDITED)**

	Nine Months Ended		Quarter Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	------(Rupees in `000)-----			
Profit for the period	2,121,706	1,745,701	714,787	649,577
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>2,121,706</u>	<u>1,745,701</u>	<u>714,787</u>	<u>649,577</u>

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

\_\_\_\_\_  
**CHIEF EXECUTIVE**

\_\_\_\_\_  
**DIRECTOR**



**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016  
(UN-AUDITED)**

	Note	Nine months Ended	
		September 30, 2016	September 30, 2015
		----- (Rupees in `000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	11	3,851,850	3,714,028
Taxes paid		(1,207,954)	(700,300)
Long-term employee benefits paid		(1,444)	(2,327)
Finance cost paid		(31,427)	(77,748)
Long-term deposits		-	300
<b>Net cash generated from operating activities</b>		<u>2,611,025</u>	<u>2,933,953</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(30,242)	(56,914)
Proceeds from disposal of plant and equipment		13,128	11,699
Markup received		53,050	65,801
<b>Net cash generated from investing activities</b>		<u>35,936</u>	<u>20,586</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term financing		(298,755)	(298,755)
Dividends Paid		(1,851,883)	(1,691,874)
<b>Net cash used in financing activities</b>		<u>(2,150,638)</u>	<u>(1,990,629)</u>
Net increase in cash and cash equivalents		<u>496,323</u>	963,910
Cash and cash equivalents at the beginning of the period		816,352	724,044
Cash and cash equivalents at the end of the period		<u><u>1,312,675</u></u>	<u><u>1,687,954</u></u>

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

**CHIEF EXECUTIVE**

**DIRECTOR**



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016  
(UN-AUDITED)**

	Reserves				
	Issued, subscribed and paid-up share capital	Capital redemption reserve fund	Unappropriated profit	Sub Total	Total
	(Rupees in '000)				
As at January 01, 2015	1,091,532	180,000	1,312,364	1,492,364	2,583,896
Profit for the period	-	-	1,745,701	1,745,701	1,745,701
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,745,701	1,745,701	1,745,701
Final cash dividend for the year ended December 31, 2014 @ Rs. 3.5/- per ordinary share	-	-	(382,036)	(382,036)	(382,036)
Interim cash dividend for the year ended December 31, 2015 @ Rs. 12/- per ordinary share	-	-	(1,309,838)	(1,309,838)	(1,309,838)
As at September 30, 2015	1,091,532	180,000	1,366,191	1,546,191	2,637,723
As at January 01, 2016	1,091,532	180,000	1,422,152	1,602,152	2,693,684
Profit for the period	-	-	2,121,706	2,121,706	2,121,706
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	2,121,706	2,121,706	2,121,706
Final cash dividend for the year ended December 31, 2015 @ Rs.9/- per ordinary share	-	-	(982,378)	(982,378)	(982,378)
Interim cash dividend for the year ending December 31, 2016 @ Rs.15.2/- per ordinary share	-	-	(1,659,128)	(1,659,128)	(1,659,128)
As at September 30, 2016	1,091,532	180,000	902,352	1,082,352	2,173,884

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

**CHIEF EXECUTIVE**

**DIRECTOR**



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016  
(UN-AUDITED)**

**1. CORPORATE INFORMATION AND OPERATIONS**

- 1.1. Pakistan International Container Terminal Limited (the Company) was incorporated in Pakistan as a private limited company in June 2002. Subsequently, it was converted to an unquoted public limited company and later on, listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) on October 15, 2003. The registered office of the Company is situated at Berths no. 6 to 9, East Wharf, Karachi Port, Karachi.
- 1.2. The Company has a Build Operate Transfer (BOT) contract with Karachi Port Trust (KPT) for the exclusive construction, development, operations and management of a common user container terminal at Karachi Port for a period of twenty-one years commencing June 18, 2002. After the expiry date, the Company will transfer all the related concession assets to KPT.
- 1.3. As of the balance sheet date, International Container Terminal Services, Inc. (ICTSI), a company incorporated in Manila, Philippines, held (directly and indirectly) 64.54 percent (2015: 64.54 percent) shareholding of the Company and is the parent company of the Company.

**2. BASIS OF PREPARATION**

**2.1. Statement of compliance**

This condensed interim financial information of the Company is unaudited. This is required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 (the Ordinance) and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.

This condensed interim financial information does not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2015.

The comparative balance sheet presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2015, whereas, the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been extracted from the un-audited condensed interim financial information of the Company for the period ended September 30, 2015.

**2.2. Functional and presentation currency**

This condensed interim financial information is presented in Pakistan Rupees which is the functional and presentation currency of the Company and figures are rounded off to the nearest thousand rupees unless otherwise specified.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the annual audited financial statements for the year ended December 31, 2015.

**4. ACCOUNTING ESTIMATES AND FINANCIAL RISK MANAGEMENT**

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

In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the annual audited financial statements as at and for the year ended December 31, 2015. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2015.

