

Ensuring **SUSTAINABILITY**
through
"Ease of Doing Business"



Pakistan International Container Terminal Limited



An ICTSI Group Company

Theme on The Cover

Ensuring SUSTAINABILITY through "Ease of Doing Business"

2019 was another year of dedicated services by Pakistan International Container Terminal Limited [PICT]. Through innovation and quality services, we are continuously raising the bar of supply chain efficiencies in Pakistan in order to become the most reliable Port Gateway of international trade and Container Terminal of the choice.

This sense of achievement can be visualised in the form of sustainable growth which PICT has depicted since its inception. Being part of the global terminal operators, International Container Terminal Services Inc., we strictly follow the philosophy of generating Ease of doing business for our customers through adoption of digital mindset and usage of smart technologies.

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ICTSI Ports and Terminals



VISION

Be the container terminal of choice for trade at Karachi port

MISSION

To be most reliable Port gateway of international trade with the commitment to provide customer centric services



CORE VALUES



Growth

Our purpose in doing our work is to grow: grow as individuals, expand as a business, and progress as a global organisation. More than sustaining lives, we work because of self-worth and dignity. As we further improve ourselves personally and professionally, we believe that the stability and continuous growth of PICT follows



Diligence

We work hard at our tasks, believing in performing dutifully, and in committing to first-rate work. Beyond duty, we are willing to go the extra mile. Our company has no room for mediocrity. Focused, punctual and dedicated are a few indisputable attributes PICT employees possess



Compassion

We care; we respect. We support each other to ensure that PICT remains viable, and that relations with stakeholders of the port community are stable. We work to sustain our families, pay our dues, or help a relative or a neighbor in need. We value and strive to promote workplace harmony, recognising the vital role that interdependence has played in PICT's ceaseless effort to achieve excellence



Accountability

We value our work and take responsibility for our actions. We also carry a positive attitude, believing that by working with optimism and self-fulfillment, we produce positive results for the company and for ourselves. PICT management and employees give worth to being employed



Company Information

Board of Directors

Chairman
Mr. Andrew James Dawes
(Appointed on January 21, 2019)
(Non-Executive Director)

Directors
Mr. Aasim Azim Siddiqui
(Non-Executive Director)
Ms. Gigi Iluminada Miguel
(Non-Executive Director)
Mr. Gordon Alan P. Joseph
(Independent Director)

Mr. Hans-Ole Madsen
(Resigned on February 11, 2020)
(Non-Executive Director)

Mr. Roman Felipe S. Reyes
(Independent Director)

Mr. Sharique Azim Siddiqui
(Non-Executive Director)

Mr. Jacob Christian Gulmann
(Appointed on February 14, 2020)
(Non-Executive Director)

Company Secretary

Mr. Adil Siddique

Audit Committee

Chairman
Mr. Roman Felipe S. Reyes

Members
Mr. Sharique Azim Siddiqui
Ms. Gigi Iluminada Miguel

Chief Internal Auditor

Mr. Moammar Raza

Human Resource & Remuneration Committee

Chairman
Mr. Gordon Alan P. Joseph

Members
Mr. Aasim Azim Siddiqui
Mr. Andrew James Dawes
(Appointed on January 21, 2019)

Risk Management Committee

Chairman
Mr. Gordon Alan P. Joseph

Members
Mr. Andrew James Dawes
(Appointed on January 21, 2019)
Mr. Sharique Azim Siddiqui

Key Management

Chief Executive Officer
Mr. Khurram Aziz Khan

Chief Financial Officer
Mr. Muhammad Hunain

External Auditors

EY Ford Rhodes
Chartered Accountants , 6th 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

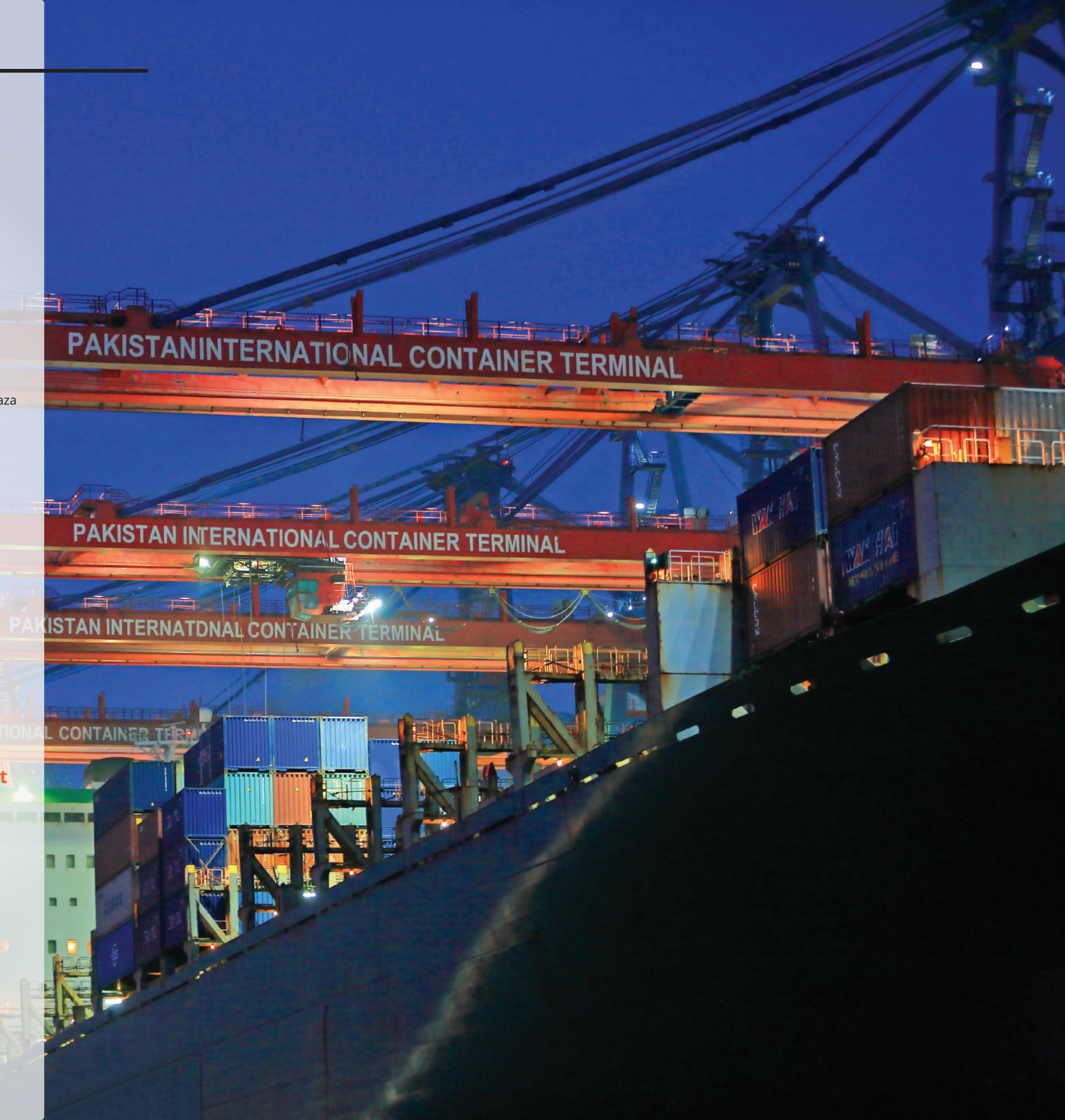
Al Baraka Bank (Pakistan) Limited
Faysal Bank Limited
Habib Bank Limited
JS Bank Limited
National Bank of Pakistan
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited

Registered & Terminal Office

Berths 6-9, East Wharf, Karachi Port, Karachi
UAN: +92-21-111 11 7428 (PICT)
Fax : +92-21-3285-4815
Email: investor-relations@pict.com.pk
Website: www.pict.com.pk

Share Registrar / Transfer Agent

CDC Share Registrar Services Limited
99-B, Block 'B', SMCHS, Main Shahr-e-Faisal,
Karachi - 74400
Tel: +92-21-111-111-500 Fax: +92-21-34326053



Profile of the Board of Directors



Mr. Andrew James Dawes is the Chairman of the Board of Directors of Pakistan International Container Terminal Limited. Subsequent to the year end, Mr. Dawes was appointed as Director of the Company and Chairman of the Board of Directors after the resignation of Mr. Christian R. Gonzalez on January 21, 2019. Mr. Dawes is the Senior Vice President and Regional Head for Asia Pacific of ICTSI. With over 21 years in the port industry, Mr. Dawes has significant experience from senior roles in multinational port management companies in Europe, the Middle East, Africa and the Americas.

Prior to his current role, Mr. Dawes was Managing Director of APM Terminals Salalah in Oman. He was Chief Executive officer of Intels Nigeria Ltd. in Lagos, Managing Director and Chief Operations Officer of various APM Terminals in both regional and concessions locations in Africa and the Middle East. He has held key roles in DP World, P&O Ports and Southampton Container Terminal in the UK.

Mr. Asim Azim Siddiqui is the Managing Director of the Marine Group of Companies. He has been engaged with the shipping and cargo handling industry for the last 26 years and has been with PICT since its inception. He was instrumental in arranging all financing requirements of PICT including IFC and OFID and has played an instrumental role in the project roll out of PICT.

Mr. Asim is also engaged in the development sector and has founded the Organization for Social Development Initiatives (OSDI) with an objective to improve the living conditions in the rural areas of Pakistan. He has also founded corporate sector's first and leading exhibition organizing company in Pakistan, Pegasus. Mr. Asim did his BSc (hons) from London School of Economics and obtained a Master of Business Administration degree from Clark University, USA.



Ms. Gigi Iuminada Miguel is the Vice President and Treasurer Global Treasury of ICTSI. From 1990 to 2008, she has served in China Banking Corporation.

Ms. Miguel has an MBA degree from Ateneo de Manila Graduate School of Business, Philippines in 2000 and BSc degree in Applied Mathematics from University of the Philippines, Philippines in 1990.

Ms. Miguel was appointed as Director of the Company on October 15, 2018 after the resignation of Mr. Rafael D. Consing Jr.

Mr. Gordon Alan P Joseph is the Honorary Consul of Kingdom of the Netherlands to the Philippines, and concurrently the Chairman of the Executive Committee of the Metro Cebu Development Coordinating Board. He is also the largest shareholder and CEO of Philpacific Insurance Brokers, Inc., one of the 10 largest insurance and reinsurance brokers in the Philippines.

Mr. Joseph has a Bachelor's degree from De La Salle University, Manila in 1979.

Mr. Joseph was appointed as a director on the board on February 9, 2018 after the resignation of Mr. Jose Manuel M. De Jesus.



Profile of the Board of Directors



Mr. Roman Felipe S. Reyes, being a Certified Public Accountant, has over 41 years of rich experience in audit and advisory services for different industries such as utilities, power generation, port services, land transport, broadcasting, real estate, oil refinery, steel manufacturing and banks.

Mr. Reyes is Senior Partner and Vice Chairman for Client Services at SyCip Gorres Velayo & Co. (SGV) as well as the head of SGV's Japan Business Services as well as the head of SGV's highest revenue generating business unit.

Mr. Reyes obtained his Bachelor's degree in Commerce, major in Accounting from San Beda College and a Master's degree in Business Administration, concentration in Finance from the University of Detroit, Michigan, USA

Mr. Sharique Azim Siddiqui is the Chief Executive Officer of Pakistan International Bulk Terminal Limited which is Pakistan's first bulk terminal for handling cement, clinker and coal. He joined the Marine Group of Companies in 1997 and was involved in various Group Ventures. He has also served as Project Director and Chief Operating Officer at PICT from 2002 till 2012.

Mr. Sharique has also served as CEO of Marine International Container Terminal and headed the implementation of the project which comprises of an Inland Container Depot in Lahore with direct Railways connectivity for operating dedicated freight trains between Karachi and Lahore.

Mr. Sharique did his Bachelors and Masters of Arts in Economics from Tufts University Boston, USA.



Mr. Hans-Ole Madsen has over 31 years of international experience within the Port, Shipping & Logistic industry. Mr. Madsen is the Senior Vice President, Regional Head for Europe and Middle East and Acting Regional Head-Africa of International Container Terminal Services Inc. Alongside, he is a Director of several other ICTSI group companies.

Prior to joining ICTSI, Mr. Madsen was Vice President for Business Development at APM Terminals Zeebrugge N.V. He was also Chairman of Gujarat Pipavav Port Limited (GPPL) and has also served as a Director of Pipavav Railway Corporation Limited and GPPL. Mr. Hans resigned on February 11, 2020.

Mr. Jacob Christian Gulmann is Director of Business Development Director with the ICTSI Group. He has been with ICTSI since 2013. Prior to joining ICTSI, Mr. Gulmann was with the A.P. Moller-Maersk Group where he held positions in finance and business development.

Mr. Gulmann holds a Bachelors Degree from Oxford University and an MSc from London School of Economics.



Dear Shareholders

It is indeed an immense pleasure to welcome you to the 19th Annual General Meeting of the Company and to present Company's annual report for the year ended December 31, 2019. I also thank you for your interest in Pakistan International Container Terminal and for having faith in us to oversee and grow your investment.

INDUSTRY AND BUSINESS OVERVIEW ALONGWITH FUTURE OUTLOOK

The economy of Pakistan depicted overall economic slowdown due to rupee devaluation, rise in policy rate, high inflation rate and trade deficit. Karachi Port has witnessed a decline in import volumes and overall trade activity which has further elevated ongoing competition at the Karachi Port. Your Company has responded to the competition through various measures for ensuring financial and operational sustainability. Further, your company is committed towards providing customer centric services with optimised costs to maneuver the business through another challenging year.

REVIEW OF FINANCIAL PERFORMANCE

In these challenging times, your company is committed to provide customer centric services, strengthening and building stakeholder relationships alongwith optimum costs allocation to improvise the operations accordingly. Despite increasing competition in container terminal industry and the current economic situation, optimal efficiencies and cost optimization approach enabled your Company to realize Earnings per share of Rs 19.58.

DIVIDEND APPROPRIATION

In order to maintain a steady stream of income for the shareholders, the Directors of the Company have recommended final cash dividend @ 75% (Rs. 7.5/- per ordinary share) for the year ended December 31, 2019.

GOVERNANCE AND CULTURE REVIEW OF BOARD'S PERFORMANCE

The Board understands that it needs members who bring core competencies, diversity, requisite skills, and experience for successful governance of the Company. In this regard, it is relevant to mention that the current members of the Board have extensive expertise in the areas of business management, strategy, finance, legal, and administration. All members of the Board are cognizant of their fiduciary duty to the Company and its shareholders and have ensured that this obligation is kept in mind at all times. The Board has constituted an independent Audit Committee, Human Resource and Remuneration Committee and Risk Management Committee for further strengthening the governance structure of the Company.

As Chairman of the Board, I can affirm that all directors are encouraged to contribute and deliberate on strategic and governance-related topics, and that inputs from the independent directors, and the directors having relevant experience on such topics are always encouraged and given due consideration before taking any decision.

The Board acknowledges its responsibilities to maintain effective oversight of the operations of the Company through quarterly meetings of the Board and its Committees. The Board met four times during the year to discuss the performance and future strategy for the business in this competitive environment. The Board received comprehensive agendas and supporting papers in a timely manner for its Board meetings. All the Directors, including the Independent Directors, fully participated in and made contributions to the decision-making process of the Board.

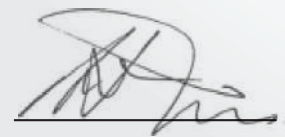
The Board its Committees and individual Directors carried out self-evaluation of their performance during the year and found it to be satisfactory. The overall aim was to measure the current performance of the Board and identify areas for improvement in future years.

The Board has approved a formal policy for remuneration of independent and non-executive directors. The Board remuneration is set to a level that is appropriate and commensurate with the level of responsibility and expertise, but at the same time ensures that it will not be construed as to compromise their independence.

ACKNOWLEDGMENTS

I would like to acknowledge our CEO, Mr. Khurram Aziz Khan, his executive team and all the employees of the Company for their hard work, commitment and leadership in steering the Company into a new era of challenges. I would also like to thank the Board for its hard work and commitment to the Company.

I also wish to express my gratitude to our stakeholders including the Karachi Port Trust, Ministry of Maritime Affairs, Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange and our valued shareholders for their unwavering support and continued trust in us.



Andrew James Dawes
Chairman of the Board
February 24, 2020



عزیزانہ حصہ داروں کو مبارکباد

مجھے کمپنی کے انیس ویں سالانہ اجلاس عام میں آپ کا استقبال اور کمپنی کی سالانہ رپورٹ اور محاسب شدہ مالیاتی گوشوارے ختم شدہ سال 31 دسمبر 2019 کو پیش کرتے ہوئے بہت زیادہ خوشی محسوس ہو رہی ہے۔ پاکستان انٹرنیشنل کنٹینر ٹرمینل میں دلچسپی ظاہر کرنے اور اپنے سرمائے کی نگرانی اور نٹو نمائے کے لئے ہم پر بھروسہ رکھنے کے لئے آپ کا شکریہ ادا کرتا ہوں۔

صنعتی اور کاروباری جائزہ بمعہ مستقبل کا منظر نامہ

پاکستان کی موجودہ حکومت کی پالیسیوں کی وجہ سے درآمد میں کمی اور معیشت نے تجارتی سرگرمیوں میں سست روی کا مظاہرہ کیا ہے جس کی وجہ سے جی ڈی پی کے نمونوں کی رہی۔ ان پالیسیوں کے نتیجے میں، کراچی پورٹ میں درآمد کے حجم میں کمی کی رہی اسکے نتیجے میں پورٹ میں جاری مسابقت میں مزید اضافہ ہوا۔ آپ کی کمپنی نے اس مسابقت کا سامنا اپنے مالیاتی اور آپریشنل استحکام کے ذریعے کیا۔

مالیاتی کارکردگی کا جائزہ

متعدد چیلنجز کے باوجود، آپ کی کمپنی نے مناسب لاگت کی تخصیص اور عملیاتی ایجنڈا کے ذریعے گاہکوں سے مرکوز خدمات اور دیگر شراکت داروں کے ساتھ استحکام اور مضبوط تعلقات قائم کیے۔ کنٹینر ٹرمینل کی صنعت میں بڑھتے ہوئی مسابقت اور معیشت میں افراط زر کے دباؤ کے باوجود کمپنی نے وسائل کے بہترین استعمال اور کڑی لاگت کی روک تھام کی مدد سے ختم شدہ سال میں 19.58 روپے آمدنی فی حصص حاصل کی۔

منافع کا تقصیر

حصص یافتگان کی مستحکم آمدنی کو برقرار رکھنے کے لئے کمپنی کے ناظمین نے ختم شدہ سال 31 دسمبر 2019 کے لئے حتمی کیش ڈیویڈنڈ 75% فیصد (یعنی 7.5 روپے فی عمومی حصص) کی سفارش کی ہے۔

گورننس اور ثقافت۔ مجلس کی کارکردگی کا جائزہ

بورڈ اس بات کو سمجھتا ہے کہ کمپنی کو کامیاب انداز میں چلانے کے لئے انہیں ایسے ممبران کی ضرورت ہے جو بنیادی اہلیت، جداگانہ، مطلوبہ صلاحیت اور تجربہ رکھتے ہوں۔ اس ضمن میں، یہ بات قابل ذکر ہے کہ بورڈ کے موجودہ ممبران کاروباری، حکمت عملی، مالیات، قانونی اور انتظامی امور میں وسیع مہارت رکھتے ہیں۔ بورڈ کے تمام ممبران کمپنی اور اس کے حصص یافتگان کی جانب اپنی امانتی ذمہ داری سے بخوبی واقف ہیں، اور اس بات کو یقینی بناتے ہیں کہ یہ ذمہ داری ہر وقت ذہن میں رکھی جاتی ہے۔ مجلس نے کمپنی کے گورننس کو مضبوط کرنے کے لئے محاسبہ کمیٹی، ہیومن ریسورسز اور ریونیویشن کمیٹی اور خطرات انتظامی کمیٹی تشکیل دی ہے۔

بورڈ کا چیئر مین ہونے کی حیثیت سے، میں اس بات کی یقین دہانی کراتا ہوں کہ تمام ڈائریکٹرز کو حکمت عملی اور انتظامی موضوعات پر رائے دینے اور مشاورت کے لئے حوصلہ افزائی کی جاتی ہے، اقلیتی حصص یافتگان کے نمائندہ ڈائریکٹرز، اور فیصلے سے متعلق متعلقہ تجربے کے حامل ڈائریکٹرز کی فیصلہ کرتے وقت انڈیپنڈنٹ ڈائریکٹرز پر غور کیا جاتا ہے اور حوصلہ افزائی کی جاتی ہے۔

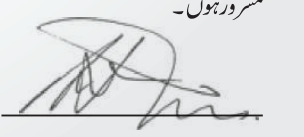
مجلس ہر سہ ماہ میں مجلس اور کمیٹی کے اجلاس کے ذریعے کمپنی کے آپریشن کی موثر نگرانی کی اپنی ذمہ داری کو تسلیم کرتی ہے۔ مسابقتی ماحول میں کاروباری کارکردگی اور مستقبل کی حکمت عملی پر بات چیت کرنے کے لیے مجلس نے سال میں چار بار اجلاس کیے۔ مجلس کو اپنی مینٹننس کے لئے بروقت جامع ایجنڈا اور سپورٹنگ پیپر موصول ہوئے۔ تمام ڈائریکٹرز بشمول انڈیپنڈنٹ ڈائریکٹرز نے فیصلہ سازی کے عمل میں بھی حصہ لیا۔

بورڈ اور کمیٹی نے دوران سال خود تشخیصی کے ذریعے اپنی کارکردگی کو اپنی مجلس کا مجموعی مقصد موجودہ کارکردگی کو جانچنا اور آنے والے سالوں میں بہتری کی جگہوں کی نشاندہی کرنا ہے۔ بورڈ نے انڈیپنڈنٹ اور نان ایکٹو ڈائریکٹرز کے لئے حسب ضابطہ پالیسی منظور کی ہے۔ بورڈ کے معروضوں کو اس سطح پر مقرر کیا جاتا ہے جو کہ نہ صرف ذمہ داری اور مہارت کی مطابقت سے مناسب ہو، بلکہ ساتھ ہی یہ بھی یقینی بنانے کے لئے ان کی آزادی پر سمجھوتا کرنے کے لئے تشکیل نہیں کیا گیا۔

اظہار تشکر

میں یہ تسلیم کرنا چاہتا ہوں اور بالخصوص ہمارے سی ای او، جناب خرم خان، ان کی انتظامی ٹیم اور کمپنی کے تمام ملازمین کو ان کی محنت، عزم اور قیادت سے کمپنی کو نئے زمانے کے چیلنجز میں چلانے کے لیے شکر یہ ادا کرنا چاہتا ہوں۔ میں کمپنی کی مجلس کی انتھک محنت اور کمپنی کی عزم کا بھی مشکور ہوں۔

میں اپنے تمام متعلقین بشمول کراچی پورٹ ٹرسٹ، وزارت ساحلی امور، سکیورٹی اینڈ ایئر کیچھن کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج ہمارے قابل قدر حصص یافتگان کی غیر جانبدار حمایت اور مسلسل اعتماد کے لئے بے حد مسرور ہوں۔



ایگزیکٹو ڈائریکٹر
مجلس نظام کے چیئر مین
24 فروری 2020

Directors' Report

The Board of Directors of Pakistan International Container Terminal Limited are pleased to submit the Annual Report of your Company along with the financial statements for the year ended December 31, 2019 and auditors' report thereon.

