

# Quarterly Report

March 31, 2013



An ICTSI Group Company

**Pakistan International Container  
Terminal Limited**



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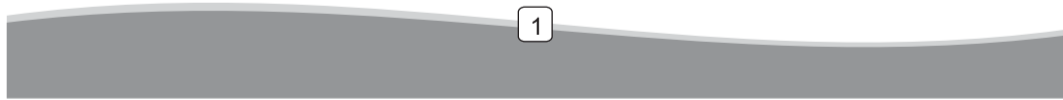
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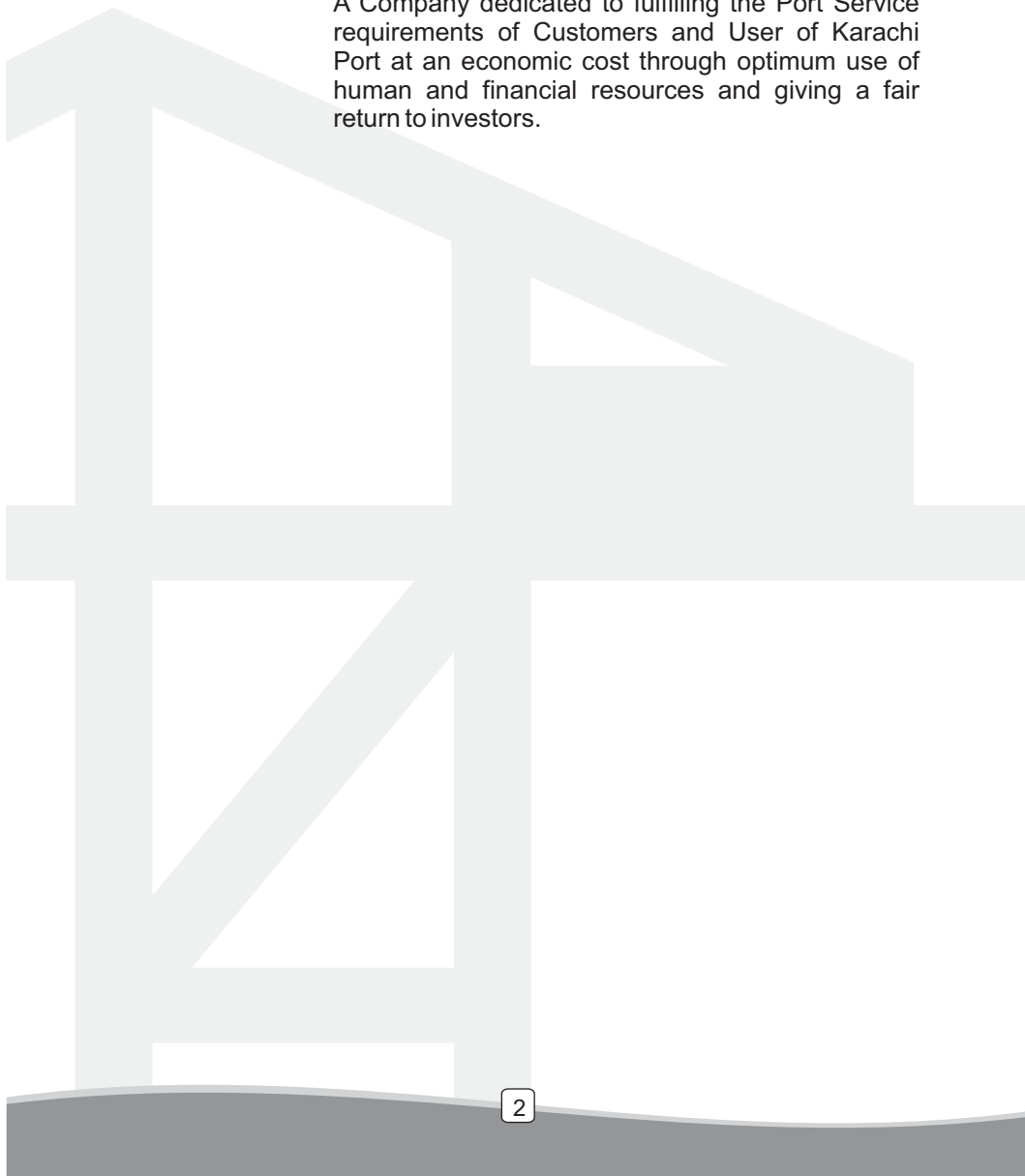
# Vision