		September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
Note		----- (Rupees in '000) -----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
	Operating fixed assets	5.1 3,288,469	3,631,075
	Capital work-in-progress (CWIP)	25,229	68,901
		<u>3,313,698</u>	<u>3,699,976</u>
<b>5.1 Operating fixed assets</b>			
	Net book value at the beginning of the period / year	3,631,075	4,086,982
	Additions / transfers from CWIP during the period / year	5.1.1 <u>70,670</u>	<u>127,854</u>
		3,701,745	4,214,836
	Less:		
	Disposal during the period / year at book value	5.1.2 <u>8,926</u>	<u>24,879</u>
	Depreciation charged during the period / year	<u>404,350</u>	<u>558,882</u>
		<u>413,276</u>	<u>583,761</u>
		<u>3,288,469</u>	<u>3,631,075</u>
<b>5.1.1 Additions / transfers from CWIP during the period / year</b>			
	Leasehold improvements	9,904	2,516
	Port power generation	-	11,581
	Ancillary plant and workshop equipment	4,996	58,987
	Vehicles	-	14,583
	Computers and other equipment	55,770	39,273
	Furniture and fixtures	-	914
		<u>70,670</u>	<u>127,854</u>
<b>5.1.2 Disposals during the period / year at book value</b>			
	Ancillary plant and workshop equipment	8,599	19,778
	Vehicles	-	5,101
	Computers and other equipment	327	-
		<u>8,926</u>	<u>24,879</u>
<b>6. LONG-TERM FINANCING</b>			
	<b>Secured</b>		
	Loan from banking company	6.1 597,511	896,266
	Less: current maturity of long-term financing	<u>597,511</u>	<u>597,511</u>
		<u>-</u>	<u>298,755</u>



## 7. CONTINGENCIES AND COMMITMENTS

### 7.1. Contingencies

- 7.1.1.** In 2007, the trustees of the KPT filed a civil suit against the Company in the Honorable High Court of Sindh (HCS) alleging mis-declaration of the category of goods upon import of Ship to Shore cranes and Rubber Tyre Gantry cranes in the year 2004 and thereby claiming a sum of Rs.304.5 million with interest since default in payment of wharfage charges along with penalty thereon.

As per the Company's legal advisor, the case is at the final stage as evidence and final arguments have been completed. Now judgment of the case is reserved with HCS. One of the Supreme Court Judgment relating to similar suit was brought to the perusal of HCS during final arguments in which, wharfage charges were held as illegal and without lawful authority.

The Company's legal advisor is confident that there is no merit in this claim and hence there is remote possibility that the case would be decided against the Company. The Company based on the merits of the aforementioned matter and as per the advice of its legal advisor expects a favourable outcome and accordingly, no provision in respect of above has been made in this condensed interim financial information.

- 7.1.2.** In 2007, the Deputy District Officer (DDO), Excise and Taxation, Division-B Karachi, raised a demand under section 14 of the Urban Immovable Properties Tax Act, 1958, against the Company for payment of property tax amounting to Rs. 34.6 million for the period from 2003 to 2007 out of the Handling, Marshalling and Storage (HMS) Charges payable to KPT in respect of Berths No 6 to 9, East Wharf, Keamari. The Company has filed an interpleader civil suit against the demand raised by DDO and KPT before the HCS. HCS granted a stay order in 2007 directing that no coercive action be taken against the Company until the case has been finalised. HCS issued an order in 2013 directing the Company to deposit the abovementioned sum with the Nazir of HCS, out of amount withheld by the Company from HMS Charges billed by KPT for the period from July 1 to December 31, 2007. Accordingly, the Company complied with the order of HCS and deposited the same with the Nazir of HCS.

In 2014, the DDO raised further demand against the Company for payment of property tax amounting to Rs. 96.1 million for the period from 2008 to 2014 out of the HMS Charges payable to KPT. The Company filed an application before HCS for obtaining directions for withholding of the amount out of HMS Charges payable to KPT and depositing the same with Nazir of HCS. In 2015, HCS issued orders directing the Company to deposit the abovementioned sum out of amount payable by the Company for HMS Charges billed by KPT amounting to Rs. 151.9 million for the period from July 1, 2015 to June 30, 2016 with Nazir of HCS. HCS further directed the Company to deposit the remaining HMS Charges due and payable onwards with the Nazir of HCS in four equal quarterly installments till the disposal of the instant suit. Accordingly, the Company complied with the order of HCS and periodically deposited Rs. 151.9 million with the Nazir of HCS. The amount deposited with Nazir of HCS is netted off with the HMS payable to KPT.

The decision of the suit is pending and based on the views of the Company's legal advisor, the management believes that there may be no adverse implication for depositing the payments due to KPT in view of complying with the HCS's order. Accordingly, no provision has been made in this respect in this condensed interim financial information.