BUSINESS PERFORMANCE REVIEW

2019 was another challenging year for Pakistan's economy. Rupee devaluation, rise in policy rate, high inflation rate and trade deficit resulted in overall economic slowdown. Karachi Port witnessed decline in import volumes without any sizeable rise in exports thereby reducing overall trade activity in Container terminals at Karachi Port. Competition continued to soar, amid low trade volumes and enhanced handling capacity at Karachi Port.

Your Company has responded to the competition through various measures for ensuring financial and operational sustainability and accordingly managed to handle 366,347 containers as compared to 427,118 containers handled during the last year. Despite higher inflation, your Company through operational excellence and cost optimizations concluded the year with Gross Profit of Rs 3,458.89 million. The year ended with net profit of Rs 2,137.41 million which was almost at par with net profit for last year.



FUTURE OUTLOOK

Your Company expects economic growth in coming year in the wake of another phase of China Pakistan Economic Corridor (CPEC). Pakistan need to improve its export competitiveness by boosting productivity, reduction in production cost along with industrial diversification and modernization. With this future outlook of the economy alongwith ever increasing competition at Karachi Port, your company is committed towards providing customer centric services with optimised costs to maneuver the business through another challenging year. Further, your Company is continuously pursuing Karachi Port Trust (KPT) for extension and expansion of Build, Operate and Transfer (BOT) contract with KPT.

OPERATING AND FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
	Rupees in million	
Revenue	7,927	8,250
Gross Profit	3,459	3,751
Profit before taxation	3,011	3,290
Profit after taxation	2,137	2,135
Un appropriated profit brought forward	1,028	1,069
Profit available for appropriation	3,165	3,204
Appropriations:		
- Final cash dividend for the year end December 31, 2018 @ Rs. 4.1 per share (December 31, 2017 @ Rs. 6.43 per share)	(448)	(702)
- Interim cash dividends for the year end December 31, 2019 @ Rs. 10.5 per share (December 31, 2018 @ Rs. 13.5 per share)	(1,146)	(1,474)
Unappropriated profit carried forward	1,572	1,028
Basic and Diluted EPS	19.58	19.56

The Board of Directors of the Company in their meeting held on February 24, 2020, have proposed a final cash dividend for the year ended December 31, 2019 of 75% i.e. Rs 7.5 per ordinary share (2018: Rs 4.1 per ordinary share). This is in addition to the interim cash dividends amounting to a total of Rs 10.5 per ordinary share paid during the year.

The proposal of the final cash dividend is subject to the approval of the members at the 19th Annual General Meeting to be held on March 25, 2020. These financial statements do not include the effect of above proposal which will be accounted for in the year in which it is approved by the members.

IMPACT OF THE BUSINESS ON ENVIRONMENT

Your Company is an ISO 14001 certified company and is fully committed to perform safe and environmentally compliant container terminal operations. Our Company continuously makes efforts to enhance the environmental compliance level within the terminal by making programs for environmental protection. Some of the various initiatives taken by the Company are as follows:

Reducing Emissions:

Subsequent to conversion of diesel operated port equipment to electrically operated, the same are being continuously maintained and monitored to reduce emissions. In recent past, the company has introduced air conditioning units being operated with environment friendly gas as it does not contribute to ozone depletion. Whereas some existing air conditioning units have also been replaced with the inverter type units to optimize energy consumption and ultimately to reduce emissions.

Directors' Report

Waste Management:

The Company has a proper mechanism for waste collection and disposal while segregating waste into hazardous and non-hazardous categories. Further, our Company has Sewerage Treatment Plants being installed and maintained for the treatment of waste prior to disposal.

Oil Spill Control:

Your Company has an adequate system in place to control oil spillage. In this respect, secondary containment methods are being adopted and followed. The Company also has a dedicated area to accommodate leaky containers whereas specially designed trolley has been fabricated for the transportation of leaky containers within the terminal premises.

Energy Conservation:

Your Company is also focused towards energy conservation. Accordingly, different initiatives have been taken like replacement of high intensity lights installed on equipment and inside the yards with LED lights and introducing thermal printers, etc.

CORPORATE AWARDS AND RECOGNITIONS

The quality of services, best practices and enabling corporate culture of your Company has been recognised by various stakeholders during the year. Few of them are mentioned below:

- ◆ Corporate Excellence Award by Management Association of Pakistan.
- ◆ Listed among the Top 25 companies by Pakistan Stock Exchange Limited for the years 2016 and 2018 announced in 2019.
- ◆ 2nd prize in service sector in 14th EFP Best Practices Award on Occupational Safety & Health 2018 from Employers' Federation of Pakistan.
- ◆ Recognition shield in multinational employers in Pakistan in 7th Employer of the Year Award 2018 by Employers' Federation of Pakistan.
- ◆ Excellence Award in Best HRM Practices and 1st Award in Multinational Category in 2018 by Employers' Federation of Pakistan.
- ◆ Recognition award for uplifting export business through terminal services in 43rd Export Awards by Federation of Pakistan Chambers of Commerce and Industry (FPCCI).

CORPORATE SOCIAL RESPONSIBILITY

Your Company aims to act responsibly whilst delivering high quality services. This is evident from its commitment and proud history of sustainable operations, respecting the environment, and supporting the local economy. Your Company embraces the core values not only as corporate stewardship but also voices them through the Corporate Social Responsibility initiatives undertaken on regular basis. A glimpse of the events, where your Company played a key role as a responsible corporate social citizen, during the year is presented below:

Education:

Your Company recognises the importance of education for development of the society. In addition to the provision of scholarships to students of NED University of Engineering and Technology for financial assistance, your Company aims to increase students' industry knowledge and nurture passion towards developing careers in the logistics industry through seminars, placements, terminal visits and internship programs.

Health:

Your Company contributed to the cause of The Indus Hospital and Bait-ul-Sukoon Cancer Hospital to support needy and underserved patients.

Preventive healthcare is pivotal dimension of health that needs significant attention and investment. Regular awareness sessions were held during the year on multiple potential health issues. Further, Blood - donation campaigns to support Thalassemia patients continued during the year apart from in-house fitness programs which helped in ensuring employees' well-being including in-house session on world mental health day.

Your Company also set up Heat stroke Centres in your Company premises during May 2019 to facilitate not only its employees but visitors, contractors, truckers and other stakeholders who were exposed to heat and humidity in open work environment in the terminal.

Safety & Environment:

The business of your Company is subject to inherent operational risks with respect to safety and the environment that require continuous vigilance. Regular Safety trainings were conducted for employees, vendors and service providers which reflect safety centric culture at your Company.

To deliver sustainable value to stakeholders, your Company continues to invest strategically in providing innovative solutions and enable stakeholders to make environmentally responsible choices. Your company and its volunteers led a cleaning drive on areas in the terminal vicinity along with the plantation campaign on Earth Day.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal controls policy is designed to provide reasonable assurance regarding the effectiveness and efficiency of the Company's operations, reliability of financial information and compliance with applicable laws and regulations. Management ensures an efficient and effective Internal Controls by identifying controls, reviewing pertinent policies/procedures, and establishing relevant control procedures and monitoring systems. The Internal Control System has been designed to provide reasonable assurance to the shareholders and Board of Directors. The Management considers that the existing Internal Control System is adequate and has been effectively implemented and monitored.

DIRECTORS' RESPONSIBILITY IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors acknowledges their responsibility towards the implementation of an effective internal control environment throughout the organisation. The Company has set up an effective and efficient Internal Audit function which rigorously monitors the control environment of the Company. This department conducts comprehensive quarterly reviews of the activities of your Company. Broader targets of the said reviews are establishment and observance of internal controls for ensuring operational efficiencies and safeguard of profitability.

The activities of the Internal Audit department are overseen by the Audit Committee which regularly monitors the performance of the department through review of the internal audit reports on quarterly basis and accordingly apprising the Board of its findings and recommendations.

The Board reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, and other financial and statistical information.

PATTERN OF SHAREHOLDING

The Pattern of shareholding as at December 31, 2019 is annexed to this Report.

The Directors, Chief Executive Officer, Executives and their spouses and minor children have made no transactions in the Company's shares during the year. Executives for this purpose means Chief Executive Officer, Chief Financial Officer, Chief Internal Auditor, Company Secretary and other employees of the Company designated as executives by the Board. The Board of Directors has set a threshold of annual basic salary of Rs. 1,200,000 for terming as Executive.

PARENT COMPANY

Your Company is a subsidiary of ICTSI Mauritius Limited, whereas its ultimate Parent Company is International Container Terminal Services Inc., a company incorporated in Philippines.

AUDITORS

The present auditors, EY Ford Rhodes, Chartered Accountants stand retired at the conclusion of upcoming Annual General Meeting and being eligible have offered themselves for reappointment.

The Audit Committee has recommended the reappointment of the retiring auditors for the year ending December 31, 2020 with increase upto 10% of previous years Auditors remuneration and the Board has endorsed the recommendation of the Audit Committee.

RISKS AND UNCERTAINTIES AND ITS MITIGATIONS

The Company addresses risks individually in the course of its business operations. The management determines response strategies for such risks which includes avoid, transfer, reduce or accept strategy. Financial risks have been described in detail in note 25 to the financial statements that covers credit risk, liquidity risk, foreign currency risk, interest rate risk, equity price risk and capital risk.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Governance set out by the Listed Companies (Code of Corporate Governance) Regulations, 2017 for the period January 1, 2019 to September 24, 2019 and Listed Companies (Code of Corporate Governance) Regulations, 2019 for the period September 25, 2019 to December 31, 2019 are relevant for the year ended December 31, 2019 and have been duly complied with. A statement to this effect is annexed with the Annual Report.

BOARD OF DIRECTORS

As of the date of the Directors' Report, the Board of Directors comprises of one female and six male Directors. In respect of the executive, non-executive and independent directors, the Board comprises the following:

- a) **Independent Directors:**
 - i. Mr. Gordon Alan P. Joseph
 - ii. Mr. Roman Felipe S. Reyes
- b) **Non-executive Directors**
 - i. Mr. Andrew James Dawes*
 - ii. Mr. Aasim Azim Siddiqui
 - iii. Ms. Gigi Iluminada Miguel [Female Director]
 - iv. Mr. Jacob Christian Gulmann**
 - v. Mr. Sharique Azim Siddiqui
- c) **Executive Director/Chief Executive Officer**
Mr. Khurram Aziz Khan

All the directors take keen interest in the proper stewardship of the Company's affairs. During the year, four Board Meetings, four Audit Committee Meetings, one Human Resource and Remuneration [HR&R] Committee Meeting and one Risk Management Committee meeting were held. The names of Directors and their attendance in Board and Committee meetings held during the year are presented below:

S.No	Name of Director	Member of			Meetings Attended			
		Audit Committee	HR&R Committee	Risk Management Committee	Board	Audit Committee	HR & R Committee	Risk Management Committee
1	Mr. Andrew James Dawes*	-	✓	✓	3	-	1	1
2	Mr. Aasim Azim Siddiqui	-	✓	-	4	-	1	-
3	Mr. Sharique Azim Siddiqui	✓	-	✓	4	4	-	1
4	Mr. Hans Ole Madsen**	-	-	-	4	-	-	-
5	Mr. Roman Felipe S. Reyes	✓	-	-	4	4	-	-
6	Mr. Gordon Alan P. Joseph	-	✓	✓	4	-	1	1
7	Ms. Gigi Iluminada Miguel	✓	-	-	4	4	-	-
8	Mr. Jacob Christian Gulmann**	-	-	-	-	-	-	-

*Mr. Andrew James Dawes was appointed by the Board as Director and Chairman of the Board of Directors on January 21, 2019 in place of Mr. Christian R. Gonzalez.

** Subsequent to December 31, 2019, Mr. Hans Ole Madsen resigned as Director of the Company on February 11, 2020 and in whose place Mr. Jacob Christian Gulmann was appointed by the Board as Director with effect from February 14, 2020.

Leave of absence was granted to the Director who could not attend one Board meeting.

For details on Directors training program, please refer Statement of Compliance annexed with the Annual Report.

DIRECTORS REMUNERATION POLICY

The Board has approved a formal policy for remuneration of independent and non-executive directors. The Board remuneration is set to a level that is appropriate and commensurate with the level of responsibility and expertise, but at the same time ensures that it will not be construed as to compromise their independence.

Details of aggregate amounts of remuneration for Directors are disclosed in note 27 to the financial statements.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- ◆ The financial statements, prepared by the management of the Company, present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- ◆ Proper books of account have been maintained by the Company.
- ◆ Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- ◆ International Financial Reporting Standards and the Companies Act, 2017, as applicable in Pakistan, as also stated in note 2.1 of the financial statements have been followed in preparation of financial statements.
- ◆ 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.
- ◆ There has been no material departure from Pakistan Stock Exchange Limited Regulations (PSX Regulations).
- ◆ A summary of key operating and financial data of last six years is annexed to this Report.
- ◆ Information about contribution to national exchequer in the form of taxes and levies is given in the respective notes to the Financial Statements.
- ◆ The Company operates a contributory Provident Fund Scheme for its eligible permanent employees. The value of its investments based on the audited accounts as at June 30, 2019 is Rs. 391 million.

CODE OF CONDUCT

The underlying values of the Company's Code of Conduct are based on honesty, integrity and openness along with respect for human rights and interests of the employees. The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflict of interest, employee rights etc. The Board ensures that Code of Conduct is disseminated to, understood and observed by employees. The responsibility for day to day implementation and monitoring of the Code is delegated to the senior management. The Code is also available on the Company's website.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which have occurred between December 31, 2019 and the date of this report except the proposal of final dividend which is subject to approval by the Members at the forthcoming Annual General Meeting. The effect of such declaration shall be reflected in the next year's financial statements.

COMMUNICATION

Communication with the members is given high priority. Annual reports are distributed to them within the time specified in the Companies Act, 2017. The Company also has a website, www.pict.com.pk which contains up-to-date information on Company's activities and financial reports.

CHAIRMAN'S REVIEW

The Chairman's review included in the Annual Report deals inter alia with the performance of the Company and overall performance of the Board of Directors and effectiveness of the role played by the Board of Directors in achieving the Company's objectives for the year ended December 31, 2019. The Board of Directors endorse the contents of the Chairman's Review.

ACKNOWLEDGEMENT

The Board acknowledges the contribution of each and every employee of the Company. The Board also places on record its sincere gratitude to extremely valued shareholders, customers, suppliers, employees and financial institutions for their support, confidence and cooperation which enables the Company to sustain the competitive environment. We would also like to thank all concerned regulatory authorities for their prompt guidance and support. This continued support gives us confidence and courage and we remain committed to achieve excellence in all areas of operations.

Thanking you all

On behalf of the Board of Directors



Mr. Andrew James Dawes
Chairman of the Board

Karachi
Dated : February 24, 2020



Mr. Khurram Aziz Khan
Chief Executive Officer

- * چلتے ہوئے کاروباری ادارے کی حیثیت سے کمپنی کی اہلیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- * پی ایس ایکس کی ضابطے سے کوئی material departure نہیں کیا گیا۔
- * گزشتہ چھ سالوں کے اہم کاروباری اور مالیاتی اعداد و شمار کا ایک خلاصہ اس رپورٹ کے ساتھ ملحق ہے۔
- * ٹیکس اور لیوی کی شکل میں قومی خزانے میں شراکت کے بارے میں معلومات مالی گوشواروں کے متعلقہ نوٹس میں دی گئی ہیں۔
- * کمپنی تمام اہل ملازمین کے لئے ایک پراویڈنٹ فنڈ اسکیم چلاتی ہے۔ 30 جون 2019 کے محاسب شدہ گوشوارے کے مطابق اس فنڈ کی سرمایہ کاری کی مالیت 391 ملین روپے ہے۔

ضابطہ اخلاق

کمپنی کے ضابطہ اخلاق کی بنیادی اقدار سچائی، دیانتداری اور کثادگی بعد انسانی حقوق کا احترام اور ملازمین کی بہتری پر مبنی ہے۔ کمپنی کا ضابطہ اخلاق اخلاقی اقدار سے متعلق رہنما اصولوں کو فروغ دیتا ہے جس میں مفادات کا تصادم، ملازمین کے حقوق، وغیرہ سے متعلق اصول شامل ہیں۔ مجلسِ نظماًء اس بات کو یقینی بناتا ہے کہ ضابطہ اخلاق تمام ملازمین تک پہنچے، وہ اس کو سمجھیں اور اس پر عمل کریں۔ ضابطہ اخلاق کے نفاذ اور اس کی نگرانی کے لئے ذمہ داری اعلیٰ قیادت کو سونپی گئی ہے۔ ضابطہ اخلاق کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

نمایاں تبدیلیاں اور معاہدے

31 دسمبر 2019 کے درمیان سے اس رپورٹ کی تاریخ تک کوئی نمایاں تبدیلیاں اور معاہدے کمپنی کے مالیاتی گوشواروں پر اثر انداز نہیں ہوئے سوائے فائل ڈیویڈنڈ جو آئندہ سالانہ اجلاس عام میں اراکین کی منظوری سے مشروط ہے۔ اس اعلان کا اثر اگلے سال کے مالیاتی گوشواروں میں لیا جائے گا۔

ترسیل

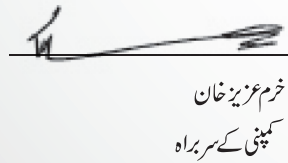
اراکین کے ساتھ رابطے کو اعلیٰ ترجیح دی جاتی ہے۔ سالانہ رپورٹ کمپنیز ایکٹ 2017 کے مطابق مخصوص اوقات کے اندر حصص یافتگان کو تقسیم کر دی جاتی ہے۔ کمپنی کی ویب سائٹ www.pict.com.pk بھی موجود ہے جس پر کمپنی کی حالیہ سرگرمیوں کی معلومات اور مالیاتی رپورٹیں موجود ہیں۔

چیئر مین کا جائزہ

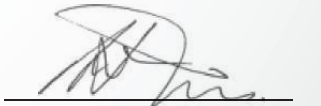
چیئر مین کا سالانہ جائزہ کمپنی اور مجلسِ نظماًء کی مجموعی کارکردگی اور کمپنی کے مقاصد کی تعمیل کے لئے مجلسِ نظماًء کی موثر حکمت عملی ختم شدہ سال 31 دسمبر 2019 کی کارکردگی کے معاملات کے بارے میں ذکر کر رہا ہے جو کہ سالانہ مالیاتی معلومات میں شامل ہے۔ مجلسِ نظماًء نے چیئر مین کی جائزہ رپورٹ کے مندرجہ جات کی توثیق کی ہے۔