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

<b>Chairman</b>	Capt. Haleem A. Siddiqui
<b>Chief Executive</b>	Capt. Zafar Iqbal Awan
<b>Directors</b>	Edgardo Q. Abesamis Aasim Azim Siddiqui Christian R. Gonzalez Jose Manuel M. De Jesus Rafael D. Consing, Jr. Hans-Ole Madsen

<b>Chief Financial Officer</b>	M. Masood Ahmed Usmani, FCA
<b>Company Secretary</b>	Noman Yousuf

### AUDIT COMMITTEE

<b>Chairman</b>	Edgardo Q. Abesamis
<b>Members</b>	Aasim Azim Siddiqui Jose Manuel M. De Jesus
<b>Chief Internal Auditor</b>	Moammar Raza
<b>Secretary</b>	Noman Yousuf

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

<b>Chairman</b>	Edgardo Q. Abesamis
<b>Members</b>	Aasim Azim Siddiqui Jose Manuel M. De Jesus

<b>Auditors</b>	<b>Ernst &amp; Young Ford Rhodes Sidat Hyder Chartered Accountants</b> 6 <sup>th</sup> Floor, Progressive Plaza Beaumont Road, P.O. Box 15541, Karachi-75530
<b>Legal Advisor</b>	<b>Kabraji &amp; Talibuddin</b> 64 - A/1, Gulshan -e -Faisal, Bath Island Karachi 75530. <b>Usmani &amp; Iqbal</b> <b>Advocates &amp; Solicitors</b> 604 - 9, 6 <sup>th</sup> Floor, Business Centre, Mumtaz Hassan Road Karachi. <b>The Continental Law Associates</b> Panorama Centre, Saddar, Karachi.
<b>Bankers</b>	Faysal Bank Limited Samba Bank Limited Bank Islami Limited National Bank of Pakistan Habib Bank Limited JS Bank Limited Askari Commercial Bank Limited Barclays Bank PLC Albaraka Islamic Bank Limited
<b>Registered &amp; Terminal Office</b>	Berth 6 to 9, East Wharf, Karachi Port, Karachi - Pakistan. Tel: 3285701-14 Fax: 32854815 UAN. (+9221)111-11-PICT (7428)
<b>Registrar / Transfer Agent</b>	<b>Technology Trade (Pvt.) Limited.</b> 241-C, Block-2, P.E.C.H.S., Karachi. Tel: 34391316-7



## Directors' Report

The Directors have pleasure to present the Un-audited Financial Statements of Pakistan International Container Terminal Limited (PICT) (Company) for the three months period ended March 31, 2013.

### General Review

The company during three months from January 2013 to March 2013 handled 161,987 TEUs (Twenty Foot Equivalent Container Units) as compared to 168,850 TEUs handled during the corresponding period last year a decrease of 4.2%.

### Operating & Financial Results for the three months period ended March 31, 2013.

These are summarized below:

	<i>(Rupees in '000)</i>
Profit before Taxation	977,927
Less: Provision for taxation	<u>(342,275)</u>
Profit after tax	<b>635,652</b>
Un-appropriated profit brought forward	2,924,122
Interim dividend for the year ending December 31, 2013 - Ordinary Shares 125%	<u>(1,364,414)</u>
Un-appropriated profit carried forward	<u>2,195,360</u>
<b>EPS-Basic</b>	<b><u>Rs. 5.82</u></b>

During the period ended March 31, 2013, the company has achieved a turnover of Rs. 2027.34 million as compared to Rs. 1759.34 million in corresponding period last year showing a growth of 15.23%.