- 7.1.3.** While completing the tax audit proceedings for the tax year 2013, the Deputy Commissioner Inland Revenue (DCIR) had modified the deemed assessment of the Company by passing an order under section 122(1) of the Income Tax Ordinance, 2001. The CIR had made certain disallowances / additions towards the taxable income and raised an income tax demand of Rs.130.4 million. The Company filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A) against the aforesaid order who partly decided the appeal in favour of the Company. The Company made the payment of Rs. 100.0 million subsequent to the issuance of order. In respect of issues confirmed by the CIR(A), the Company filed a second appeal before the Appellate Tribunal Inland Revenue (ATIR), which are pending for adjudication. The legal counsel of the Company is of the view that the issues involved in the appeal will be decided in favour of the Company.

The Company based on the merits of the aforementioned matter and as per the advice of its legal advisor expects a favourable outcome and accordingly, no provision in respect of excess demand raised by the DCIR has been made in this condensed interim financial information.



September 30, 2016  
(Un-audited)  
----- (Rupees in `000) -----

December 31, 2015  
(Audited)

## 7.2. Commitments

Commitments for capital expenditure	23,465	-
Outstanding letters of guarantee	109,354	104,454
Outstanding letters of credit	1,031	1,884

Nine Months Ended		Quarter Ended	
September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
(Un-audited)			
(Rupees in `000)			

## 8. FINANCE COSTS

Markup on long-term financing	38,570	94,509	9,735	22,621
Bank charges	263	171	39	8
	<u>38,833</u>	<u>94,680</u>	<u>9,774</u>	<u>22,629</u>

## 9. TAXATION

Current	1,095,786	958,356	328,780	336,621
Deferred	(112,526)	(116,341)	(33,062)	(28,620)
Prior	124,914	102,619	1,495	1,969
	<u>1,108,174</u>	<u>944,634</u>	<u>297,213</u>	<u>309,970</u>

- 9.1. The Finance Act, 2015 introduced a one-time super tax at the rate of 3 percent for rehabilitation of temporarily displaced persons for the tax year 2015 on all types of income whether taxable under the normal law or under the final tax regime. The Finance Act, 2016 has now extended this levy for a further period of one year i.e. to the tax year 2016.

The effect of above amendment has been incorporated in this condensed interim financial information and an amount of Rs 123.4 million (September 30, 2015: 100.7 million) has been recognised as prior year tax charge.



#### 10. RELATED PARTY TRANSACTIONS

The related parties include the Parent Company, associated companies, entities having directors in common with the Company, directors and other key management personnel. Details of transactions, other than those which have been specifically disclosed elsewhere in this condensed interim financial information, with related parties as mentioned below are entered under normal commercial terms:

	Nine Months Ended		Quarter Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	(Un-Audited)			
	(Rupees in `000)			
<b>Associated companies/undertakings</b>				
Technical services fee	552,511	490,993	169,446	213,260
Terminal handling services and rent	413,256	332,294	147,127	115,732
Revenue from container handling	44,425	39,779	13,351	11,840
Traveling expenses	6,168	5,027	1,225	387
Software maintenance	810	450	270	150
Donations	2,700	1800	900	1800
Dividend Paid	1,655,850	1,513,996	137,245	681,821
<b>Key management personnel</b>				
Remuneration	184,386	136,619	68,949	52,663
<b>Staff retirement contribution plan</b>				
Provident fund contribution	16,514	15,547	5,626	5,131



September 30, 2016      September 30, 2015  
 ----- (Un-Audited) -----  
 ----- (Rupees in `000) -----

**11. CASH FLOWS FROM OPERATING ACTIVITIES**

Profit before taxation	3,229,880	2,690,335
Adjustments for non-cash items:		
Depreciation and amortization	407,640	434,482
Finance Cost	38,833	94,680
Accrual for Long-term employee benefits	8,664	-
Reversal for obsolescence on stores, spare parts and loose tools	-	(1,652)
Unrealized exchange loss	496	4,113
Mark-up on Saving accounts	(53,450)	(65,152)
(Gain) / loss on disposal of plant and equipment	(4,201)	13,180
	<u>397,982</u>	<u>479,651</u>
<b>Operating profit before working capital changes</b>	<b>3,627,862</b>	<b>3,169,986</b>
<b>Decrease / (increase) in current assets</b>		
Stores, spare parts and loose tools	21,094	4,472
Trade debts	80,522	(52,871)
Advances, deposits, prepayments and other receivables	(6,842)	(13,976)
	<u>94,774</u>	<u>(62,375)</u>
<b>Increase in current liabilities</b>		
Trade and other payables	129,213	606,417
<b>Cash generated from operations</b>	<b><u>3,851,850</u></b>	<b><u>3,714,028</u></b>

**12. DIVIDEND AND APPROPRIATION**

The Board of Directors in their board meeting held on October 25, 2016 have recommended an interim cash dividend of Rs. 6 per ordinary share for the year ending December 31, 2016 (December 31, 2015: Cash Dividend of Rs. 27).

**13. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on October 25, 2016.

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**CHIEF EXECUTIVE**


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**DIRECTOR**

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**Jama  
Punji**

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