اظہار تشکر

مجلسِ نظماًء اپنے انتہائی قابل قدر حصص یافتگان، گاہکوں، سپلائرز، ملازمین اور مالیاتی اداروں کی حمایت، اعتماد اور تعاون کا تہ دل سے شکریہ ادا کرتی ہے جو کمپنی کو مسابقتی ماحول میں برقرار رکھنے کا باعث ہے۔ ہم تمام انضباطی اداروں کی فوری طور پر رہنمائی اور تعاون کے بھی مشکور ہیں۔ یہ مسلسل حمایت ہمارے اعتماد اور حوصلہ افزائی کا باعث بنتا ہے جس کی وجہ سے ہم اپنے تمام عمل کاری میں عمدگی حاصل کرنے کے لیے پرعزم رہتے ہیں۔ آپ سب کا شکریہ۔ مجلسِ نظماًء کی جانب سے



خرم عزیز خان
کمپنی کے سربراہ



ایڈر پوینٹس ڈپوس
مجلسِ نظماًء کے چیئر مین
کراچی
بتاریخ 24 فروری 2020

خداشات اور غیر یقینی کیفیات اور ان کی تخفیف

کمپنی اپنے کاروباری معاملات کو درپیش خداشات کو انفرادی طور پر توجہ دیتی ہے۔ انتظامیہ ان ادراک کے لئے حکمت عملی کا تعین کرتی ہے جس میں بچنا، منتقل کرنا، کم کرنا اور قبول کرنے جیسی حکمت عملی شامل ہوتی ہیں۔ مالیاتی خداشات کے بارے میں مالیاتی گوشوارے کے نوٹ 25 میں تفصیل بیان کی گئی ہے جس میں قرضے، سیالیت، شرح مبادلہ، سود، ایکویٹی کی قیمت کے خطرات اور سرمائے سے متعلق خداشات کے بارے میں بیان کیا گیا ہے۔

ضابطہ برائے نظم و نسق کی تعمیل

31 دسمبر 2019 کو ختم ہونے والے سال میں، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2017، 01 جنوری 2019 سے 24 ستمبر 2019 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019، 25 ستمبر 2019 سے 31 دسمبر 2019 میں موجود ضابطہ برائے نظم و نسق کے تمام تقاضوں پر کلی طور پر عمل درآمد کیا گیا ہے۔ اس سے متعلقہ بیان سالانہ رپورٹ کے ساتھ منسلک ہے۔

جلس نظماً

بیان نظماً کی تاریخ کے مطابق مجلس نظماً ایک خاتون اور چھ مرد ناظمین پر مشتمل ہے۔ ایگزیکٹو کے سلسلے میں، غیر ایگزیکٹو ناظمین اور آزاد ناظمین، بورڈ مندرجہ ذیل پر مشتمل ہے:

a- آزاد ناظمین

- i- جناب رومن فلپ ایس ریئیس
- ii- جناب گورڈن اینٹن پی جوزف

b- غیر ایگزیکٹو ناظمین

- i- جناب اینڈریو چیئرس ڈیوس *
- ii- جناب عاصم عظیم صدیقی
- iii- محترمہ جی جی ایو مینا ڈا میگل (خاتون ڈائریکٹر)
- iv- جناب جیکب کریسٹنگ گلن **
- v- جناب شارق عظیم صدیقی
- c- ایگزیکٹو ناظمین اچیف ایگزیکٹو آفیسر
- i- خرم عزیز خان

تمام ناظمین کمپنی کے معاملات کی مناسب گہرائی میں گہری دلچسپی لیتے ہیں۔

دوران سال مجلس نظماً کے چار محاسبہ کمیٹی کے چار اور کمیٹی برائے انسانی وسائل و معاوضہ اور کمیٹی برائے رسک مینجمنٹ کے ایک ایک اجلاس منعقد کیے گئے۔ ناظمین کے نام اور ان کی مجلس اور کمیٹی اجلاس میں سال کی شرکت ذیل میں پیش کئے گئے ہیں:

سرینل نمبر	ناظمین کے نام	ممبر					اجلاس میں شرکت	
		محاسبہ کمیٹی	کمیٹی برائے انسانی وسائل و معاوضہ	رسک مینجمنٹ کمیٹی	مجلس نظماً	محاسبہ کمیٹی	کمیٹی برائے انسانی وسائل و معاوضہ	رسک مینجمنٹ کمیٹی
1	جناب اینڈریو چیئرس ڈیوس *	-	✓	✓	3	-	1	
2	جناب عاصم عظیم صدیقی	-	✓	-	4	-	1	
3	جناب شارق عظیم صدیقی	✓	-	-	4	4	1	
4	جناب ہنس اول مڈن **	-	-	-	4	-	-	
5	جناب رومن فلپ ایس ریئیس	✓	-	-	4	4	-	
6	جناب گورڈن اینٹن پی جوزف	-	✓	✓	4	-	1	
7	محترمہ گگی ایو مینا ڈا میگل	✓	-	-	4	4	-	
8	جناب جیکب کریسٹنگ گلن **	-	-	-	-	-	-	

* جناب اینڈریو چیئرس ڈیوس کو 21 جنوری 2019 کو مجلس میں بطور کمیٹی کے ناظم اور مجلس نظماً کے سربراہ جناب کریسٹن آرگوزا لڑکی جگہ مقرر کیا گیا ہے۔
** جناب ہنس اول مڈن نے 11 فروری 2020 کو استعفی دے دیا ہے اور ان کی جگہ جناب جیکب کریسٹنگ گلن کو 14 فروری 2020 کو مجلس میں مقرر کیا ہے۔

وہ ناظم جو ایک مجلس نظماً کے اجلاس میں شرکت نہیں کر سکے، ان کو اجازت برائے عدم موجودگی دی گئی۔

ڈائریکٹرز ٹینگ پروگرام کے بارے میں تفصیلات کے لئے تعمیل کا بیان ملاحظہ کریں جو کہ اس رپورٹ کے ساتھ منسلک ہے۔

ناظمین معاوضے کی پالیسی

بورڈ نے آزاد ناظمین اور غیر ایگزیکٹو ناظمین کے لئے حسب ضابطہ پالیسی منظور کی ہے۔ بورڈ کے معاوضوں کو اس سطح پر مقرر کیا جاتا ہے جو کہ نہ صرف ذمہ داری اور مہارت کی مطابقت سے مناسب ہو، بلکہ ساتھ ہی یہ بھی یقینی بنائے کہ اسے ان کی آزادی پر سمجھوتہ کرنے کے لئے تشکیل نہیں کیا گیا۔

ناظمین کے لئے معاوضہ کی مجموعی رقم کی تفصیلات مالیاتی بیانات کے نوٹ نمبر 27 میں بیان کیا گیا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

* کمپنی کی انتظامیہ کی جانب سے تیار کیے جانے والے مالیاتی گوشوارے شفافیت کے ساتھ کمپنی کے معاملات کے حالات، کاروباری نتائج، نقدی بہاؤ اور اکوٹی میں تبدیلیوں کو مضافہ طور پر پیش کرتے ہیں۔

* کمپنی مالیاتی کھاتوں کو مناسب طریقے سے ترتیب دیتی ہے۔

* مالیاتی گوشواروں کی تیاری میں مناسب حساب داری پالیسیاں مسلسل لاگو کی گئی ہیں اور حساب داری اندازے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں۔

* مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو ہونے والے انٹرنیشنل فائنیشنل رپورٹنگ اسٹینڈرڈز اور کمپنیز ایکٹ، 2017، جن کی تفصیلات مالیاتی بیانات کے نوٹ نمبر 2.1 میں موجود ہیں ان پر عملدرآمد کیا گیا ہے۔

* اندرونی کنٹرول کا نظام نہ صرف بہترین انداز میں مرتب اور لاگو کیا گیا ہے بلکہ اس بات کی باقاعدہ گہرائی بھی کی جاتی ہے۔

آپ کی کمپنی آئی ایس او 14001 سے سند یافتہ ہے اور حفاظت اور ماحول سے متعلق ٹرینٹل آپریشن سرانجام دینے کے لیے پوری طرح پر عزم ہیں۔ ہماری کمپنی ماحولیاتی قیام کی سطح کو بڑھانے کے لیے ماحولیاتی تحفظ کے پروگرام تشکیل دیتی ہے۔ اس سلسلے میں کمپنی نے متعدد اقدامات کئے ہیں جن میں سے بعض مندرجہ ذیل ہیں:

1) اخراج میں کمی:

اخراج میں کمی کے لیے ڈیزل سے چلنے والے پورٹ کے آلات کو بجلی سے چلنے والے آلات میں تبدیل کرنے کے بعد برقرار رکھا جا رہا ہے۔ ماضی قریب میں، کمپنی نے ماحول دوست گیس پر چلنے والے انٹرکنڈیکٹنگ یونٹس متعارف کروائے کیونکہ اس سے اوزون میں کمی واقع نہیں ہوتی۔ جبکہ توانائی کی کھپت کو بہتر بنانے اور بالآخر اخراج کو کم کرنے کے لیے کچھ موجودہ انٹرکنڈیکٹنگ یونٹ کو بھی انورٹرنائپ یونٹس کے ساتھ تبدیل کر دیا گیا ہے۔

2) فضلے کی مناسط:

فضلہ کی مناسط کیلئے طریقہ کار عمل میں ہے جس کے تحت مضر اور غیر مضر فضلہ کو جمع کیا جاتا ہے اور اس کے مطابق مناسب طریقے سے خارج کر دیا جاتا ہے۔ اس کے علاوہ آپ کی کمپنی میں سیوریج ٹریٹمنٹ پلانٹ ہیں جو فضلہ کو خارج کرنے سے قبل فضلہ کے ٹریٹمنٹ کے لئے آپریشن میں ہیں۔

3) تیل سپل کنٹرول:

ہماری کمپنی کے پاس تیل کے رساؤ کو کنٹرول کرنے کے لیے ایک مناسب نظام موجود ہے۔ اس سلسلے میں، ناٹوی کنٹینمنٹ طریقوں کو اپنایا جا رہا ہے اور ان کی بیرونی کی جاری ہے۔ کمپنی کے پاس رسیدہ کنٹینرز کو سنبھالنے کے لیے ایک سرشار مقام بھی ہے، جبکہ ٹریٹمنٹ کے احاطے میں رسیدہ کنٹینرز کی آمدورفت کے لئے خصوصی طور پر ڈیزائن شدہ بھی ہوائی گئی ہے۔

4) توانائی کا تحفظ:

ہماری کمپنی کی توانائی کے تحفظ کی طرف بھی توجہ مرکوز ہے۔ اس کے مطابق مختلف اقدامات کیے گئے ہیں جیسا کہ ایل ای ڈی لائٹس کے ساتھ آلات اور یارڈ کی تیز شدت لائٹس کو تبدیل کرنا، تھرمل پرنٹنگ کا متعارف کروانا وغیرہ۔

کارپوریٹ اعزازات اور اعترافات

خدمات کے بہترین معیار، بہترین طریقوں اور آپ کی کمپنی کی کارپوریٹ ثقافت کو دوران سال مختلف متعلقین کی جانب سے تسلیم کیا گیا ہے۔ جن میں سے کچھ درج ذیل ہیں:

- ☆ پاکستان انجمنٹ ایسوسی ایشن کی طرف سے کارپوریٹ ایکسیلنس ایوارڈ۔
- ☆ 2019 میں جاری کردہ پاکستان اسٹاک ایکسچینج لمیٹڈ کی جانب سے 25 اعلیٰ ترین کمپنیوں کی فہرست میں سال 2016 اور 2018 کے لئے شامل کیا گیا۔
- ☆ 14th اوکیو پینٹل سٹیفٹی اینڈ ہیلتھ 2018 سروس کیلئے بہترین پریکٹس ایوارڈ میں دوسرا انعام حاصل کیا۔
- ☆ سال 2018 کے دوران ایپلائیڈ فیڈریشن آف پاکستان کی جانب سے 17th ایپلائیڈ آف دی ایئر کا تسلی ایوارڈ بین الاقوامی زمرے میں حاصل کیا۔
- ☆ سال 2018 کے دوران ایپلائیڈ فیڈریشن آف پاکستان کی جانب سے ہیٹ ایچ آرا ایم پریکٹس ایوارڈ میں بین الاقوامی زمرے میں 1st ایوارڈ حاصل کیا۔
- ☆ پاکستان چیمر آف کامرس اینڈ انڈسٹری (FPCCI) کی طرف سے 143rd ایکسپورٹ ایوارڈ میں ٹریٹمنٹ خدمات کے ذریعہ برآمدی کاروبار کو بڑھانے کے لئے شناختی اعزاز۔

ادارے کی سماجی ذمہ داری

آپ کی کمپنی کا مقصد ذمہ داری کے ساتھ اعلیٰ معیار کی خدمات فراہم کرنا ہے۔ یہ کمپنی کے عزم، پائیدار کارکردگی کی قابل فخر تاریخ، ماحول کے احترام اور مقامی معیشت کی حمایت سے ظاہر ہوتا ہے۔ آپ کی کمپنی بنیادی اقدار کو نہ صرف قبول کرتی ہے بلکہ مستقل بنیادوں پر کئے گئے ادارے کی سماجی ذمہ داری کے اقدامات کے ذریعے اپنا کلیدی کردار بھی ظاہر کرتی ہے۔ دوران سال آپ کی کمپنی نے جن سماجی عومور میں اپنا ہم کردار ادا کیا ان کی جھلک مندرجہ ذیل ہیں۔

1) تعلیم

آپ کی کمپنی معاشرے کی ترقی کے لیے تعلیم کی اہمیت کو تسلیم کرتی ہے۔ این ای ڈی یونیورسٹی آف انجینئرنگ اینڈ ٹیکنالوجی کے طلباء کی مالی امداد کے لیے وظائف کی فراہمی کے علاوہ، آپ کی کمپنی کا مقصد سینینارز، پلیسمنٹس، ٹرینٹل وزٹس اور انٹرنل پروگرام کے ذریعے سے طلباء کی صنعتی تعلیم میں اضافے اور لاجسٹک صنعت میں مستقبل بنانے کے لیے جذبہ پیدا کرنا ہے۔

2) صحت

آپ کی کمپنی نے ضرورت مند مریضوں کے لیے انڈس ہسپتال اور بیت السکوٹ کینسر ہسپتال کی مالی معاونت کی۔

نگہداشت کے ذریعے بچاؤ صحت کا ایک اہم جز ہے جس پر خاص توجہ اور سرمایہ کاری کی ضرورت پڑتی ہے۔ دوران سال صحت کے متعدد امور سے متعلق آگاہی کی نشستیں باقاعدگی سے منعقد ہوئیں۔ دوران سال تھیلیپیسیا کے مریضوں کے لیے خون کے عطیات کی مہم کے علاوہ ملازمین کی صحت کے لیے ان ہاؤس فٹنس پروگرام اور ولڈ ٹریٹمنٹ ہیلتھ ڈے پر ان ہاؤس نشست کا بھی انتظام کیا گیا۔

آپ کی کمپنی نے مئی 2019 میں نہ صرف اپنے ملازمین بلکہ ملازمین، سیاحوں، ٹھیکیداروں، ٹرک چلانے والوں اور دیگر متعلقین کو کھلے ماحول میں گرمی اور نمی کے خطرے سے لائق تھے، ان کے لیے کمپنی کے احاطے میں ہیٹ اسٹروک مراکز کی حوصلہ فراہم کی۔

3) حفاظت اور ماحولیات

آپ کی کمپنی کا کاروبار حفاظت اور ماحول کے لحاظ سے موروثی آپریشنل خطرات سے مشرک ہے جس کے لیے مسلسل نگرانی کی ضرورت ہے۔ ملازمین، سپلائرز کے لیے باقاعدگی سے سیفٹی کی تربیت کروائی گئی جو کہ آپ کی کمپنی میں حفاظتی مرکزیت کی ثقافت کی عکاسی کرتی ہے۔

آپ کی کمپنی اسٹیک ہولڈرز کو پائیدار خدمات فراہم کرنے کے لیے، جدت سے حل نکالنے کی حکمت عملی میں سرمایہ کاری کرتی رہتی ہے، جو کہ اسٹیک ہولڈرز کو ماحولیاتی طور پر ذمہ داری منتخب کرنے کا اہل بناتی ہے۔ ارتھ ڈے کے موقع پر پودے لگانے کی مہم کے ساتھ ساتھ آپ کی کمپنی اور اس کے رضا کاروں نے ٹریٹمنٹ کے گرد و نواح میں صفائی کا کام بھی سرانجام دیا۔

اندرونی مالی کنٹرول اور رسک مینجمنٹ کی موزنیت

اندرونی کنٹرول اور رسک مینجمنٹ کی پالیسیاں آپ کے آپریشن کی اہلیت اور موثر ہونے، مالی معلومات پر انحصار اور لاگو قوانین اور ریگولیشنز کے متعلق مناسب ضمانت دینے کی غرض سے تیار کی گئی ہیں۔ مینجمنٹ اپنے رسک کے اندازوں، کنٹرول کی نشاندہی، خصوصاً پالیسیوں پر نظر ثانی اور متعلقہ کنٹرولز کے طریقہ کار اور مانیٹرنگ کے نظام کو قائم کرتے ہوئے اندرونی کنٹرول اور رسک مینجمنٹ کے نظام کے اہل اور موثر ہونے کو یقینی بناتی ہے۔

انٹرنل کنٹرول اینڈ رسک مینجمنٹ سسٹم حصص یافتگان اور مجلس نظام کو مناسب ضمانت دینے کی خاطر تیار کیا گیا ہے۔ مینجمنٹ سمجھتی ہے کہ موجودہ انٹرنل کنٹرول اینڈ رسک مینجمنٹ سسٹم موزوں ہے اور اس پر موثر طریقے سے عملدرآمد اور مانیٹر کیا گیا ہے۔

انٹرنل کنٹرول اور رسک مینجمنٹ کی موزنیت سے متعلق ناظمین کی ذمہ داری

مجلس نظام، موثر اندرونی اختیار کے ماحول کو پوری کمپنی پر نافذ کرنے کی اپنی ذمہ داری کو تسلیم کرتے ہیں۔ کمپنی نے موثر اور تسلی بخش اندرونی محاسب کا فنکشن تشکیل دیا ہے جو سختی سے اختیارات پر نظر رکھتا ہے۔ یہ شعبہ سہ ماہی بنیادوں پر کمپنی کی سرگرمیوں کا جائزہ لیتا رہتا ہے۔ ان جائزوں کے بنیادی اہداف کمپنی کی موثر عمل کاری، منافع اور مفادات کی حفاظت اور اندرونی اختیار کا قیام اور مشاہدے کا تسلسل برقرار کرنا ہے۔

اندرونی محاسب کی رپورٹ کی بنیاد پر محاسبہ کمیٹی اندرونی محاسب کے شعبے کی کارکردگی کی سہ ماہی مدت میں نگرانی کرتی ہے، اور اس کے مطابق مجلس کو انکشافات اور سفارشات کے بارے میں آگاہ کرتی ہے۔ مجلس، عبوری حسابات، بیانات اور دیگر مالیاتی اور اعداد و شمار کی معلومات سے مالیاتی کارکردگی اور حیثیت کا جائزہ لیتی ہے۔

حصص داروں کا خاکہ

31 دسمبر 2019 کو حصص داروں کا خاکہ اس رپورٹ کے ساتھ منسلک ہے۔

ناظمین چیف ایگزیکٹو آفیسر، ایگزیکٹو اور ان کے شریک حیات اور ان کے نابالغ بچوں نے دوران سال کمپنی کے حصص کی خرید و فروخت نہیں کی ہے۔ ایگزیکٹو کا مطلب اس حوالے سے کمپنی کے سربراہ، حسابدار اعلیٰ، داخلی محاسبہ کے سربراہ، کمپنی سیکرٹری اور دیگر ایگزیکٹو جنہیں مجلس نظام نے اس مقصد کے لیے نامزد کیا ہے۔ مجلس نظام کی جانب سے تنخواہ کی بنیادی حد 1,200,000 روپے مقرر کی گئی ہے جن کو ایگزیکٹو مقرر کیا گیا ہے۔

بیرٹ کمپنی

آپ کی کمپنی آئی سی ٹی ایس آئی مارشلس لمیٹڈ کے ماتحت ہے جبکہ اس کی حتمی مالک انٹرنیشنل کنٹینر ٹریٹمنٹ سروسز، انکارپوریشن، فلپائن میں رجسٹرڈ ایک کمپنی ہے۔

قانونی محاسب

موجودہ محاسبین ای وائے فورڈ رھوڈس (EY Ford Rhodes)، چارٹرڈ اکاؤنٹنٹس آئی بی سی لانا اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں اور بوجہ اہل ہونے کے خود کو دوبارہ تقرر کے لیے پیش کر دیا ہے۔ محاسبہ کمپنی نے سال 31 دسمبر 2020 کے لیے دوبارہ تقرر کی سفارش کی ہے جس کی مجلس نظام نے توثیق کر دی ہے۔



ہم مجلسِ نظماً کی جانب سے اختتامِ مالی سال 31 دسمبر 2019 کے لئے آپ کی کمپنی کے محاسب شدہ مالیاتی گوشوارے بمعہ محاسب کی رپورٹ پیش کرنے پر مسرور ہیں۔