Gross profit for the three months period ended March 31, 2013 amount to Rs. 1126.12 million as compared to Rs. 773.85 million in the same period last year showing an increase of 45.52%. Profit after tax amounted to Rs.635.65 million as compared to 402.48 million in the corresponding period last year showing an increase of 57.93%.

### Future Plans

PICT endeavors to maximize efficiencies and improve its services to the customers through our systems and to achieve higher standards of productivity. After the successful conversion of Rubber Tyred Gantry Cranes from Diesel power to electric power in a combat to reduce the carbon emissions, the company is in final testing run of Heavy fuel Oil based gensets in its power plant to reduce the fuel cost.

Finally, the Board assures you that the management is fully aware of its responsibility towards its stakeholders and is determined to increase its profitability and ultimately the value of the business.

For and on behalf of Board of Directors

**Capt. Zafar Iqbal Awan**  
**Chief Executive Officer**  
**Karachi; April 26, 2013**



**CONDENSED INTERIM BALANCE SHEET  
AS AT MARCH 31, 2013**

	March 31, 2013 (Un-Audited)	December 31, 2012 (Audited)
	Note	----- (Rupees in `000) -----
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	4,957,516	5,090,536
Intangible assets	27,364	30,784
Long-term deposits	675	675
	<u>4,985,555</u>	<u>5,121,995</u>
<b>CURRENT ASSETS</b>		
Stores and spares	342,565	348,953
Trade debts unsecured	281,593	219,141
Advances Unsecured considered good	52,940	36,713
Deposits and prepayments	95,314	142,597
Other receivables	12,486	12,483
Short term Investments	15,250	614,239
Taxation - net	133,945	47,891
Cash and bank balances	1,792,735	1,548,065
	<u>2,726,828</u>	<u>2,970,082</u>
<b>TOTAL ASSETS</b>	<u><u>7,712,383</u></u>	<u><u>8,092,077</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised capital	2,000,000	2,000,000
Issued, subscribed and paid-up capital	1,091,532	1,091,532
Capital Redemption Reserve Fund	180,000	180,000
Unappropriated profit	2,195,360	2,924,122
	<u>3,466,892</u>	<u>4,195,654</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term financing	1,236,229	1,484,532
Deferred tax liability	1,073,029	1,073,029
Staff compensated absences	42,082	42,494
	<u>2,351,340</u>	<u>2,600,055</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,355,910	671,365
Accrued interest	40,315	127,077
Taxation-net	-	-
Current maturity of long-term financing	497,926	497,926
	<u>1,894,151</u>	<u>1,296,368</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	4	
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>7,712,383</u></u>	<u><u>8,092,077</u></u>

The annexed notes form an integral part of these financial statements.

**CAPT. ZAFAR IQBAL AWAN**  
CHIEF EXECUTIVE

**AASIM AZIM SIDDIQUI**  
DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER ENDED MARCH 31, 2013  
(UN-AUDITED)**

	March 31, 2013 (Un-Audited)	March 31, 2012 (Un-Audited)
	----- (Rupees in `000) -----	
<b>Turnover - net</b>	<b>2,027,340</b>	1,759,344
Terminal operating costs	<b>901,224</b>	985,498
<b>Gross profit</b>	<b>1,126,116</b>	773,846
Administrative expenses	<b>106,543</b>	136,985
Other operating income	<b>27,001</b>	59,580
Finance costs	<b>52,435</b>	80,429
Other Charges	<b>16,212</b>	-
<b>Profit before taxation</b>	<b>977,927</b>	616,012
Taxation	<b>342,275</b>	213,525
<b>Profit after taxation</b>	<b>635,652</b>	402,487
<b>Earnings per ordinary share - Basic</b>	<b>5.82</b>	3.65
<b>Earnings per ordinary share - Diluted</b>	<b>NA</b>	3.17

The annexed notes form an integral part of these financial statements.