کاروباری کارکردگی کا جائزہ

2019 پاکستان کی معیشت کے لئے ایک کڑا سال ثابت ہوا۔ روپے کی قدر میں کمی، پالیسی کی شرح میں اضافہ، افراطِ زر کی شرح میں اضافہ اور تجارتی خسارے کے نتیجے میں مجموعی معاشی سست روی رہی۔

درآمد میں کمی اور برآمد میں بغیر کسی نمایاں اضافے کے باعث کراچی پورٹ پر مجموعی طور پر تجارتی سرگرمیوں میں کمی واقع ہوئی ہے۔ کراچی بندرگاہ پر تجارتی حجم میں کمی اور کنٹینرز سنبھالنے کی اضافی صلاحیت کے باعث مسابقت میں اضافہ جاری رہا۔

آپ کی کمپنی نے مالی اور آپریشنل استحکام کو یقینی بنانے کے لیے مختلف اقدامات کے ذریعے مسابقت کا مقابلہ کیا اور 366,347 کنٹینرز سنبھالے جو کہ پچھلے سال 427,118 رہے۔ افراطِ زر کی شرح میں اضافے کے باوجود، آپ کی کمپنی نے

اعلیٰ آپریشنل مہارت اور لاگت کی پیش کارکردگی کے ذریعے 3,458.89 ملین روپے کے ساتھ سال کا اختتام کیا۔ سال کے اختتام پر خالص منافع 2,134.41 ملین روپے جو کہ پچھلے سال کے خالص منافع کے مساوی رہا۔

مستقبل کا منظر نامہ

آنے والے سال میں آپ کی کمپنی کو پاک چین اقتصادی راہداری (CPEC) کے اگلے مرحلے سے اقتصادی ترقی کی توقع ہے۔ پاکستان کو پیداواری صلاحیت میں اضافے، پیداواری لاگت میں کمی کے ساتھ صنعتی تنوع اور جدت کے ذریعے اپنی برآمدی مسابقت کو بہتر بنانے کی ضرورت ہے۔ مستقبل کی معاشی صورتحال اور کراچی بندرگاہ پر بڑھتی ہوئی مسابقت کے ساتھ، آپ کی کمپنی آنے والے چیلنجنگ سال میں صارف مرکز خدمات کو بہترین قیمتوں پر فراہم کرنے کے لئے پرعزم ہے۔ آپ کی کمپنی BOT معاہدے کی توسیع کے لئے مسلسل کراچی پورٹ ٹرسٹ کے تعاقب میں ہے۔

31 دسمبر 2019 کو ختم ہونے والے سال کے کاروباری اور مالیاتی نتائج

2018	2019	
8,250	7,927	حاصل
3,751	3,459	مجموعی منافع
3,290	3,011	محصولات سے قبل منافع
2,135	2,137	بعد از محصولات منافع
1,069	1,028	آگے لایا گیا غیر منقسم منافع
3,204	3,165	تخصیصات کے بعد دستیاب منافع
(702)	(448)	تخصیصات
(1,474)	(1,146)	حتیٰ کیش ڈیویڈنڈ ختم شدہ سال 31 دسمبر 2018 @ 4.1 روپے فی حصص (31 دسمبر 2017 @ 6.43 روپے فی حصص)
1,028	1,572	عموری کیش ڈیویڈنڈ ختم شدہ سال 31 دسمبر 2019 @ 10.5 روپے فی حصص (31 دسمبر 2018 @ 13.5 روپے فی حصص)
19.56	19.58	غیر مختص منافع فرستادہ
		بنیادی اور خفیف آمدنی فی عمومی حصص

مجلسِ نظماً کے 24 فروری 2020 کو ہونے والے اجلاس میں 31 دسمبر 2019 کو ختم ہونے والے سال کے لئے تجویز شدہ حتیٰ کیش ڈیویڈنڈ 75% جو کہ 7.5 روپے فی عمومی حصص (2018: 4.1 روپے فی عمومی حصص) ہے۔ یہ دوران سال ادا کئے گئے عموری کیش ڈیویڈنڈ 10.5 روپے فی عمومی حصص کے علاوہ ہوگا۔

یہ حتیٰ کیش ڈیویڈنڈ کی تجویز انیسواں سالانہ اجلاس عام میں ارکان کی منظوری سے مشروط ہے جو کہ 25 مارچ 2020 کو منعقد ہوگی۔ مندرجہ بالا تجویز کا اثر ان مالیاتی گوشواروں میں شامل نہیں ہے اس تجویز کا اثر ممبران کی منظوری کے بعد رواں مالی سال میں ہوگا۔

Key Operating & Financial Data

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
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Statement of Profit or Loss (Rs. in Millions)

Revenue	7,927.13	8,250.37	9,291.44	9,295.47	8,828.24	7,921.66
Gross Profit	3,458.89	3,750.99	4,545.97	4,627.48	4,285.16	3,507.88
Profit Before Taxation	3,011.05	3,290.18	4,168.82	4,137.17	3,731.67	2,997.12
Profit After Taxation	2,137.41	2,134.92	2,797.87	2,748.62	2,456.58	2,086.31

Statement of Financial Position (Rs. in Millions)

Share Holder Equity	2,843.73	2,299.96	2,340.45	2,145.88	2,693.68	2,2583.90
Long term Loans	-	-	-	-	298.76	896.27
Current Liabilities	1,607.39	1,608.30	1,452.16	1,999.35	1,940.07	1,898.23
Total Liabilities	1,752.59	1,868.59	1,837.74	2,494.51	2,873.68	3,572.95
Current Assets	2,406.81	1,558.58	1,205.16	1,319.79	1,854.84	1,988.84
Total Assets	4,596.32	4,168.55	4,178.20	4,640.39	5,567.36	6,156.84

Ratios

Earnings Per Ordinary Share (Rs)	19.58	19.56	25.63	25.18	22.51	19.11
Break up Value Per Ordinary Share (Rs)	26.05	21.07	21.44	19.66	24.68	23.67
Return on Equity (%)	83.11	92.01	124.73	113.59	93.09	77.65
Debt Equity Ratio	0:100	0:100	0:100	0:100	10:90	26:74
Dividend Payout Ratio	92%	90%	93.6%	109%	120%	71%





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Chartered Accountants
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To the members of Pakistan International Container Terminal Limited

Review Report on the Statement of Compliance contained in the repealed Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the repealed Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred to as 'the Regulations'), prepared by the Board of Directors of Pakistan International Container Terminal Limited for the year ended 31 December 2019 in accordance with the requirements of Regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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 of Directors' 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 Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. 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 of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2019.


Chartered Accountants

Place: Karachi

Date: 28 February 2020

The Company has complied with the requirements of the repealed Listed Companies (Code of Corporate Governance) Regulations, 2017 for the period January 1, 2019 to 24 September 2019 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred as 'the Regulations') effective from 25 September 2019 in the following manner:

1. The total number of directors are 7 as per the following:
 - a. Male: six (6)
 - b. Female: one (1)
 2. The composition of the Board is as follows:
 - a) Independent Directors:
 - i. Mr. Gordon Alan P. Joseph
 - ii. Mr. Roman Felipe S. Reyes
 - b) Non-executive Directors
 - i. Mr. Andrew James Dawes - Chairman of the Board
 - ii. Mr. Aasim Azim Siddiqui
 - iii. Ms. Gigi Iluminada Miguel [Female Director]
 - iv. Mr. Hans-Ole Madsen [Resigned on February 11, 2020. Mr. Jacob Christian Gulmann was appointed in his place on February 14, 2020]
 - v. Mr. Sharique Azim Siddiqui
 - c) Executive Director/Chief Executive Officer
Mr. Khurram Aziz Khan
- * At the time of election of Directors on February 24, 2018, the Listed Companies (Code of Corporate Governance) Regulations, 2017 required listed companies to have at-least two or one third of Independent Directors (whichever is higher) which in our case is 2.33. The same cannot be rounded up due to issuance of the Regulations subsequent to the election of Directors.
3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
 4. 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.
 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations.
 7. 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. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
 8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
 9. During the year, Mr. Hans-Ole Madsen, Mr. Andrew James Dawes and Ms. Gigi Iluminada Miguel have obtained Directors Training Certification from Institute of Corporate Directors, Philippines, a member of the Global Network of Director Institutes.
 10. There have been no changes in the position of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit during the year.
 11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed following committees comprising of members given below:
- a) Audit Committee
 - i. Mr. Roman Felipe S. Reyes, Chairman
 - ii. Ms. Gigi Iluminada Miguel, Member
 - iii. Mr. Sharique Azim Siddiqui, Member
 - b) Human Resource and Remuneration Committee
 - i. Mr. Gordon Alan P. Joseph, Chairman
 - ii. Mr. Andrew James Dawes, Member
 - iii. Mr. Aasim Azim Siddiqui, Member
 - c) Risk Management Committee
 - i. Mr. Gordon Alan P. Joseph, Chairman
 - ii. Mr. Andrew James Dawes, Member
 - iii. Mr. Sharique Azim Siddiqui, Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:
- a) Audit Committee [Quarterly]
 - b) Human Resource and Remuneration Committee [Yearly]
 - d) Risk Management Committee [Yearly]
15. 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.
16. 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) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. We confirm that all the requirements of repealed Listed Companies (Code of Corporate Governance) Regulations, 2017 have been complied with until the date of its applicability.



Mr. Andrew James Dawes
Chairman of the Board

Dated: February 24, 2020



Mr. Khurram Aziz Khan
Chief Executive Officer



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INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan International Container Terminal Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Pakistan International Container Terminal Limited** (the Company), which comprise the statement of financial position as at **31 December 2019**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of the profit and its comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Following are the key audit matters:

S No.	Key audit matters	How our audit addressed the key audit matter
1.	<p>Contingencies</p> <p>As at the reporting date, the Company has various contingent liabilities in respect of income tax & sales tax related matters and pending litigation from the concerned authorities as disclosed in note 16 of the financial statements.</p> <p>Due to the significance of the amounts involved in such matters and the inherent uncertainties in respect of their ultimate outcome, the management judgements and estimates in relation to such contingencies may be complex and can significantly impact the financial statements. For such reasons we have considered the contingencies as a key audit matter.</p>	<p>Our key audit procedures on contingencies included, amongst others, obtaining an understanding of the management's processes and controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Audit Committee.</p> <p>We obtained and reviewed confirmations from the Company's external advisors for their views on the legal position of the Company in relation to the contingencies.</p> <p>We involved our internal tax professionals to assess management's conclusions on tax matters and to evaluate the consistency of such conclusions with the views of the external tax advisors engaged by the Company.</p> <p>We also evaluated the adequacy of disclosures made in respect of the contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.</p>
2.	<p>First time adoption of IFRS 9 and IFRS 15</p> <p>Note 2.3 to the financial statements</p> <p>The Company has changed its accounting policies due to the adoption of the following new accounting standards as of 01 January 2019:</p> <ul style="list-style-type: none"> - IFRS 9 'Financial Instruments' (IFRS 9) addresses the classification, measurement, recognition and de-recognition of financial instruments and introduces a new impairment model for financial assets which requires the Company to make provision using expected credit loss (ECL) approach as against the incurred loss model previously applied by the Company. Determination of ECL requires significant judgement and assumptions including consideration of factors such as historical credit loss experience and forward-looking macro-economic information. 	<p>Our key audit procedures amongst others, includes obtaining of an understanding of the analysis performed by management to identify all significant differences between previous accounting standards and the new accounting standards which can impact the financial statements.</p> <p>We further considered the key decisions made by the Company with respect to accounting policies, estimates and judgments in relation to adoption of new accounting standards and assessed their appropriateness based on our understanding of the Company's business and its operations.</p> <p>Our procedures to review the application of IFRS 9, amongst others, included the following:</p> <ul style="list-style-type: none"> - Reviewed the methodology developed and applied by the management to estimate the allowance for ECL against the financial assets.

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S No.	Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> - IFRS 15 'Revenue Recognition' (IFRS 15) introduces a new five step model for recognition of revenue which is primarily based on the transfer of control to the customers along with detailed presentation and disclosure about contracts with customers, information about disaggregation of revenue, performance obligations, contract assets and contract liabilities. <p>We have considered the first time application of IFRS 9 and IFRS 15 as a key audit matter due to the significance of the change in accounting methodology, involvement of significant estimates and judgements resulting in adjustments, presentation and incremental quantitative and qualitative disclosures.</p>	<ul style="list-style-type: none"> - Considered and evaluated the approach and assumptions used in applying the ECL model based on historical information and qualitative factors as relevant for such estimates. - Assessed the integrity and quality of the data used for allowance for ECL computation based on the accounting records and information system of the Company as well as the external sources used for this purpose. - Checked the mathematical accuracy of the ECL model by performing recalculation on test basis. <p>Our procedures with respect to review the application of IFRS 15, amongst others, included review of managements' impact assessment of all contracts with customers in light of application of the new standard. Our assessment included:</p> <ul style="list-style-type: none"> - Inspecting terms for a sample of contracts to determine whether each performance obligation in the contract has been classified and accounted for separately; - For each performance obligation identified, we assessed whether revenue should be recognized at point in time or over a period of time; and - Reviewed if the allocation of transaction price between each performance obligation is appropriate. <p>We also assessed the adequacy and appropriateness of financial statements presentation and disclosures in accordance with the applicable financial reporting framework.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of the Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Arif Nazeer**.

EY Farid Khodja
Chartered Accountants

Place: Karachi

Date: 28 February 2020



Financial Statements

Statement of Financial Position

As At December 31, 2019

	Note	December 31, 2019	December 31, 2018
		----- (Rs in thousands) -----	
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,108,450	2,500,137
Intangibles	5	70,632	99,403
Long-term deposits		10,424	10,424
		<u>2,189,506</u>	<u>2,609,964</u>
CURRENT ASSETS			
Stores, spare parts and loose tools – net	6	427,508	473,947
Trade debts – net	7	438,165	419,206
Advances	8	6,389	35,415
Deposits, prepayments and other receivables	9	219,117	204,682
Short-term investments – net	10	-	-
Cash and bank balances	11	1,315,635	425,339
		<u>2,406,814</u>	<u>1,558,589</u>
TOTAL ASSETS		<u>4,596,320</u>	<u>4,168,553</u>
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	12	1,091,532	1,091,532
Reserves	12.3	1,752,198	1,208,427
		<u>2,843,730</u>	<u>2,299,959</u>
NON-CURRENT LIABILITIES			
Deferred taxation – net	13	87,328	205,974
Long-term employee benefits	14	57,871	54,323
		<u>145,199</u>	<u>260,297</u>
CURRENT LIABILITIES			
Trade and other payables	15	1,518,866	1,478,512
Unclaimed dividends		55,885	122,578
Taxation – net		32,640	7,207
		<u>1,607,391</u>	<u>1,608,297</u>
TOTAL EQUITY AND LIABILITIES	16	<u>4,596,320</u>	<u>4,168,553</u>
CONTINGENCIES AND COMMITMENTS			

The annexed notes from 1 to 35 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director




Statement of Profit or Loss

For The Year Ended December 31, 2019

	Note	December 31, 2019	December 31, 2018
----- (Rs in thousands) -----			
Revenue - net	17	7,927,129	8,250,377
Cost of services	18	(4,468,237)	(4,499,383)
Gross profit		<u>3,458,892</u>	<u>3,750,994</u>
Administrative expenses	19	(518,684)	(478,671)
Other expenses	20	(20,719)	(7,388)
Finance cost	21	(489)	(1,060)
Other income	22	92,051	26,310
Profit before taxation		<u>3,011,051</u>	<u>3,290,185</u>
Taxation	23	(873,644)	(1,155,260)
Profit after taxation		<u>2,137,407</u>	<u>2,134,925</u>
----- (Rupees) -----			
Earnings per ordinary share - basic and diluted	24	<u>19.58</u>	<u>19.56</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer



Director

Statement of Comprehensive Income

For The Year Ended December 31, 2019

	December 31, 2019	December 31, 2018
----- (Rs in thousands) -----		
Profit after taxation	2,137,407	2,134,925
Other comprehensive income	-	-
Total Comprehensive Income	<u>2,137,407</u>	<u>2,134,925</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer



Director

Statement of Cash Flows

For The Year Ended December 31, 2019

		December 31, 2019	December 31, 2018
	Note	----- (Rs in thousands) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	29	3,696,218	3,931,097
Taxes paid		(966,857)	(1,293,238)
Long-term employee benefits paid	14	(3,926)	(2,801)
Finance cost paid		(489)	(1,062)
Increase in long term deposits		-	(1,695)
Net cash generated from operating activities		<u>2,724,946</u>	<u>2,632,301</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(257,324)	(290,204)
Proceeds from disposal of operating fixed assets		3,058	1,166
Markup on savings accounts received		79,945	17,856
Net cash used in investing activities		<u>(174,321)</u>	<u>(271,182)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(1,660,329)	(2,098,634)
Net cash used in financing activities		<u>(1,660,329)</u>	<u>(2,098,634)</u>
Net increase in cash and cash equivalents		<u>890,296</u>	<u>262,485</u>
Cash and cash equivalents at the beginning of the year		425,339	162,854
Cash and cash equivalents at the end of the year	11	<u><u>1,315,635</u></u>	<u><u>425,339</u></u>

The annexed notes from 1 to 35 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer



Director

Statement of Changes In Equity

For The Year Ended December 31, 2019

	Issued, subscribed and paid-up capital	Capital reserve Capital redemption reserve fund	Revenue reserve Unappropriated profits	Total reserves	Total
	----- (Rs in thousands) -----				
Balance as at December 31, 2017	1,091,532	180,000	1,068,925	1,248,925	2,340,457
Profit after taxation	-	-	2,134,925	2,134,925	2,134,925
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	2,134,925	2,134,925	2,134,925
Final cash dividend for the year ended December 31, 2017 @ Rs 6.43/- per ordinary share	-	-	(701,855)	(701,855)	(701,855)
Interim cash dividends for the year ended December 31, 2018 @ Rs 13.50/- per ordinary share	-	-	(1,473,568)	(1,473,568)	(1,473,568)
Balance as at December 31, 2018	<u>1,091,532</u>	<u>180,000</u>	<u>1,028,427</u>	<u>1,208,427</u>	<u>2,299,959</u>
Profit after taxation	-	-	2,137,407	2,137,407	2,137,407
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	2,137,407	2,137,407	2,137,407
Final cash dividend for the year ended December 31, 2018 @ Rs 4.10/- per ordinary share	-	-	(447,528)	(447,528)	(447,528)
Interim cash dividends for the year ended December 31, 2019 @ Rs 10.50/- per ordinary share	-	-	(1,146,108)	(1,146,108)	(1,146,108)
Balance as at December 31, 2019	<u><u>1,091,532</u></u>	<u><u>180,000</u></u>	<u><u>1,572,198</u></u>	<u><u>1,752,198</u></u>	<u><u>2,843,730</u></u>

The annexed notes from 1 to 35 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

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 on October 15, 2003. The registered office of the Company is situated at Berths 6 - 9, East Wharf, Karachi Port, Karachi.
- 1.2.** The Company has a Build, Operate and 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 concession assets to KPT as disclosed in note 34 to these financial statements.
- 1.3.** The Company is a subsidiary of ICTSI Mauritius Limited whereas its ultimate parent company is International Container Terminal Services Inc., a company incorporated in Philippines.

2. BASIS OF PREPARATION

2.1. Statement of compliance

These financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act. In case requirements differ, the provisions and directives of the Act, shall prevail.

The Securities and Exchange Commission of Pakistan (SECP) in pursuance of the S.R.O No. 24(I)/2012 dated January 16, 2012 has given relaxation for the implementation of IFRIC 12 - "Service Concession Arrangements" due to the practical difficulties facing the companies. The impact on the financial results of the Company due to application of IFRIC-12 is disclosed in note 34 to these financial statements.

2.2. Basis of measurement

These financial statements have been prepared under the historical cost convention unless otherwise specifically stated.

2.3. New standards, amendments to approved accounting standards and new interpretations

2.3.1. Adoption of standards and amendments effective during the year

The Company has adopted the following accounting standards, the amendments and interpretations of IFRSs which became effective for the current year:

IFRS 9	Financial Instruments
IFRS 9	Prepayment Features with Negative Compensation (Amendments)
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments)
IFRIC 23	Uncertainty over Income Tax Treatments (Interpretation)

Annual IFRS Improvement Process

IFRS 3	Business Combinations - Previously held Interests in a joint operation
IFRS 11	Joint Arrangements - Previously held Interests in a joint operation
IAS 12	Income Taxes - Income tax consequences of payments on financial instruments classified as equity
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's financial statements, except for the changes related to adoption of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' as explained below:

2.3.1a. IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments', has replaced IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after July 01, 2018 (as notified by SECP vide SRO 229 (1)/2019), bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. IFRS 9 categorises financial assets at (a) Amortised Cost; (b) Fair Value Through Other Comprehensive Income (FVTOCI); and (c) Fair Value Through Profit or Loss (FVTPL) and their classification is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 has changed the accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward looking Expected Credit Loss (ECL) approach. IFRS 9 requires to recognise a loss allowance for ECLs on debt instruments measured subsequently at Amortised Cost or at FVTOCI. There are no significant changes in the existing requirements in IAS 39 for the classification and measurement of financial liabilities. Moreover, the adoption of the ECL requirements of IFRS 9 has not resulted in increase in impairment allowances of the Company's debt financial assets. Accordingly, the opening retained earnings as of January 01, 2019 have not been restated in these financial statements.

As allowed under IFRS 9, the Company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements and therefore, the information presented for prior periods does not reflect the requirements of IFRS 9, but rather those of IAS 39. Further, as initial application of IFRS 9 did not have a significant impact on the measurement and impairment of the Company's existing financial assets and liabilities as at January 01, 2019 other than the change in classification of loans and receivables and held to maturity to the category of amortised cost.

The accounting policy in respect of financial instruments and impairment of financial assets is stated in note 3.15.1 to these financial statements.

2.3.1b. IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It has replaced IAS 18 'Revenue Recognition', IAS 11 'Construction Contracts' and related interpretations for annual periods beginning on or after July 01, 2018. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised when a customer obtains control of the goods or services and the determination of timing of the transfer of control at a point in time or over time requires judgement. Further, revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer.

The Company render services and related variable consideration to the customers and has concluded that the first-time application of IFRS 15 by the Company does not have any significant effect with regard to the amount and timing of revenue and variable consideration recognised. Accordingly, opening reserves as at January 01, 2019 does not required to be restated. As allowed under IFRS 15, the Company has adopted the new standard on the required effective date using a modified retrospective method, therefore the information presented for prior periods has not been restated, that is, it is presented, as previously reported, under IAS 18 and related interpretations and additional disclosure requirements in IFRS 15 have not been applied to comparative information.

The accounting policy in respect of revenue recognition is stated in note 3.15.2 to these financial statements.

2.3.2. Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised 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 standards or interpretations:

Standard or interpretation:		Effective date (annual periods beginning on or after)
IFRS 3	Definition of a Business (Amendments)	January 01, 2020
IFRS 14	Regulatory Deferral Accounts	July 01, 2019
IAS 1/ IAS 8	Definition of Material (Amendments)	January 01, 2020

The above standards and amendments, where applicable, are not expected to have any material impact on the Company's financial statements in the period of initial application. The Company is currently evaluating the impact of these standards.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

Standards		IASB Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRSs	January 01, 2004

Currently, the Company expects that above new standard will not have any material impact on the Company's financial statements in the period of initial application.

2.4. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

- determining the method of depreciation, residual values and useful lives of operating fixed assets (note 4.1);
- determining the method of amortisation, residual values and useful lives of intangibles (note 5.1);
- determining the provision for obsolescence of stores, spare parts and loose tools (note 6);
- determining the allowance for expected credit loss (note 7);
- determining the provision for impairment in short-term investments (note 10);
- recognition of deferred taxation (note 13); and
- expected outcome of contingencies involving the Company (note 16).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Property, plant and equipment

3.1.1. Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to statement of profit or loss 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 for use and on disposals up to the month the respective asset was in use. Assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each reporting date.

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 higher of fair value less cost to sell and value in use.

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

An item of property, plant and equipment is derecognised 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 statement of profit or loss in the period in which they arise.

3.1.2. Capital work-in-progress

These are stated at cost less any impairment in value. All expenditures connected with specific assets incurred during installation and construction period including advances to suppliers and contractors are carried under this head. These are transferred to specific assets as and when these assets are available for use.

3.2. Intangibles

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and that the cost of such asset can also be measured reliably.

Costs incurred on the acquisition of intangibles are capitalised and are amortised on straight line basis over their estimated useful life. Amortisation is charged in the month in which the asset is available for use at the rates stated in note 5.1 to these financial statements.

Useful lives of intangible assets are reviewed, at each reporting date and adjusted if appropriate.

The carrying values of intangible assets are reviewed for impairment at each reporting date for events or changes in circumstances that indicate the carrying value may not be recoverable.

3.2.1. Intangible assets under development

Intangible assets under development are stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred and advances made in respect of intangible assets under development in the course of their development and installation. The assets are transferred to relevant category of intangible assets when they are available for use.

3.3. Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at lower of net realisable value and cost. Cost is determined using first-in-first-out (FIFO) basis except for those in transit which are stated at invoice price plus other charges paid thereon up to the reporting date. Provision is made annually in the financial statements for slow moving and obsolete items if required.

3.4. Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand and balances with banks, pay orders in hand, cheques in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

3.5. Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with the Income Tax Ordinance, 2001 after considering rebates and tax credits available, if any, and includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all major temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.6. Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs and have not been designated 'as at fair value through profit or loss'. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using effective interest rate method.

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

3.7. Provisions

Provisions are recognised 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. Provision are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.8. Staff retirement benefits

The Company operates a recognised provident fund scheme (defined contribution plan) for all its eligible permanent employees. Equal monthly contributions are made by the Company and the employees to the fund in accordance with the rules of the provident fund scheme. Contributions from the Company are charged to statement of profit or loss for the year.

3.9. Long-term employee benefits

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

Accruals are made to cover the obligation under the scheme on accrual basis and are charged to statement of profit or loss. Accrual for compensated absences for employees is calculated on the basis of one month's gross salary. The amount of liability recognised in the statement of financial position 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.

3.10. Foreign currency translations

Foreign currency transactions are translated into Pakistani Rupee (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are re-translated into Pakistani Rupee using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to statement of profit or loss.

3.11. Dividend

Dividend is recognised as a liability in the period in which it is approved.

3.12. Impairment of non-financial assets

The carrying value of non-financial assets other than inventories and deferred tax assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of profit or loss, for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash generating units).

3.13. Segment reporting

These financial statements have been prepared on the basis of single reportable segment which is consistent with the internal reporting of the Company.

3.14. Functional and presentation currency

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

3.15. New accounting policies under IFRS 9 and IFRS 15 effective for period beginning on January 01, 2019

During the year, the Company has adopted IFRS 9 and IFRS 15 which became applicable on January 01, 2019. This has resulted in a change in accounting policies of the Company for financial instruments and revenue recognition. The changes are discussed in note 2.3.1 to these financial statements.

The new accounting policies for financial instruments and revenue recognition are as follows:

3.15.1. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- ◆ it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ◆ its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- ◆ it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ◆ its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of a debt instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in statement of other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price, determined under IFRS 15) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- ◆ Financial assets at amortised cost (debt instruments). These are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in statement of profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables.
- ◆ Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- ◆ Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- ◆ Financial assets at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- ◆ The rights to receive cash flows from the asset have expired; or
- ◆ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment / expected credit loss (ECL) on financial assets

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company considers a financial asset in default when contractual payments are 275 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company uses the standard's simplified approach and calculates ECL based on life-time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The ECLs are recognised in the statement of profit or loss.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and due to related parties.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. Income and expense arising from such assets and liabilities are also offset accordingly.

3.15.2. Revenue

As per the business principles, revenue from contracts with customers is recognised net of rebates, if any when the services are rendered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The performance obligations of port berth operations are satisfied and payment is generally due upon completion and billing of the services.

Profit on deposits / saving accounts are recognised on effective interest rate basis.

Other income is recognised on accrual basis.

3.16. Following accounting policies (from 3.16.1 to 3.16.8) were effective for the period ended on or before December 31, 2018

3.16.1. Trade debts

Trade debts originated by the Company are recognised and carried at original invoice amounts less provision for doubtful debts. Provision for doubtful debts is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

3.16.2. Loans, advances and other receivables

After initial measurement these are carried at amortised cost less any allowance for impairment.

Gains and losses are recognised in the profit or loss when the loans, advances and other receivables are derecognised or impaired.

3.16.3. Investments

The investments of the Company, upon initial recognition, are classified as investment at fair value through profit or loss, held to maturity investment or available for sale investment, as appropriate. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

When investments are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

At fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Investments which are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains or losses recognised directly in the statement of profit or loss. Transaction costs are charged to statement of profit or loss when incurred.

Held-to-maturity investments

Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified as held to maturity and are stated at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

Available-for-sale investments

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available for sale. After initial measurement, these are stated at fair values with unrealised gains or losses recognised directly in other comprehensive income until the investment is disposed or determined to be impaired. At the time of disposal, the cumulative gain or loss previously recorded in other comprehensive income is recognised in the statement of profit or loss.

Fair value of investments

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques.

3.16.4. Trade and other payables

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

3.16.5. Financial instruments

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and are derecognised in case of assets, when the contractual rights under the instrument are realised, expired or surrendered and in case of liability, when the obligation is discharged, cancelled or expired.

3.16.6. Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position, if the Company has the enforceable legal right to set off the transaction and also intends either to settle on net basis or to realise the asset and settle the liability simultaneously. Income and expense arising from such assets and liabilities are also offset accordingly.

3.16.7. Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect of the estimated future cash flows of that asset.

3.16.8. Revenue

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies, if any. The following recognition criteria must be met before revenue is recognised:

- ◆ Revenues from berth operations are recognised when service is rendered;
- ◆ Profit on deposits / saving accounts are recognised on time proportion basis; and
- ◆ Gain on redemption of investments is recognised at the time of redemption.

	Note	December 31, 2019	December 31, 2018
----- (Rs in thousands) -----			
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,901,008	2,335,855
Capital work-in-progress	4.2	207,442	164,282
		<u>2,108,450</u>	<u>2,500,137</u>

4.1. Operating fixed assets:

	December 31, 2019									
	Cost			Accumulated Depreciation			Written down value as at December 31, 2019	Depreciation rate per annum		
	As at January 01, 2019	Additions / *transfers from capital work-in-progress	Disposals	As at December 31, 2019	As at January 01, 2019	Charge for the year (note 4.1.3)				
	(Rs in thousands)									
Leasehold land & building (note 4.1.2)	247,547	-	-	247,547	145,293	23,152	-	168,445	79,102	8.33
Leasehold Improvements	1,851,344	19,510 * 8,618	-	1,879,472	1,434,456	114,039	-	1,548,495	330,977	5-20
Container / terminal handling / workshop equipment**	5,311,830	24,977 * 132,228	-	5,469,035	3,759,464	416,310	-	4,175,774	1,293,261	5-20
Port power generation	566,410	- * 9,536	-	575,946	406,127	51,191	-	457,318	118,628	5-10
Vehicles	22,555	-	(2,458)	20,097	14,466	2,582	(2,458)	14,590	5,507	20
Computers and other equipment	319,866	9,255 * 10,808	(23,237)	316,692	233,944	40,415	(22,351)	252,008	64,684	10-33.33
Furniture and fixtures	49,600	- *3,400	(1,439)	51,561	39,547	4,351	(1,186)	42,712	8,849	10-33.33
	8,369,152	53,742 * 164,590	(27,134)	8,560,350	6,033,297	652,040	(25,995)	6,659,342	1,901,008	
Total	8,369,152	218,332	(27,134)	8,560,350	6,033,297	652,040	(25,995)	6,659,342	1,901,008	

* Transfers from capital work-in-progress

** Includes stand-by equipment having written down value of Rs 21.51 million

	December 31, 2018									
	Cost			Accumulated Depreciation			Written down value as at December 31, 2018	Depreciation rate per annum		
	As at January 01, 2018	Additions / *transfers from capital work-in-progress	Disposals	As at December 31, 2018	As at January 01, 2018	Charge for the year (note 4.1.3)				
	(Rs in thousands)									
Leasehold land & building (note 4.1.2)	247,547	-	-	247,547	122,141	23,152	-	145,293	102,254	8.33
Leasehold Improvements	1,829,196	4,747 *17,401	-	1,851,344	1,320,690	113,766	-	1,434,456	416,888	5-20
Container / terminal handling / workshop equipment**	5,247,815	18,100 *49,691	(3,776)	5,311,830	3,364,457	397,766	(2,759)	3,759,464	1,552,366	5-20
Port power generation	566,269	141	-	566,410	353,292	52,835	-	406,127	160,283	5-10
Vehicles	19,884	3,683	(1,012)	22,555	13,463	2,015	(1,012)	14,466	8,089	20
Computers and other equipment	283,333	27,527 *13,089	(4,083)	319,866	192,464	45,563	(4,083)	233,944	85,922	10-33.33
Furniture and fixtures	64,100	- *164	(14,664)	49,600	49,390	4,802	(14,645)	39,547	10,053	10-33.33
	8,258,144	54,198 *80,345	(23,535)	8,369,152	5,415,897	639,899	(22,499)	6,033,297	2,335,855	
Total	8,258,144	134,543	(23,535)	8,369,152	5,415,897	639,899	(22,499)	6,033,297	2,335,855	

* Transfers from capital work-in-progress

** Includes stand-by equipment having written down value of Rs 29.22 million

4.1.1. Disposals of operating fixed assets:

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain on disposals-net	Particulars of Buyer	Mode of Disposal
Items having written down value of less than Rs. 5,000,000/- 2019	27,134	25,995	1,139	3,058	1,919	Various	Various
2018	23,535	22,499	1,036	1,166	130		

4.1.2. This includes a leasehold land in the name of the Company having written down value of Rs 13.41 million (2018: Rs 17.2 million) and area of approximately 6 by 6 acres situated at Deh Mai Gharhi, Tappo Manghopir, Gadap Town, Karachi which is depreciated over the lease term.

4.1.3. Depreciation charge for the year has been allocated as under:

	Note	December 31, 2019	December 31, 2018
Cost of services	18	586,836	575,909
Administrative expenses	19	65,204	63,990
		<u>652,040</u>	<u>639,899</u>

4.2. Capital work-in-progress:

4.2.1. Movement:

	Note	December 31, 2019	December 31, 2018
Opening balance		164,282	78,797
Additions during the year	4.2.2	207,750	165,830
Transferred to operating fixed assets		(164,590)	(80,345)
Closing balance	4.2.3	<u>207,442</u>	<u>164,282</u>

4.2.2. This includes Rs 129.36 million in Container/terminal handling/workshop equipment and Rs 78.39 million in other assets (2018: Rs 122.72 million in Container/terminal handling/workshop equipment and Rs 43.11 million in other assets).

4.2.3. Category wise breakup:

	December 31, 2019	December 31, 2018
Leasehold improvements	36,794	15,594
Container / terminal handling / workshop equipment	118,307	121,166
Computers and other equipment	1,840	10,808
Port power generation	50,234	13,314
Furniture and fixtures	267	3,400
	<u>207,442</u>	<u>164,282</u>

5. INTANGIBLES

	Note	December 31, 2019	December 31, 2018
Intangible assets	5.1	70,632	29,228
Intangible asset under development		-	70,175
		<u>70,632</u>	<u>99,403</u>

Notes to the Financial Statements

For The Year Ended December 31, 2019

5.1. Intangible assets:

	December 31, 2019							
	Cost		Accumulated Amortization				Written down value as at December 31, 2019	Amortisation rate per annum
	As at January 01, 2019	Additions / *Transfer	As at December 31, 2019	As at January 01, 2019	Charge for the year (note 5.2)	As at December 31, 2019		
	(Rs in thousands)							%
Computer software	175,397	* 66,007	241,404	146,169	24,603	170,772	70,632	20-33.33
Project development cost	37,889	-	37,889	37,889	-	37,889	-	20
Total	213,286	66,007	279,293	184,058	24,603	208,661	70,362	

* Transfers from Intangible assets under development

	December 31, 2018							
	Cost		Accumulated Amortization				Written down value as at December 31, 2018	Amortisation rate per annum
	As at January 01, 2018	Additions / *Transfer	As at December 31, 2018	As at January 01, 2018	Charge for the year (note 5.2)	As at December 31, 2018		
	(Rs in thousands)							%
Computer software	175,397	-	175,397	132,127	14,042	146,169	29,228	20-33.33
Project development cost	37,889	-	37,889	37,889	-	37,889	-	20
Total	213,286	-	213,286	170,016	14,042	184,058	29,228	

* Transfers from Intangible assets under development

5.2. Amortisation charge for the year has been allocated as under:

	Note	December 31, 2019	December 31, 2018
Cost of services	18	22,143	12,638
Administrative expenses	19	2,460	1,404
		24,603	14,042

6. STORES, SPARE PARTS AND LOOSE TOOLS - net

Stores, spare parts and loose tools	434,524	482,100
Fuel and lubricants	22,079	20,942
	456,603	503,042
Provision for obsolescence	(29,095)	(29,095)
	427,508	473,947

7. TRADE DEBTS - net

Unsecured

Considered good	7.1, 7.2, 7.3 & 7.4	438,165	419,206
Considered doubtful		1,475	1,475
		439,640	420,681
Allowance for expected credit losses		(1,475)	(1,475)
		438,165	419,206

Notes to the Financial Statements

For The Year Ended December 31, 2019

7.1. The aging of unimpaired trade debts as at December 31 is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			Within 90 days	91 to 180 days	Over 180 days
	(Rs in thousands)				
Related parties	2,423	-	2,423	-	-
Other than related parties	435,742	397,067	29,327	2,102	7,246
2019	438,165	397,067	31,750	2,102	7,246
Related parties	6,377	2,854	3,523	-	-
Other than related parties	412,829	199,997	212,832	-	-
2018	419,206	202,851	216,355	-	-

7.2. Related parties represent Rs Nil (2018: Rs 3.13 million) due from Marine Services (Private) Limited, Rs 1.34 million (2018: Rs 0.37 million) due from Premier Mercantile Services (Private) Limited, and Rs 1.08 million (2018: Rs 2.88 million) due from Portlink International Services (Private) Limited.

7.3. The maximum amounts outstanding at the end of any month during the year from Marine Services (Private) Limited, Premier Mercantile Services (Private) Limited and Portlink International Services (Private) Limited were Rs 7.73 million, Rs 1.34 million and Rs 4.30 million respectively.

7.4. These are generally on a term ranging from 15 to 60 days.

8. ADVANCES

Unsecured, considered good

Suppliers and contractors	4,917	31,949
Employees	1,472	3,466
	6,389	35,415

9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Deposits	5,480	5,480
Prepayments	76,371	60,092

Other Receivables - considered good

Sales tax receivable	15,478	16,715
Insurance claim receivable	15,347	11,489
Accrued interest	322	10
Receivable from tax authorities	100,000	100,000
Others	6,119	10,896
	137,266	139,110
	219,117	204,682

10. SHORT-TERM INVESTMENTS - net

Amortised cost

Certificate of investments (COIs)	10.1	43,000	43,000
Allowance for expected credit losses		(43,000)	(43,000)
		-	-

Notes to the Financial Statements

For The Year Ended December 31, 2019

10.1. Represents investment in COIs of Saudi Pak Leasing Company (the investee Company). The investee Company made default in repayment against COIs in August 2009 due to serious financial and liquidity crunch reportedly being faced by it. Due to uncertainties involved, the Company has carried impairment provision in these financial statements, as a matter of prudence.

	Note	December 31, 2019	December 31, 2018
		----- (Rs in thousands) -----	
11. CASH AND BANK BALANCES			
With banks in:			
current accounts		67,555	125,691
savings accounts	11.1	1,245,584	297,802
		<u>1,313,139</u>	<u>423,493</u>
Cash and pay orders in hand		2,496	1,846
		<u>1,315,635</u>	<u>425,339</u>

11.1. These carry profit at rates ranging from 5.94 to 12.85 percent (2018: 3.75 to 9.30 percent) per annum.

11.2. As at December 31, 2019, the Company has unutilised short-term running finance facility under markup arrangements aggregating Rs 300 million (2018: Rs 300 million) available from Faysal Bank Limited carrying mark-up rate based on 6 months KIBOR as benchmark rate plus 30 basis points (2018: 6 months KIBOR plus 30 basis points). This facility is secured against first pari passu hypothecation charge on all present and future current assets amounting to Rs 620 million (2018: Rs 620 million).

12. SHARE CAPITAL

12.1. Authorised capital

December 31, 2019	December 31, 2018		December 31, 2019	December 31, 2018
----- (Number of shares) -----			----- (Rs in thousands) -----	
182,000,000	182,000,000	Ordinary shares of Rs 10/- each	1,820,000	1,820,000
18,000,000	18,000,000	Preference shares of Rs 10/- each	180,000	180,000
<u>200,000,000</u>	<u>200,000,000</u>		<u>2,000,000</u>	<u>2,000,000</u>

12.2. Issued, subscribed and paid-up capital

December 31, 2019	December 31, 2018		December 31, 2019	December 31, 2018
----- (Number of shares) -----			----- (Rs in thousands) -----	
		Ordinary shares of Rs 10/- each		
63,761,200	63,761,200	issued for cash	637,612	637,612
33,352,352	33,352,352	issued as bonus shares	333,524	333,524
		issued for consideration other than cash	120,396	120,396
			<u>1,091,532</u>	<u>1,091,532</u>
<u>12,039,600</u>	<u>12,039,600</u>			
<u>109,153,152</u>	<u>109,153,152</u>			

12.2.1. Represent shares issued in consideration for mobile harbour cranes, port equipment and a vehicle.

12.2.2. The voting rights are in proportion to shareholding of the shareholders.

Notes to the Financial Statements

For The Year Ended December 31, 2019

12.2.3. As of the reporting date, following are the major shareholders (directly and indirectly) of the Company:

ICTSI Mauritius Limited – the Parent Company
64.54 percent (2018: 64.54 percent)

Premier Mercantile Services (Private) Limited
21.23 percent (2018: 21.23 percent)

12.3. Reserves

Capital reserve

Capital redemption reserve fund

Revenue reserve

Unappropriated profits

12.3.1. The capital redemption reserve fund can be utilised by the Company in accordance with the provisions of the Companies Act, 2017 and any applicable regulations therein.