**CAPT. ZAFAR IQBAL AWAN**  
CHIEF EXECUTIVE

**AASIM AZIM SIDDIQUI**  
DIRECTOR





**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED MARCH 31, 2013  
(UN-AUDITED)**

	March 31, 2013 (Un-Audited)	March 31, 2012 (Un-Audited)
	----- (Rs. In thousands) -----	
<b>Profit for the period after tax</b>	<b>635,652</b>	402,487
Other comprehensive income - net of taxation	-	-
<b>Total comprehensive income for the period - net of tax</b>	<u><u>635,652</u></u>	<u><u>402,487</u></u>

The annexed notes form an integral part of these financial statements.

**CAPT. ZAFAR IQBAL AWAN**  
**CHIEF EXECUTIVE**

**AASIM AZIM SIDDIQUI**  
**DIRECTOR**



**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE QUARTER ENDED MARCH 31, 2013  
(UN-AUDITED)**

	Note	March 31, 2013 (Un-Audited)	March 31, 2012 (Un-Audited)
		----- (Rs. In thousands) -----	
<b>CASH FLOWS FROM OPERATIONS</b>	6	<b>1,821,125</b>	1,744,314
Tax paid		<b>(428,329)</b>	(275,773)
Leave Encashment paid		<b>(188)</b>	(428)
Finance costs paid		<b>(137,809)</b>	(170,700)
Net cash generated from operating activities		<b>1,254,799</b>	1,297,413
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, plant and equipment		<b>(20,980)</b>	(32,688)
Redemption of investments		<b>603,667</b>	1,500
Interest received		<b>20,561</b>	45,111
Net cash from investing activities		<b>603,248</b>	13,923
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term financing		<b>(248,963)</b>	-
Dividend paid on ordinary shares		<b>(1,364,414)</b>	(1,364,414)
Net cash used in financing activities		<b>(1,613,377)</b>	(1,364,414)
Net increase / (decrease) in cash and cash equivalents		<b>244,670</b>	(53,078)
Cash and cash equivalents at the beginning of the period		<b>1,548,065</b>	1,637,546
Cash and cash equivalents at the end of the period		<b>1,792,735</b>	1,584,468

The annexed notes form an integral part of these financial statements.

**CAPT. ZAFAR IQBAL AWAN**  
CHIEF EXECUTIVE

**AASIM AZIM SIDDIQUI**  
DIRECTOR



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED MARCH 31, 2013  
(UN-AUDITED)**

	Issued, Subscribed, and paid-up Capital		Capital redemption reserve fund	Un-appropriated Profit	Total
	Ordinary Shares	Redeemable Preference Shares			
----- (Rs. In 000) -----					
<b>Balance as at January 01, 2012</b>	1,091,532	180,000		3,108,740	4,380,272
Profit for the period	-	-		402,487	402,487
Other Comprehensive Income				-	-
Total Comprehensive income				402,487	402,487
Interim cash dividend for the year ended June 30, 2012 on ordinary shares @Rs 12.5/ per share	-	-		(1,364,414)	(1,364,414)
<b>Balance as at March 31, 2012</b>	<u>1,091,532</u>	<u>180,000</u>		<u>2,146,813</u>	<u>3,148,345</u>
<b>Balance as at January 01, 2013</b>	1,091,532	-	180,000	2,924,122	4,195,654
Profit after taxation for the period	-	-		635,652	635,652
Other Comprehensive income				-	-
Total Comprehensive Income	-	-		635,652	635,652
Interim cash dividend for the year ended December 31, 2013 on ordinary shares @Rs 12.5/ per share	-	-		(1,364,414)	(1,364,414)
<b>Balance as at March 31, 2013</b>	<u>1,091,532</u>	<u>-</u>	<u>180,000</u>	<u>2,195,360</u>	<u>3,466,892</u>

The annexed notes form an integral part of these financial statements.

**CAPT. ZAFAR IQBAL AWAN**  
CHIEF EXECUTIVE

**AASIM AZIM SIDDIQUI**  
DIRECTOR



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED March 31, 2013  
(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 is now listed on the Karachi Stock Exchange. The registered & Terminal office of the Company is located at berths 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.
- 1.3. International Container Terminal Services, Inc. (ICTSI), through ICTSI Mauritius Limited (ICTSIML), is the single biggest shareholder of the Company. As of the balance sheet date, ICTSI held (directly and indirectly) 64.39 percent shareholding of the Company. Consequently, ICTSI became the Parent Company of the Company.

**2. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements are un-audited and are being submitted to the shareholders in accordance with Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", as applicable in Pakistan. These financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the company for the year ended December 31, 2012.

**3. ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of the published financial statements of the company for the period ended December 31, 2012.

**4. CONTINGENCIES AND COMMITMENTS**

**4.1 Contingencies**

There were no major changes in the status of contingencies as reported in the financial statements for the period ended December 31, 2012.

	<b>March 31, 2013 (Un-Audited)</b>	<b>December 31, 2012 (Audited)</b>
	----- (Rupees in `000) -----	
<b>Commitments</b>		
Commitments for capital expenditure		
Civil works	<u>9,671</u>	<u>4,935</u>
Letter of Guarantees	<u>86,000</u>	<u>86,000</u>
Letters of Credit	<u>1,006</u>	<u>5,144</u>



## 5. RELATED PARTIES TRANSACTIONS

Significant transactions entered by the Company with related parties are as follows:

	March 31, 2013 (Un-Audited)	March 31, 2012 (Un-Audited)
	----- (Rupees in `000) -----	
<b>Major shareholders</b>		
<i>ICTSI Technical Fee</i>	111,464	-
<i>Premier Mercantile Services (Private) Limited</i>		
<i>Stevedoring charges</i>	65,828	170,355
<i>Storage charges</i>	-	7,958
<b>Entities having directors in common with the Company</b>		
<i>Premier Software (Private) Limited</i>	-	
Software maintenance charges		900
<i>Marine Services (Private) Limited</i>		
Revenue from container handling	1,653	10,557
<i>Port Link International (Private) Limited</i>		
Revenue from container handling	2,747	3,753
<i>AMI Pakistan (Private) Limited</i>		
Revenue from container handling	1,116	285
<i>Travel Club (Private) Limited</i>		
Traveling expenses	2,155	1,537
Rabia Azeem Trust		
Donation	412	1,174
Organization for Social Development Initiative		
Donation	900	2,100
<b>Directors</b>		
Remuneration	18,300	53,739
<b>Staff retirement contribution plan</b>		
Contribution to staff provident fund	4,283	4,212

5.1 The above transactions with related parties are entered into on arm's length basis.



	March 31, 2013 (Un-Audited)	March 31, 2012 (Un-Audited)
	----- (Rs. In thousands) -----	
<b>6. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	977,928	616,012
Adjustments for non-cash items:		
Depreciation & Amortization	158,080	148,437
Finance Cost	51,047	80,429
Realized/Unrealized (gain) on investment	(5,220)	(14,636)
Interest income	(20,562)	(44,943)
Exchange loss/(gain)	1,388	-
	<u>184,733</u>	<u>169,287</u>
<b>Operating profit before working capital changes</b>	<b>1,162,661</b>	<b>785,299</b>
<b>(Increase)/decrease in current assets</b>		
Stores and spares		
Trade debts	6,388	(9,768)
Advances, deposits, prepayments and other receivables	(62,452)	43,835
	<u>31,053</u>	<u>68,485</u>
	<u>(25,011)</u>	<u>102,552</u>
<b>Increase/(decrease) in current liabilities</b>	<b>1,137,650</b>	<b>887,851</b>
Trade payables, accrued and other liabilities		
	<b>683,475</b>	<b>856,463</b>
<b>Cash generated from operations</b>	<b><u>1,821,125</u></b>	<b><u>1,744,314</u></b>

**7. DATE OF AUTHORISATION FOR ISSUE**

These financial statements have been authorised for issue by the Board of Directors of the Company on April 26, 2013.

**8. GENERAL**

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

**CAPT. ZAFAR IQBAL AWAN**  
CHIEF EXECUTIVE

**AASIM AZIM SIDDIQUI**  
DIRECTOR