12.3.2. The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company.

13. DEFERRED TAXATION - net

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

Accelerated tax depreciation and amortisation Provisions

14. LONG-TERM EMPLOYEE BENEFITS

Opening balance
Accrual made during the year

Payments made during the year
Closing balance

December 31,
2019

December 31,
2018

----- (Rs in thousands) -----

70,442,082

70,442,082

23,174,829

23,174,829

180,000

180,000

1,572,198

1,028,427

1,752,198

1,208,427

December 31,
2019

December 31,
2018

----- (Rs in thousands) -----

204,345

323,257

(117,017)

(117,283)

87,328

205,974

54,323

53,458

7,474

3,666

61,797

57,124

(3,926)

(2,801)

57,871

54,323

Notes to the Financial Statements

For The Year Ended December 31, 2019

	Note	December 31, 2019	December 31, 2018
----- (Rs in thousands) -----			
15. TRADE AND OTHER PAYABLES			
Trade creditors	15.1	370,886	395,598
Technical services fee payable	15.1	105,027	110,313
Staff related liabilities		131,791	145,842
Payable to port authorities	16.1.2	120,988	167,130
Accrued liabilities	15.1	318,914	201,379
Other liabilities:			
Advances from customers	15.1	75,551	48,086
Workers' Welfare Fund		329,541	329,541
Sales tax payable		62,838	72,167
Others		3,330	8,456
		471,260	458,250
		1,518,866	1,478,512

15.1. Includes Rs 146.99 million (2018: Rs 148.38 million) payable to related parties.

16. CONTINGENCIES AND COMMITMENTS

16.1. Contingencies

16.1.1. The Trustees of the Port of Karachi (KPT) filed a civil suit 1201/2006 against the Company on September 13, 2006, in the Honorable High Court of Sindh (HCS) claiming a sum of Rs 304.5 million along with the interest, as default payment of wharfage and penalty thereon, for the alleged mis-declaration of the category of goods on the import of Ship to Shore Cranes and Rubber Tyre Gantry Cranes in 2004.

On April 24, 2017, HCS passed the judgment and decree in favor of the Company and ordered that KPT is not entitled to the amount of wharfage charges claimed by it. On June 3, 2017, KPT filed an appeal 287/2017 against the aforesaid HCS' judgment before the Divisional Bench of HCS.

Upon advice of the Company's legal advisor, management believes that there is no merit in this claim and accordingly no provision in respect of above has been made in the financial statements.

16.1.2. The Company has filed an interpleader civil suit 827/2007 on June 29, 2007 before HCS against the Deputy District Officer, Excise and Taxation (DDO) and the Trustees of KPT in respect of demand raised by the DDO on the Company to pay property tax out of the Handling, Marshalling and Storage (HMS) charges payable to KPT amounting to Rs. 34.6 million for the period from 2003 to 2007. In compliance with the Order of HCS, the Company deposited the amount with Nazir of HCS, out of amount withheld by the Company from HMS charges billed by KPT.

In 2014, another demand was made by the DDO amounting to Rs 96.1 million for the period 2008 to 2014. On an application filed by the Company for directions, HCS ordered for deposit of the aforementioned amount out of HMS charges billed by KPT. The Company complied with the order of HCS. In 2015, HCS issued further orders directing the Company to deposit the remaining HMS charges due and payable with Nazir of HCS in quarterly installments. Accordingly, the Company complied with the order of HCS. The amount deposited with Nazir of HCS is netted off with the HMS payable to KPT.

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

16.1.3. While completing the audit proceedings for the tax year 2013, the Deputy Commissioner Inland Revenue (DCIR) amended the deemed assessment of the Company by passing an order under section 122(1) of the Income Tax Ordinance, 2001 and made certain disallowances / additions in 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) who partly decided the appeal in favour of the Company. Consequently, the Company made the payment of Rs 100 million and filed a second appeal before the Appellate Tribunal Inland Revenue (ATIR), in respect of issues confirmed by the CIR (A), which is now pending for adjudication.

Notes to the Financial Statements

For The Year Ended December 31, 2019

The tax advisor of the Company is of the view that the issues involved in the appeal will be decided in favour of the Company and accordingly, no provision in respect of excess demand raised by the DCIR has been made in the financial statements.

16.1.4. In 2017, the Assistant Commissioner Sindh Revenue Board (AC-SRB) under Sindh Sales Tax on Services Act, 2011 raised a demand of Rs 514.4 million along with penalty and default surcharge, for tax periods January 2013 to December 2014 on exempt services provided by the Company. The Company filed an appeal with Commissioner Appeals - SRB which is pending for hearing.

The tax advisor of the Company is of the view that the Company has a strong defence and appeal will be decided in favour of the Company. Accordingly, the Company has not made any provision in respect of the above demand in the financial statements.

16.1.5. In 2017, the Additional Commissioner Inland Revenue (ACIR) amended the deemed assessment of the Company for the tax year 2016 by passing an order under section 122(5A) of the Income Tax Ordinance, 2001 and made certain additions / disallowances to the taxable income and tax credits claimed by the Company and raised an income tax demand of Rs 222.2 million. The Company filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A) who had decided the appeal partly in favor of the Company. Being aggrieved by the decision of CIR-A, the Company as well as the tax department filed the appeals before Appellate Tribunal Inland Revenue (ATIR) which are pending for adjudication. The Company has also sought stay from HCS against the demand created by ACIR after appeal effect proceedings. HCS vide its final order directed the ACIR not to take any coercive recovery measures till the finalization of appeal before the ATIR which is pending adjudication.

The tax advisor of the Company is of the view that the issues involved in the appeal will be decided in favor of the Company. Accordingly, no provision in respect of excess demand raised by the ACIR has been made in the financial statements.

16.1.6. In 2019, ACIR amended the deemed assessment of the Company for the tax year 2018 by passing an order under section 122(5A) of the Income Tax Ordinance, 2001 and made certain additions/disallowance to the taxable income and tax credits claimed by the Company and raised an income tax demand of Rs. 537.247 million. The Company filed an appeal before CIR-A which is pending for adjudication. The Company has also obtained stay from HCS against the demand created by ACIR. HCS vide its interim order directed ACIR not to take any coercive recovery measures till the finalization of appeal before the CIR-A which is pending adjudication.

The tax advisor of the Company is of the view that the issues involved in the appeal will be decided in favor of the Company. Accordingly, no provision in respect of the aforementioned demand raised by ACIR has been made in the financial statements.

16.1.7. In 2019, ACIR amended the deemed assessment of the Company for the tax year 2014 by passing an order under section 122(5A) of the Income Tax Ordinance, 2001 and made certain additions/disallowance to the taxable income and tax credits claimed by the Company and raised an income tax demand of Rs. 451.828 million. The Company filed an appeal before CIR-A which is pending for adjudication. The Company has also obtained stay from CIR-A against the demand created by ACIR. CIR-A vide its interim order directed ACIR not to take any coercive recovery measures till the finalization of appeal before the CIR-A which is pending adjudication.

The tax advisor of the Company is of the view that the issues involved in the appeal will be decided in favor of the Company. Accordingly, no provision in respect of the aforementioned demand raised by ACIR has been made in the financial statements.

16.1.8. Section 14A of Customs Act, 1969 was amended through Finance Act 2013 effective from July 01, 2013. According to which port authorities shall provide at its own cost adequate security and accommodation to customs staff for residential purposes, offices, examination charges, detention and storage of goods and for other departmental requirements to be determined by the Collector of Customs and shall pay utility bills, rent and taxes in respect of such accommodation.

The Company through its legal advisor filed a joint petition with other terminal operators and challenged the applicability of the aforementioned amendment in law before HCS which granted an interim order in favour of the terminals in November 2013. In January 2020, HCS dismissed the joint petition, however, suspended the judgment for filing an appeal before the Supreme Court of Pakistan.

Notes to the Financial Statements

For The Year Ended December 31, 2019

The Company has filed a joint Civil Appeal with other terminal operators challenging the impugned HCS Judgement before the Supreme Court of Pakistan. The decision of the appeal is pending. The Company and its legal advisors are of the opinion that the Company has a reasonable chance of success in this case.

16.1.9. The Company is defending various suits, other than those disclosed above, filed against it in various courts in Pakistan. The Company's management is confident, based on the advice of its legal advisors, that these suits will be decided in the Company's favour.

Note	December 31, 2019	December 31, 2018
	----- (Rs in thousands) -----	
16.2. Commitments		
16.2.1. Commitments for capital expenditure	30,198	26,227
16.2.2. Outstanding letters of guarantees	144,354	144,354
16.2.3. Outstanding letters of credit		
Utilised	41,572	19,106
Unutilised	258,428	280,894
16.2.4. Commitments in respect of Handling, Marshalling and Storage charges to the Karachi Port Trust (KPT)		
Not later than one year	90,494	88,368
Later than one year but not later than five years	616,200	801,356
	<u>706,694</u>	<u>889,724</u>

17. REVENUE - net

Gross revenue	17.1	8,721,976	9,159,640
Sales tax	17.1	(794,847)	(909,263)
		<u>7,927,129</u>	<u>8,250,377</u>

17.1 Includes Rs 68.78 million (2018: Rs 84.52 million) collected from customers on behalf of KPT in respect of sales tax on wharfage charges.

18. COST OF SERVICES

Note	December 31, 2019	December 31, 2018
	----- (Rs in thousands) -----	
Salaries, wages and other benefits	556,502	565,513
Provident fund contribution	16,531	16,250
Staff training	4,824	3,337
Terminal handling and services	459,573	561,023
Royalty to KPT	835,611	776,945
Handling, Marshalling and Storage charges	180,684	176,149
Fuel and power	626,922	628,916
Stores, spares and other maintenance charges	281,319	270,591
Technical services fee	466,302	485,316
Rent, rates and taxes	145,114	150,894
Insurance	133,256	120,525
Software maintenance charges	90,183	86,242
Office maintenance	26,548	25,467
Travelling, conveyance and vehicle running expenses	12,780	13,375
Communication, printing and stationery	5,150	6,539
Utilities	1,321	5,279
Depreciation and amortisation	608,979	588,547
Others	16,638	18,475
	<u>4,468,237</u>	<u>4,499,383</u>

Notes to the Financial Statements

For The Year Ended December 31, 2019

18.1. Represents charges for technical services provided by ICTSI Mauritius Limited to the Company for advising on continuous improvement of the terminal operations, training of key personnel and risk management services.

Note	December 31, 2019	December 31, 2018
	----- (Rs in thousands) -----	
19. ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits	220,727	224,623
Provident fund contribution	7,465	7,060
Travelling, conveyance and vehicle running expenses	24,474	24,382
Legal and professional charges	13,613	15,243
Auditors' remuneration	9,040	7,115
Security expenses	18,991	15,624
Insurance	14,947	12,478
Office maintenance	54,242	28,488
Advertising and public relations	14,592	14,191
Communication, printing and stationery	16,482	16,385
Utilities	5,302	4,740
Depreciation and amortisation	67,664	65,394
Fees and subscription	12,920	6,179
Others	38,225	36,769
	<u>518,684</u>	<u>478,671</u>

19.1. Auditors' remuneration

Fee for statutory audit	2,080	1,950
Tax advisory services	3,346	2,285
Limited scope reviews, group reporting package, and various certifications	2,571	1,922
Out of pocket expenses	1,043	958
	<u>9,040</u>	<u>7,115</u>

20. OTHER EXPENSES

Donations	11,120	1,804
Exchange loss - net	9,599	5,584
	<u>20,719</u>	<u>7,388</u>

20.1. Includes Rs 10.57 million (2018: Rs Nil) paid to The Indus Hospital and Rs Nil (2018: Rs 1.80 million) paid to Rabia Azeem Trust. None of the directors or their spouses have any interest in any donee's fund to which donation was made in the current year.

	December 31, 2019	December 31, 2018
	----- (Rs in thousands) -----	
21. FINANCE COST		
Bank charges	483	883
Markup on running finance facility	6	177
	<u>489</u>	<u>1,060</u>

Notes to the Financial Statements

For The Year Ended December 31, 2019

	Note	December 31, 2019	December 31, 2018
		----- (Rs in thousands) -----	
22. OTHER INCOME			
Income from financial assets			
Markup on savings accounts		80,257	17,611
Income from non-financial assets			
Gain on disposals of operating fixed assets - net		1,919	130
Others		9,875	8,569
		<u>11,794</u>	<u>8,699</u>
		<u>92,051</u>	<u>26,310</u>
23. TAXATION			
Current	23.1	992,215	1,146,024
Deferred		(118,646)	(126,153)
Prior	23.1	75	135,389
	23.2	<u>873,644</u>	<u>1,155,260</u>
23.1.	Includes super tax of Rs Nil (2018: Rs 208.8 million).		
23.2.	Section 5A of the Income Tax Ordinance, 2001 was revised by the Finance Act, 2018 according to the revision, tax at the rate of 5 percent shall be payable on the accounting profits before tax of every public company other than a scheduled bank and modaraba if at least 20% of its after tax profits are not distributed as dividend through cash within six months of the end of the tax year. As explained in note 33, the Board of Directors in their meeting held on February 24, 2020 have recommended sufficient cash dividend for the year ended December 31, 2019 for the approval of shareholders in forth coming Annual General Meeting. This is in addition to the interim dividends of Rs 10.50 per ordinary share declared during the year which together meets the above stated requirement. Accordingly, no provision for tax on undistributed profits has been recognised in the financial statements.		
23.3. Relationship between tax expense and accounting profit:			
Profit before taxation		3,011,051	3,290,185
Tax at the applicable tax rate of 29 percent (2018: 29 percent)		873,205	954,153
Net effect of income tax provision relating to prior years		75	135,389
Effect of super tax relating to current year		-	73,971
Effect of change in rate of deferred tax		-	(11,071)
Others		364	2,818
		<u>873,644</u>	<u>1,155,260</u>
Average effective tax rate 29% (2018: 35%)			
24. EARNINGS PER ORDINARY SHARE - basic and diluted			
Profit after taxation		2,137,407	2,134,925
		----- (No of shares) -----	
Weighted average ordinary shares in issue during the year		109,153,152	109,153,152
		----- (Rupees) -----	
Earnings per share		19.58	19.56

Notes to the Financial Statements

For The Year Ended December 31, 2019

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. No changes made to the objectives and policies during the year ended December 31, 2019. The Board of Directors review and agree policies for managing each of these risks which are summarised below.

25.1. Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise 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. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on long-term deposits, trade debts, advances to employees, deposits, other receivables and bank balances. The Company seeks to minimise the credit risk exposure by dealing only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk on the financial assets of the Company at the reporting date is:

	Carrying Values	
	December 31, 2019	December 31, 2018
----- (Rs in thousands) -----		
At amortised cost - unsecured		
Long-term deposits	10,424	10,424
Advances to employees	1,472	3,466
Trade debts - net	438,165	419,206
Deposits and other receivables	27,268	27,875
Bank balances	<u>1,313,139</u>	<u>423,493</u>
	<u>1,790,468</u>	<u>884,464</u>

Quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or the historical information about counter party default rates as shown below:

	Carrying Values	
	December 31, 2019	December 31, 2018
----- (Rs in thousands) -----		
25.1.1. Trade debts		
Customers with no defaults in the past one year	438,165	419,206
Customers with some defaults in past one year which have been fully recovered	-	-
	<u>438,165</u>	<u>419,206</u>
25.1.2. Cash with Banks		
A1	10,664	4,934
A1+	<u>1,302,475</u>	<u>418,559</u>
	<u>1,313,139</u>	<u>423,493</u>

25.2. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines.

The table below summarises the maturity profile of the Company's financial liabilities at the following reporting dates:

	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	> 5 years	Total
----- (Rs in thousands) -----						
At amortised cost						
Trade and other payables	755,601	370,886	-	-	-	1,126,487
December 31, 2019	<u>755,601</u>	<u>370,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,126,487</u>
At amortised cost						
Trade and other payables	681,206	395,598	-	-	-	1,076,804
December 31, 2018	<u>681,206</u>	<u>395,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,076,804</u>

25.3. Foreign Currency Risk

Foreign currency risk is the risk that the value of financial assets or financial liabilities will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. The Company is exposed to foreign exchange risk on the following US Dollars denominated trade and other payables:

	December 31, 2019	December 31, 2018
----- (US dollars) -----		
Trade and other payables	449,135	901,965

The foreign currency exposure is adequately covered as the majority of the Company's billing is determined in US dollars which is converted into rupees at the exchange rate prevailing at the transaction date.

	December 31, 2019	December 31, 2018
----- (Rupees) -----		
The following significant exchange rate has been applied at the reporting dates:		
Pakistani Rupee to US Dollars	154.87	139.80

The following figures demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the Company's profit before tax:

	Change in Exchange rates	Effect on profit before tax (Rs in thousands)
December 31, 2019	± 5%	± 3,478
December 31, 2018	± 5%	± 6,305

25.4. 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. The Company's exposure to the risk of change in market interest rates relates primarily to the Company's financing obligations with floating interest rates. However, as of the reporting date the Company does not have any financing obligations with floating interest rates.

25.5. Equity price risk

Equity price risk is the risk of loss arising from movements in prices of equity instruments. The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares as at the reporting date.

25.6. Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The gearing ratio of the Company as at December 31, 2019 is Nil (December 31, 2018: Nil).

26. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of bank balances, advances, trade deposits, other receivables and short-term investments. Financial liabilities consist of trade and other payables. The fair values of financial instruments are not materially different from their carrying values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As of the reporting date, the Company does not have any financial assets carried at fair value that required categorisation in Level 1, Level 2 and Level 3.

27. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

27.1. The aggregate amount, charged in the financial statements for the year, is as follows:

	December 31, 2019			December 31, 2018		
	Chief Executive	Directors / Chairman (Non-Executive)	Executives	Chief Executive	Directors / Chairman (Non-Executive)	Executives
----- (Rs in thousands) -----						
Managerial remuneration	35,178	-	111,868	23,888	-	105,129
Company's contribution to provident fund	1,634	-	5,438	1,299	-	5,112
Bonus	18,880	-	44,934	7,000	-	38,870
Fee for attending Meetings	-	7,796	-	-	699	-
	<u>55,692</u>	<u>7,796</u>	<u>162,240</u>	<u>32,187</u>	<u>699</u>	<u>149,111</u>
Number	<u>1</u>	<u>7</u>	<u>28</u>	<u>1</u>	<u>7</u>	<u>29</u>

27.2. The Chief Executive and certain Executives of the Company were also provided with the free use of Company maintained cars, club memberships, medical and other benefits in accordance with their terms of service.

28. RELATED PARTY TRANSACTIONS

The related parties include the Parent Company, associated companies, entities having directors in common with the Company, Staff Provident Fund, directors and other key management personnel. Detail of related parties with whom the Company has entered into transactions with or has arrangement / agreement in place during the year along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

28.1. Name and nature of relationship

a) Parent Company

ICTSI Mauritius Limited - 64.54% shares (directly and indirectly) held in the Company.

b) Associated Companies due to significant influence

Premier Mercantile Services (Private) Limited – 21.23% shares held in the Company
Aeolina Investments Limited – 15.71% shares held in the Company.

c) Associated Companies/Undertakings due to common directorship with nil shareholding

Marine Services (Private) Limited
Port Link International (Private) Limited
Marine International Container Terminal (Private) Limited
Staff Provident Fund of the Company

d) Associated companies, subsidiaries, joint ventures or holding companies incorporated outside Pakistan

ICTSI Mauritius Limited - a company incorporated in Mauritius
Aeolina Investments Limited - a company incorporated in British Virgin Islands

28.2 Transactions with related parties

Parent Company
Technical services fee
Dividends

Note	December 31, 2019	December 31, 2018
18.1	466,302	485,316
	766,734	1,046,645

Associated companies / other related parties

Terminal handling services and rent
Revenue from container handling
Traveling expenses
Donations
Dividends

334,510	462,699
38,317	49,829
-	527
-	1,800
600,147	819,416

Key management personnel

Managerial Remuneration
Company's contribution to provident fund

210,860	174,886
7,072	6,411

28.3. Amounts due from and due to related parties, amount relating to remuneration of the Chief Executive and Directors are disclosed in the relevant notes to these financial statements.

28.4. All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company.

29. CASH FLOWS FROM OPERATING ACTIVITIES

Note	December 31, 2019	December 31, 2018
	3,011,051	3,290,185
Profit before taxation		
Adjustments for non-cash items:		
Depreciation and amortisation	676,643	653,941
Accrual for long-term employee benefits	7,474	3,666
Exchange loss - net	9,599	5,584
Finance cost	489	1,060
Markup on savings accounts	(80,257)	(17,611)
Gain on disposals of operating fixed assets - net	(1,919)	(130)
	612,029	646,510
Operating profit before working capital changes	3,623,080	3,936,695
Decrease / (increase) in current assets		
Stores, spare parts and loose tools - net	46,439	35,311
Trade debts - net	(18,959)	(83,292)
Advances, deposits, prepayments and other receivables	14,903	(43,202)
	42,383	(91,183)
Increase in current liabilities		
Trade and other payables	30,755	85,585
Cash generated from operations	3,696,218	3,931,097

30. PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provisions of the section 218 of the Companies Act, 2017 and the conditions specified thereunder.

31. NUMBER OF PERSONS EMPLOYED

	December 31, 2019	December 31, 2018
Persons employed as of	782	855
Average persons employed during the year	797	876

32. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on February 24, 2020 by the Board of Directors of the Company.

33. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors in their board meeting, held on February 24, 2020, have recommended a final cash dividend of Rs 7.5 per ordinary share amounting to Rs 818.649 million for the year ended December 31, 2019. The adjustment for this dividend will be incorporated in the subsequent financial statements of the Company.

34. EXEMPTION FROM APPLICABILITY OF IFRIC 12 "SERVICE CONCESSION ARRANGEMENTS"

As explained in note 2.1, the required 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 had to follow IFRIC-12, the effect on the financial statements would be as follows:

Notes to the Financial Statements


For The Year Ended December 31, 2019

	December 31, 2019	December 31, 2018
	----- (Rs in thousands) -----	
Reclassification from property, plant and equipment (including CWIP) to intangible assets (Port Concession Rights) – written down value	<u>1,271,774</u>	<u>1,431,486</u>
Reclassification from spares to intangible assets	<u>31,855</u>	<u>33,844</u>
Recognition of intangible assets (Port Concession Rights) on account of handling and marshalling charges (HMS)	<u>301,048</u>	<u>390,445</u>
Recognition of present value of concession liability on account of intangibles (HMS)	<u>624,258</u>	<u>766,468</u>
Interest expense for the year on account of intangibles (HMS)	<u>42,156</u>	<u>49,049</u>
Amortisation expense for the year on account of intangibles (HMS)	<u>86,014</u>	<u>86,014</u>
Amortisation expense for the year on account of concession assets (PPE and spares)	<u>314,693</u>	<u>295,364</u>
Increase in profit before tax for the year on account of reversal of HMS	<u>180,684</u>	<u>176,149</u>

35. GENERAL

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

35.2. The handling capacity of the Company is indeterminable because it depends on certain variables such as dwell time of containers, availability of external yards and type of containers. The containers handled by the Company were according to the market demand.


Chief Executive Officer


Chief Financial Officer


Director

Pattern of Shareholding

As of December 31, 2019

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
848	1	100	21,899
461	101	500	114,341
714	501	1000	548,468
202	1001	5000	440,946
21	5001	10000	161,282
7	10001	15000	91,740
3	15001	20000	47,056
1	25001	30000	29,520
1	35001	40000	36,000
1	40001	45000	43,200
2	45001	50000	99,940
1	60001	65000	63,363
1	90001	95000	94,000
1	275001	280000	276,665
1	370001	375000	371,200
1	2235001	2240000	2,235,083
1	11630001	11635000	11,631,938
1	17155001	17160000	17,155,639
1	23170001	23175000	23,174,829
1	52515001	52520000	52,516,043
<u>2270</u>			<u>109,153,152</u>

Categories of Shareholders	Number of Shareholders	Total Shares held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children	2	5,000	0
Associated Companies, undertakings and related parties	3	92,846,511	85
NIT and ICP	-	-	0
Banks, development finance institutions, non-banking financial institutions	1	720	0
Insurance Companies	-	-	0
Modarabas and Mutual funds	1	1,100	0
General Public			
a. Local	1,546	1,617,276	1
b. Foreign	692	427,761	0
Foreign Companies	6	13,870,169	13
Joint Stock Companies	16	381,666	0
Trust	1	8	0
Executives	2	2,941	1
	<u>2,270</u>	<u>109,153,152</u>	<u>100</u>
Share holders holding 10% or more	4	104,478,449	95.72

Pattern of Shareholding

As of December 31, 2019

Categories of Shareholders	Number of Shareholders	Total Shares held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children	2		
Sharique Azim Siddiqui		500	0.00
Aasim Azim Siddiqui		4,500	0.00
Associated Companies, undertakings and related parties	3		
Aeolina Investments		17,155,639	15.72
ICTSI Mauritius Limited		52,516,043	48.11
Premier Mercantile Services (Private) Limited		23,174,829	21.23
NIT and ICP	-	-	-
Banks, development finance institutions, non-banking financial institutions	1	720	0.00
Insurance Companies	-	-	-
Modarabas and Mutual funds			
B.R.R. Guardian Modaraba	1	1,100	0.00
General Public			
a. Local	1546	1,617,276	1.48
b. Foreign	692	427,761	0.39
Foreign Companies	6	13,870,169	12.71
Joint Stock Companies	16	381,666	0.35
Trust	1	8	0.00
Executives	2	2,941	0.00
	<u>2270</u>	<u>109,153,152</u>	<u>100.00</u>

Share holders holding 5% or more	Shares Held	Percentage
ICTSI Mauritius Limited	52,516,043	48.11
Premier Mercantile Services (Private) Limited	23,174,829	21.23
Aeolina Investments	17,155,639	15.72
EFG Private Bank Limited	11,631,938	10.66

Details of Purchase/Sale of Shares By Directors, CEO, CFO, Company Secretary and their spouses or minor children during Year Ended December 31, 2019

Name	Designation	Date of Purchase	No of Shares Purchased
None	N/A	N/A	N/A

Notice of the 19th Annual General Meeting

Notice is hereby given that the Nineteenth (19th) Annual General Meeting of the members of Pakistan International Container Terminal Limited ("Company") will be held on Wednesday, March 25, 2020 at 11:00 a.m., at Auditorium Hall, the institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, to transact the following business:

ORDINARY BUSINESS:

- To confirm the minutes of the 18th Annual General Meeting held on April 29, 2019.
- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2019 together with the Directors' Report, Chairman's Review Report and Auditors' Report thereon.
- To appoint Auditors and fix their remuneration for the financial year ending December 31, 2020. The present auditors EY Ford Rhodes, Chartered Accountants, are retiring and being eligible have offered themselves for reappointment.
- To consider, declare and approve the final cash dividend of Rs. 7.5/- per ordinary share of the Company, as recommended by the Board of Directors, in addition to the interim cash dividend of Rs. 10.5/- per ordinary share already paid during 2019, there by making a total cash dividend of Rs. 18/- per ordinary share for the year ended December 31, 2019.

ANY OTHER BUSINESS:

- To transact any other business as may be placed before the meeting with the permission of the Chair.

By the order of the Board

Adil Siddique
Company Secretary
Karachi: March 4, 2020

NOTES

CLOSURE OF SHARE TRANSFER BOOKS

The share transfer books of the company will remain closed from March 19, 2020 to March 25, 2020 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers in good order, received at the office of Company's Share Registrar, "M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', SMCHS, Main Shahra-e-Faisal, Karachi - 74400", by the close of business on March 18, 2020 will be treated in time for the purpose of ascertaining the entitlement of transferees for payment of final dividend and to attend, speak and vote at the Annual General Meeting.

PARTICIPATION IN THE ANNUAL GENERAL MEETING

A Member entitled to attend, speak and vote at the above 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 above meeting as are available to the Member.

CDC Account Holders will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

Duly completed, signed and stamped instrument of proxy (as enclosed) and the other authority under which it is signed, or a notarially certified copy thereof, in order to be valid, must be lodged with the Company Secretary at the Registered Office of the Company (Berths 6-9, East Wharf, Karachi Port, Karachi) not less than 48 hours before the commencement of the Meeting. In calculating the aforesaid period of 48 hours no account shall be taken of any part of the day that is not a working day. The proxy need not be a Member of the Company.

A. FOR ATTENDING THE MEETING

In case of individuals, the account holder or sub-account holder shall authenticate his / her identity by showing his / her valid original Computerised National Identity Card (CNIC) or original passport at the time of attending the meeting.

In case of a corporate entity/trust, the Board of Directors'/Trustees' resolution / power of attorney with specimen signature of the representative/nominee shall be produced at the time of the meeting.

The members registered on CDC are also requested to bring their particulars, I.D. numbers and account numbers in CDS.

B. FOR APPOINTING PROXIES

In case of individuals, the account holder or sub-account holder shall submit the duly completed and stamped proxy form accordingly.

The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. The proxy shall produce his / her original CNIC or original passport at the time of the meeting and copy of CNIC of Member of whom he/she holds Proxy. Attested copies of valid CNIC or the passport of the beneficial owners/members and the proxy shall be furnished with the proxy form.

In case of a corporate entity/trust, the Board of Directors'/Trustees' resolution / power of attorney with specimen signature of the representative/nominee shall be submitted along with proxy form to the Company.

Notice of the 19th Annual General Meeting

C. POSTAL BALLOT

Members can also demand a poll and exercise their right to vote by means of postal ballot i.e by post or through electronic mode subject to the requirements of section 143 to section 145 of the Act and applicable clauses of Companies (Postal Ballot) Regulations, 2018.

VIDEO CONFERENCE FACILITY

- As per sections 132 (2) and 134 (1) (b) of the Companies Act, 2017, together read with Circular No. 10 dated May 21, 2014 of the Securities and Exchange Commission of Pakistan members can also avail video conference facility for attending the Annual General Meeting in a city other than in which Annual General Meeting is being held. In this regard, please fill the following and submit to registered address of the Company atleast seven (7) days before holding of the Annual General Meeting. If the Company receives demand from members holding in aggregate 10% or more of the total paid up capital residing in a city, to participate in the meeting through video conference atleast seven (7) days before holding of the Annual General Meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.
 - "I/We, _____ of _____, being a member of Pakistan International Container Terminal Limited, holder of _____ ordinary share(s) as per register Folio No./CDC account details _____ hereby opt for video conference facility at _____.
- _____
Signature of Member
- The Company will intimate members regarding venue of video conference facility at least 5 days before the date of Annual General Meeting along with complete information necessary to enable them to access such facility.
 - For any query / problem / information, the investors may contact the Company and / or the Share Registrar at the following phone Numbers and email addresses:

PICT Investor Relations Department Pakistan International Container Terminal Limited Berth # 6-9, East Wharf, Karachi Port Karachi. +92 21 32855701-9 Ext. 2602;2606 investor-relations@pict.com.pk	PICT Shares Registrar CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', SMCHS, Main Shakra-e-Faisal, Karachi. +92-21 111-111-500 Info@cdcsrsl.com
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MINUTES OF 18TH ANNUAL GENERAL MEETING

Copies of the minutes of the 18th Annual General Meeting held on April 29, 2019 will be available to the Members on submission of written request.

MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE AND SUBMISSION OF COPIES OF VALID CNIC & NATIONAL TAX NUMBER [NTN] CERTIFICATE

- The provisions of section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the information on a Dividend mandate form (enclosed) to the Company's Share Registrar at the address given herein above. In case of CDC account holders, the same information should be provided directly to the CDS participant/ CDC Investor Account Services. The Company or its Share Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. The form is also available at the Company website i.e. www.pict.com.pk.
- The designated bank account details should be of the titleholder of the shares or Account title in Central Depository System.
- The Individual Members who have not yet submitted photocopy of their valid CNIC and Corporate Entities who have not yet submitted their NTN are once again reminded to have these details updated with their respective CDS participants, in case of CDC account holders and to send the same at the earliest directly to the Company's Share registrar at the address given herein above, in case of physical shareholders. Please provide folio numbers with the copy of CNIC / NTN.
- In case of non-receipt of valid Bank details given herein above and copy of valid CNIC or NTN, the Company would withhold future dividend payments to such shareholders as per the provisions of section 243(3) of the Companies Act, 2017 and Regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017.

FILER AND NON-FILER STATUS

- The Government of Pakistan has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 where by different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These rates are as per law.
- To enable the Company to make tax deduction on the amount of Cash Dividend, all the members whose names are not entered into Active Tax-Payers List (ATL), despite the fact that they are filers are advised to make sure that their names are entered into ATL available at e-portal of Federal Board of Revenue ("FBR"), before the date of commencement of book closure for cash dividend. The Company as per the law shall apply 30% rate of withholding tax if the shareholder's name with relevant details does not appear on the Active Tax Payer list as mentioned in the Income Tax Ordinance, 2001.

Notice Of The 19th Annual General Meeting

- Withholding Tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to the Company's share registrar by March 18, 2020.
- The FBR has clarified that holders of shares held in joint names or joint accounts will be treated individually as either filers or non-filers and tax will be deducted according to the proportionate holding of each holder. All shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Shares Registrar, in writing as follows:

Folio/CDC Account No.	Total Shares	Principal Shareholder		Joint Shareholder		CNIC No.	Signature
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)		

The required information must reach our Share Registrar by the close of business on March 18, 2020; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s) and deduction of withholding tax will be made accordingly.

UNPAID OR UNCLAIMED DIVIDEND/SHARES

Shareholders who could not collect their dividend/shares are advised to contact our Share Registrar to claim their unclaimed dividend or shares, if any. The Unclaimed shares, Modaraba Certificates, Dividend, Other instruments which remain so unclaimed or unpaid for a period of three years from the date it is due and payable shall be dealt with in accordance with the requirements of section 244 of the Act.

CIRCULATION OF NOTICE OF MEETING & ANNUAL AUDITED FINANCIAL STATEMENTS

The Securities and Exchange Commission of Pakistan (SECP) vide SRO No. 470(I)/2016 dated May 31, 2016, has allowed listed companies to circulate their Annual Report to its members through CD/DVD/USB at their registered addresses instead of sending them in hard copies, subject to approval obtained from shareholders in General Meeting. Accordingly, the Company has obtained approval from members in the 16th Annual General Meeting held on April 24, 2017. Pursuant to the approval of members, as aforesaid, the Annual Audited Financial Statements of the Company for the year ended December 31, 2019 and the reports thereon, have been circulated to the members along with Notice of this meeting through CD/DVD/USB.

In terms of SRO No 787(I)/2014 dated September 8, 2014, shareholders can opt to obtain annual audited financial statements, auditor's report and directors report etc. along with the notice of Annual General Meeting through email. The Companies Act, 2017 also allow electronic circulation of annual financial statements and reports thereon. Accordingly, we are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. Annual Audited Financial Statements along with the notice of Annual General Meeting have been circulated by email to those members who have requested for annual audited financial statements and profit and loss account, auditor's report and directors report etc. along with the notice of Annual General Meeting through email.

For the convenience of shareholders, a Standard Request Form has been made available at the Company's website i.e. www.pict.com.pk, to opt receiving of future annual reports through email or in hard copies. Please ensure that your email has sufficient rights and space available to receive such email which may be larger than 1 MB file in size. Further, it is the responsibility of the member to timely update to the Share Registrar of any change in the registered email address.

The duly filled & signed form can be submitted through post/courier to the Company's Share Registrar at the address given herein above. In case of CDC account holders, the same information should be provided directly to the CDS participant/ CDC Investor Account Services. The forms are also available at the Company website i.e. www.pict.com.pk. Members who do not provide their email ids or request for a hard copy shall continue to receive their future Annual Financial Statements and reports through CD/ DVD/USB at the registered address.

PLACEMENT OF ANNUAL AUDITED FINANCIAL STATEMENTS ON WEBSITE

Annual audited financial statements of the Company for the year ended December 31, 2019 along with reports have been made available on the Company's website - www.pict.com.pk in terms of Regulation 25 of the Companies (General Provisions and Forms) regulations, 2018 together read with SRO 634 of 2014.

SUBMISSION OF ZAKAT EXEMPTION

Members are requested to submit declaration as per Zakat & Ushr Ordinance, 1980 for Zakat exemption, if any, not later than March 18, 2020

CHANGE OF ADDRESS

Any change of address of Members should be immediately notified to the Company's share registrar M/S CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', SMCHS, Main Shakra-e-Faisal, Karachi.

CONVERSION OF SHARES IN BOOK-ENTRY FORM

Members holding shares in physical form are requested to consider converting their shares from physical form to book-entry form to eliminate all risks associated with physical shares. Members can contact the Company or Share Registrar for assistance in this regard.

Shareholders are requested to follow the procedure as contained in CDC Act, 1997 for the purpose.

نقد تقسیم شدہ منافع کی لازمی ادائیگی بریزیا لیکچرنگ موڈارسی این ای سی اور قومی ٹیکس نمبر [این ٹی این] سرٹیفکیٹ کی کاپی کو پیش کرنا

کمپنیز ایکٹ 2017 کے سیکشن 242 کی دفعات کے تحت، تمام لیکچرنگ کو اپنے نقد تقسیم شدہ منافع کی رقم کو حصص یافتگان کے منتخب شدہ بینک کے خاتے میں براہ راست لیکچرنگ موڈ کے ذریعے جمع کرنا لازمی ہوگا۔

اس کے مطابق، مادی حصص رکھنے والے حصص یافتگان اپنی معلومات ڈیویڈنڈ تفویض کردہ اختیار کے فارم (منسلق) کے ساتھ کمپنی کے شیئرز رجسٹرار کے مندرجہ بالا پتے پر ارسال کریں۔

سی ڈی سی خاتے دا کی صورت میں وہی معلومات براہ راست سی ڈی ایس کے شرکاء/سی ڈی سی انویسٹرا کا ونٹ سرورسز کو بھیجی جائے۔ کمپنی یا اس کا شیئرز رجسٹرار ان اراکین کے بینک کی تفصیلات یا بینک کے تفویض کردہ اختیار میں تبدیلی کی درخواست پر عمل نہیں کر سکتا جن کے پاس لیکچرنگ شکل میں حصص موجود ہوں۔ یہ فارم کمپنی کی ویب سائٹ www.pict.com.pk پر بھی موجود ہے۔

نامزد بینک اکاؤنٹ کی تفصیلات حصص کے عنوان دار یا سنٹرل ڈیپازٹری سسٹم کے عنوان سے ہونا چاہئے۔ انفرادی ممبران جنہوں نے ابھی تک اپنے موثر CNIC اور کارپوریٹ ادارے جنہوں نے ابھی تک اپنے NTN کی فوٹو کاپی پیش نہیں کی ہے ان کو ایک بار پھر یاد دہانی کرائی جا رہی ہے کہ وہ مندرجہ بالا شیئرز رجسٹرار کے پتے پر جلد از جلد ارسال کریں۔ براہ مہربانی CNIC/NTN کی نقل کے ساتھ فوٹو نمبر بھی دیں۔

کمپنیز ایکٹ 2017 اور کمپنیز (ڈسٹریبیوشن آف ڈیویڈنڈ ریگولیشن 2017) کے ضوابط 6 کے تحت بینک کی موثر تفصیلات اور موثر CNIC یا NTN کی کاپی جمع نہ کرانے کی صورت میں کمپنی ممبر کے مستقبل کے تقسیم شدہ منافع کو روکنے کی مجاز ہے۔

فائلر اور نوٹ فائلر کی قانونی دفع

حکومت پاکستان نے آئی ٹیکس آرڈیننس 2001 کی دفعہ 150 میں بعض ترمیمات کی ہیں، جس کے ذریعے کمپنیوں کی طرف سے ادا کئے جانے والے منافع کی رقم پر ود ہولڈنگ ٹیکس کی کوئی کیلئے مختلف شرح مقرر کئے گئے ہیں۔ یہ شرح قانون کے مطابق ہیں۔

اس خاطر کے نقد منافع کی رقم پر ٹیکس کی درست کوئی کی جاسکے، تمام حصص یافتگان، جن کا نام فعال ٹیکس ادا کر نیوالوں کی فہرست، ایکٹیو ٹیکس پیئر زلسٹ (اے۔ٹی۔ایل) میں درج نہیں کئے گئے، اس حقیقت کے باوجود وہ فائلر ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ نقد منافع کے استحقاق کیلئے حصص کی منتقلی کے کتب کی بندش سے پہلے اگلے نام اے۔ٹی۔ایل میں درج ہوں، جو کہ وفاقی بورڈ آف ریونیو کے ای۔پورٹل میں دستیاب ہے۔ حصص کی منتقلی کی بندش کے پہلے دن اے۔ٹی۔ایل میں شیئرز رجسٹرار کا نام متعلقہ تفصیلات کے ساتھ موجود نہ ہونے کی صورت میں کمپنی قانون کے مطابق 30% (تیس فیصد) کی ود ہولڈنگ ٹیکس کی اطلاق کرے گی۔

نقد منافع کی رقم پر ود ہولڈنگ ٹیکس کی کوئی سے استثناء کی اجازت تب دی جائے گی جب درست ٹیکس استثناء کے سرٹیفکیٹ کی کاپی کمپنی کے شیئرز رجسٹرار کے پاس 18 مارچ 2020 تک جمع کرائی گئی ہو۔

فیڈرل بورڈ آف ریونیو (FBR) کی طرف سے موصول ہونے والی وضاحت کے مطابق جو انٹ کاؤنٹ کی صورت میں ود ہولڈنگ ٹیکس کا حساب فائلر/نان فائلر کے لیے پرنسپل شیئرز ہولڈر اور جو انٹ شیئرز ہولڈرز کے لیے ان کی شیئرز ہولڈنگ کے تناسب سے علیحدہ علیحدہ کیا جائے گا۔ وہ تمام حصص یافتگان جو مشترکہ طور پر حصص کے حامل ہیں، ان سے گزارش کی جاتی ہے کہ وہ پرنسپل شیئرز ہولڈر اور جو انٹ شیئرز ہولڈر کی شیئرز ہولڈنگ کے تناسب کو مندرجہ ذیل طریقے پر ہمارے شیئرز رجسٹرار کو تحریری طور پر فراہم کریں:

فویو/سی ڈی ایس	کل شیئرز	پرنسپل شیئرز ہولڈر		جو انٹ شیئرز ہولڈر		کاد دستخط
		نام اور قومی شناختی کارڈ نمبر	شیئرز ہولڈنگ کا تناسب (شیئرز کی تعداد)	نام اور قومی شناختی کارڈ نمبر	شیئرز ہولڈنگ کا تناسب (شیئرز کی تعداد)	

مطلوبہ معلومات 18 مارچ 2020 کو کاروبار کے بند ہونے تک ہمارے شیئرز رجسٹرار کو جمع کرا دیں بصورت دیگر یہ فرض کیا جائے گا کہ پرنسپل شیئرز ہولڈر اور جو انٹ شیئرز ہولڈر مساوی طور پر حصص کے حامل ہیں۔

غیر کلیم شدہ/غیر ادا شدہ منافع منقسمہ/شیئرز

حصص یافتگان سے گزارش ہے کہ جو حصص یافتگان اپنے منافع منقسمہ/شیئرز وصول نہیں کر سکے وہ اپنے غیر کلیم شدہ/غیر ادا شدہ منافع منقسمہ/شیئرز کے لیے کمپنی کے شیئرز رجسٹرار سے رابطہ کریں۔

ان کلیم شدہ شیئرز، مداربہ سرٹیفکیٹ، ڈیویڈنڈ، دیگر انسٹرومنٹ جو واجب الادا ہونے کے بعد تین سال کے عرصے تک غیر کلیم شدہ/غیر ادا شدہ ہوں گے وہ کمپنیز ایکٹ 2017 کے سیکشن 244 کے تحت نمٹا جائیگا۔

اطلاع برائے اجلاس عام اور سالانہ مالیاتی گوشواروں کی ترسیل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او (1/2016) 470 مورخہ 31 مئی 2016، کے قیام کے تحت کمپنیز کو منظوری دی گئی ہے کہ وہ اپنے سالانہ محاسب شدہ اکاؤنٹ کی ممبران کو ترسیل بمعہ

CD/DVD/USB ان کے رجسٹریٹریوں پر کر سکتی ہیں بجائے ہارڈ کاپی کے یہ حصص یافتگان کی منظوری سے مشروط ہے۔ مستقبل میں ہم اپنے ممبران کو سالانہ محاسب شدہ اکاؤنٹ کی ترسیل بمعہ CD/DVD/USB

کی سہولت پیش کرتے ہوئے پرمسرت ہے۔ لہذا اسی سلسلے میں کمپنی نے اپنی سولہواں سالانہ اجلاس عام بتاریخ 24 اپریل 2017 میں حصص یافتگان سے منظوری لے لی ہے۔ اس منظوری کے تعاقب میں

سالانہ محاسب شدہ مالیاتی گوشوارے بمعہ پوزیشن منجم شدہ سال 31 دسمبر 2019 اپنے ممبران کو CD/DVD/USB میں ترسیل کریں گے۔

ایس آر او نمبر 2014 / 787(1) مورخہ 08 ستمبر 2014 کے تحت حصص یافتگان سالانہ فرو تو ازن اور آمدنی کا گوشوارہ، محاسب کی رپورٹ اور ڈائریکٹرز رپورٹ وغیرہ اور سالانہ مالیاتی حسابات ای میل کے ذریعہ حاصل کر سکتے ہیں۔

کمپنیز ایکٹ 2017 میں سالانہ مالیاتی حسابات اور رپورٹس کی الیکٹرانک سرکولیشن کی اجازت ہے۔ لہذا ہم اس سہولت کی پیشکش اپنے ان ممبران کو کرتے ہیں جو کہ کمپنی کی سالانہ مالیاتی حسابات اور نوٹس منسٹریل میں ای میل کے ذریعہ وصول کرنا چاہتے ہوں۔

حصص یافتگان کی آسانی کے لیے معیاری درخواست فارم ہماری ویب سائٹ www.pict.com.pk پر دستیاب ہے تاکہ آئندہ سالانہ رپورٹس ای میل کے ذریعہ یا ہارڈ کاپی طلب کر سکتے ہیں۔ مہربانی کر کے اس بات کا یقین کریں کہ آپ کے پاس ای میل وصول کرنے کے معقول حقوق اور جگہ دستیاب ہوں جو کہ سائز میں ایک میگا بائٹ (1MB) سے بڑی ہو سکتی ہیں۔ مزید یہ کہ یہ حصص یافتگان کی ذمہ داری ہے کہ وہ رجسٹری ڈی ایمیل پتے میں کوئی بھی تبدیلی کو شیئرز رجسٹرار کے پاس بروقت تبدیل کرائے۔

اس سلسلے میں باضابطہ طور پر پھر ہوا اور دستخط شدہ فارم ہزری پوسٹ / کوریئر سے کمپنی کے شیئرز رجسٹرار کے مندرجہ بالا پتے پر ارسال کر سکتے ہیں۔ سی ڈی سی خاتے دا کی صورت میں وہی معلومات سی ڈی ایس کے شرکاء/سی ڈی سی انویسٹرا کا ونٹ سرورسز کو بھیجی جائے۔ یہ فارم کمپنی کی ویب سائٹ www.pict.com.pk پر بھی موجود ہے۔ وہ ممبران جنہوں نے اپنے ای میل یا ہارڈ کاپی کی درخواست فراہم نہیں کی ہو، وہ اپنے رجسٹری ڈی ایمیل پتے پر سالانہ CD/DVD/USB کے توسط سے وصول کریں گے۔

مالیاتی گوشواروں کی آن لائن دستیابی

31 دسمبر 2019 کو ختم ہونے والے سال کے لئے کمپنی کے سالانہ محاسب شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ www.pict.com.pk پر دستیاب ہے۔

زکوٰۃ سے استثناء کی درخواست

حصص یافتگان سے درخواست ہے کہ زکوٰۃ اور عشر آ آرڈیننس 1980 کے مطابق زکوٰۃ سے استثناء ہونے کی صورت میں 18 مارچ 2020 تک اقرار نامہ جمع کروادیں۔

پتے کی تبدیلی

اراکین کے پتے میں کسی بھی تبدیلی کو فوری طور پر کمپنی کے شیئرز رجسٹرار میسرسی ڈی سی شیئرز رجسٹرار سرورسز لمیٹڈ، سی ڈی سی ہاؤس، B-99 بلاک - بی، ایس۔ ایم۔ سی۔ ایچ۔ ایس مین شاہراہ فیصل، کراچی۔ کو فوری طور پر اطلاع دی جائے۔

حصص کا کتابی اندراج

اراکین جن کے پاس حصص مادی حال میں موجود ہیں ان سے درخواست ہے کہ وہ حصص کا کتابی اندراج کرائیں تاکہ مادی حصص سے منسلق تمام خدشات کو ختم کیا جاسکے۔ اراکین اس سلسلے میں مدد کے لیے کمپنی یا شیئرز رجسٹرار سے رابطہ کر سکتے ہیں۔ حصص یافتگان سے گزارش ہے کہ اس سلسلے میں سی ڈی سی ایکٹ 1997 کے طریقہ کار کے تحت عمل کریں۔

اطلاع برائے انیسواں سالانہ اجلاس عام

اطلاع دی جاتی ہے کہ پاکستان انٹرنیشنل کنٹینر ٹرمینل لمیٹڈ (کمپنی) کے ممبران کا انیسواں سالانہ اجلاس عام بروز بدھ 25 مارچ 2020 کو صبح 11:00 بجے، آڈیٹوریم ہال، انٹیلیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، چارٹرڈ اکاؤنٹنٹس ایویونو، گلشن کراچی میں مندرجہ ذیل امور کو انجام دینے کے لئے منعقد کیا جائے گا:

عمومی امور

- 1- 29 اپریل 2019 کو منعقد ہونے والے اٹھارواں سالانہ اجلاس عام کے رواداد کی توثیق کرنا۔
- 2- 31 دسمبر 2019 کو ختم ہونے والے کمپنی کے مالی سال کے محاسب شدہ مالیاتی گوشوارے، بمعہ تلمین، چیرمین اور محاسب کی رپورٹس، وصول کرنا، ان پر غور کرنا اور انہیں اختیار کرنا۔
- 3- 31 دسمبر 2020 کو ختم ہونے والے مالی سال کے لئے کمپنی کے محاسب کو مقرر کرنا اور ان کا معاوضہ طے کرنا۔ موجودہ محاسب ای وائے فورڈ رپورٹرز چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور بوجہ اہل ہونے کے خود کو دوبارہ تفری کے لیے پیش کیا ہے۔
- 4- مجلس نظما کی سفارش کے مطابق 7.5 روپے فی حصص حتمی نقد منافع کی ادائیگی پر غور کرنا، منظور کرنا اور اعلان کرنا، بمعہ 10.5 روپے فی حصص سال 2019 کے ضمن میں پہلے ہی دے دیے جانے والے عبوری نقد منافع کے جس کی وجہ سے 31 دسمبر 2019 کے لیے نقد منافع کی مجموعی رقم 18 روپے فی حصص ہو جائے گی۔

دیگر امور

- 5- چیئرمین کی اجازت سے کسی بھی دیگر امور کی انجام دہی کرنا بحکم بورڈ

عادل صدیق

کمپنی سیکریٹری

کراچی: 4 مارچ 2020

نوٹس

حصص منتقلی کی کتب کی بندش

کمپنی کے حصص کی منتقلی کی کتب 19 مارچ 2020 سے 25 مارچ 2020 تک (بشمول دونوں دن) بند رہیں گی جس دوران تروین کے لئے کسی بھی حصص کی منتقلی کو قبول نہیں کیا جائے گا۔ حصص کی منتقلی کی وہ درخواستیں جو درست حالت میں کمپنی کے شیئر رجسٹرار کے دفتر "میسری ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99 بلاک - بی، ایس. ایم. سی. ایچ. ایس مین شاہراہ فیصل، کراچی۔ 74400" پر 18 مارچ 2020 کو دفتری اوقات ختم ہونے سے قبل موصول ہوگی ان حصص یافتگان کو حتمی نقد منافع کی ادائیگی اور سالانہ اجلاس عام میں شرکت اور حق رائے استعمال کرنے کے استحقاق کے تعین کیلئے بروقت شمار کیا جائے گا۔

سالانہ اجلاس عام میں شرکت

مندرجہ بالا اجلاس عام میں شرکت، بولنے اور حق رائے استعمال کرنے کے مستحق ہر رکن کو یقین حاصل ہے کہ وہ شرکت، بولنے اور حق رائے استعمال کرنے کیلئے اپنی جگہ کسی عیوضی / نائب (پراکسی) کو مقرر کرے اور ایسے مقرر کردہ عیوضی / نائب کو اجلاس میں شرکت، بولنے اور حق رائے استعمال کرنے کی نسبت سے وہی اختیارات حاصل ہونگے جو کہ بذات خود کمپنی کے رکن کو حاصل ہوتے ہیں۔

سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مراسلا نمبر 1 مورخہ 26 جنوری 2000 میں موجود ہدایات پر بھی عمل کرنا ہوگا۔

عیوضی / نائب مقرر کرنے کیلئے ہر لحاظ سے درست اور باقاعدہ مکمل، دستخط شدہ اور مہر شدہ پراکسی فارم (جیسا کہ منسلق ہے) اور دوسری حاکم مجازی دستخط یا نظارت کے مطابق تصدیق شدہ کاپی اجلاس کے شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی سیکریٹری کو کمپنی کے رجسٹرار آفس (برتھ 9-6، ایسٹ وہارف، کراچی پورٹ، کراچی) میں موصول ہونا ضروری ہے۔ عیوضی / نائب کا بذات خود کمپنی کے حصص یافتگان میں سے ہونا ضروری نہیں۔

(A) اجلاس میں شرکت کے لئے

انفرادی صورت میں، اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈر اپنے اصلی کمپیوٹرز یا ذیلی شناختی کارڈ یا اصلی پاسپورٹ کے ذریعہ اجلاس میں شامل ہونے کے لئے اپنی شناخت کی تصدیق کروائیں۔

کارپوریٹ ادارہ / ٹرسٹ کی صورت میں اجلاس کے وقت، بورڈ آف ڈائریکٹرز / ٹرسٹیز کی قرارداد / مختار نامہ بمعہ نامزد فرد / نمائندے کے دستخط کے نمونے پیش کریں۔

(B) عیوضی / نائب (پراکسی) کی تقرری کیلئے

انفرادی صورت میں، اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈر کو مکمل اور مہر شدہ پراکسی فارم جمع کرانا ہوگا۔

پراکسی فارم پر دو افراد گواہ ہونے چاہیے جن کے نام، پتے اور شناختی کارڈ نمبر پراکسی فارم پر مذکور ہو۔ عیوضی / نائب کو اپنا اصلی قومی شناختی کارڈ یا اصلی پاسپورٹ اور رکن کے قومی شناختی کارڈ کی کاپی جس کے آپ عیوضی / نائب ہوں، اجلاس کے وقت پیش کرنا ہوگا۔ اصل حق دار / رکن اور عیوضی / نائب کے درست شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ جمع کرانے ہونگے۔

کارپوریٹ ادارہ / ٹرسٹ کی صورت میں، بورڈ آف ڈائریکٹرز / ٹرسٹیز کی قرارداد / مختار نامہ بمعہ نامزد فرد / نمائندے کے دستخط کے نمونے اور کمپنی کے پراکسی فارم کے ساتھ پیش کرنا ہوگا۔

(C) پوسٹل بیلت

کمپنی ایکٹ 2017 کی دفعہ 143 سے دفعہ 145 اور کمپنیز (پوسٹل بیلت) ریگولیشنز 2018 کے تحت، اراکین پوسٹل بیلت (یعنی پوسٹ یا الیکٹرونک موڈ) کے ذریعے پول کا متبادل اور اپنے حق رائے کا استعمال کر سکتے ہیں۔

ویڈیو کانفرنس کی سہولت

ایکٹ کی دفعہ (2) 132 اور (b) (1) 134 اور بمعہ سرکل نمبر 10 بتاریخ 21 مئی 2014 کے تحت، حصص یافتگان سالانہ اجلاس عام میں شرکت کے لئے ویڈیو کانفرنس کی سہولت سے بھی فائدہ اٹھا سکتے ہیں ماسوائے اس شہر کے جہاں سالانہ اجلاس عام منعقد ہو۔ اس سلسلے میں برائے مہربانی مندرجہ ذیل فارم پُر کر کے اجلاس عام کے انعقاد سے سات (7) دن قبل کمپنی کے رجسٹرار پتے پر جمع کرا دیا جائے۔

اگر کمپنی کو کسی ایک جغرافیائی حدود میں مقیم مجموعی طور پر 10 فیصد یا زائد شیئر ہولڈنگ کے حامل ممبران کی جانب سے اجلاس کی تاریخ سے کم از کم سات (7) دن قبل ویڈیو کانفرنس کے ذریعے اجلاس میں شرکت کے اجازت نامے موصول ہوتے ہیں تو کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت کا انتظام کر دے گی جو اس شہر میں ایسی سہولت کی دستیابی سے مشروط ہے۔

میں / ہم از پاکستان انٹرنیشنل کنٹینر ٹرمینل لمیٹڈ کے ایک ممبر ہونے کے ناطے،
 حامل عمومی حصص، رجسٹرڈ فوئیو نمبر اسی ڈی سی کی تفصیل کے مطابق ویڈیو کانفرنس کی سہولت کے لیے مقام کو انتخاب کرتا ہوں۔

ممبر کا دستخط

کمپنی ممبران کو غیر معمولی اجلاس عام کی تاریخ سے کم از کم 5 دن قبل ویڈیو کانفرنس کے مقام مع ایسی سہولت تک ان کی رسائی کے بارے میں تمام ضروری معلومات سے آگاہ کر دے گی۔ کسی بھی استفسار مسئلے معلومات کے لئے، سرمایہ کار کمپنی اور ایسا شیئر رجسٹرار سے درج ذیل فون نمبروں اور ای میل ایڈریسوں پر رابطہ کر سکتے ہیں

<p>پی آئی سی ٹی سرمایہ کار تعلقات محکمہ پاکستان انٹرنیشنل کنٹینر ٹرمینل لمیٹڈ برتھ نمبر 9-6، ایسٹ وہارف، کراچی پورٹ، کراچی +92 21 3285 5701-9 Ext: 2606;2602 investor-relations@pict.com.pk</p>	<p>پی آئی سی ٹی شیئر رجسٹرار سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99 بلاک - بی، ایس. ایم. سی. ایچ. ایس مین شاہراہ فیصل، کراچی۔ +92-21 111-111-500 info@cdcsrsl.com</p>
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اٹھارواں سالانہ اجلاس عام کی رواداد

29 اپریل 2019 کو منعقدہ اٹھارواں سالانہ اجلاس عام کے رواداد کی نقول حصص یافتگان کی درخواست پر میسر کر دی جائیں گی۔

ICTSI: International Container Terminal Services Incorporation

PICT: Pakistan International Container Terminal Limited

KPT: Karachi Port Trust

ISO: International Organisation for Standardization

NIT: National Investment Trust Limited

SRO: Statutory Regulatory Orders

CEO: Chief Executive Officer

CFO: Chief Financial Officer

CSR: Corporate Social Responsibility

CDC: Central Depository Company

CDCSRSL: CDC Share Registrar Services Limited

IFRS: International Financial Reporting Standards

IFRIC: International Financial Reporting Interpretations Committee

ICAP: Institute of Chartered Accountants of Pakistan

Board: Board of Directors

SRB: Sindh Revenue Board

SECP: Securities and Exchange Commission of Pakistan



FORM OF PROXY

The Company Secretary

Pakistan International Container Terminal Limited

Berth # 6-9, East Wharf, Keamari

Karachi Port, Karachi.

I/We, _____ S/o, D/o, W/o, _____ of _____ being a member of Pakistan International Container Terminal Limited (the Company) and holder of _____ Shares as per Share Register Folio No. _____ and/or CDC Participant I.D. No. _____ and Sub Account No. _____ hereby appoint Mr./Mrs./Miss _____ of _____ as my/our proxy to attend, speak and vote for me / us and on my / our behalf at 19th Annual General Meeting of the Company to be held on March 25, 2020 at 11:00 a.m. Auditorium Hall, the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, and at any adjournment thereof.

As witnessed given under my / our hand(s) _____ day of _____ 2020

Witnesses:

1. Name _____

Address _____

CNIC No. _____

Signature _____

2. Name _____ Shareholder's Folio No. _____

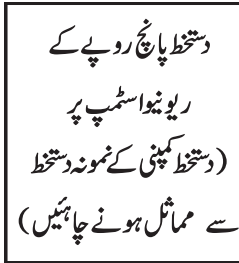
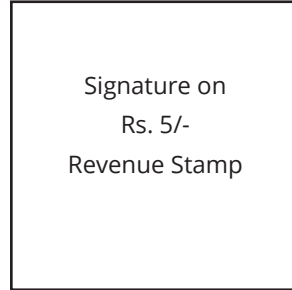
Address _____ CDC A/c No: _____

CNIC No. _____ NIC No: _____

Signature _____ Dated: _____

Notes:

1. A member entitled to attend and vote at the meeting may appoint another person 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 (CNIC) or Passport with this Proxy Form.
6. In case of proxy by a corporate entity/trust, Board of Directors/Trustees 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.



پراکسی فارم

کمپنی سیکریٹری

پاکستان انٹرنیشنل کنٹینر ٹرمینل لمیٹڈ

برتھ نمبر ۶-۹ ایسٹ وہارف،

کراچی پورٹ، کراچی۔

میں / ہم _____ کا / کے _____ بحیثیت رکن پاکستان انٹرنیشنل کنٹینر ٹرمینل لمیٹڈ اور حامل عام حصص، برطانیق شیئر رجسٹر فلیو نمبر _____ کے مطابق اور ایسی ڈی سی شرکت آئی ڈی نمبر _____ اور سب اکاؤنٹ (ڈیلی کھاتہ) نمبر _____ جناب / محترمہ / مس _____ مکمل پتہ _____

کو اپنے / ہمارے ایما پر مورخہ 25 مارچ 2020 کو دن بدھ آڈیٹوریم ہال، انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، چارٹرڈ اکاؤنٹنٹس ایویو، کلٹن، کراچی میں منعقد ہونے والے کمپنی کے انیسواں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التوا کی صورت اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

آج بروز _____ بتاریخ _____ 2020 کو دستخط کئے گئے۔

گواہان:

۱۔ نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: []

دستخط: _____

۲۔ نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: []

دستخط: _____

نوٹ:

- ۱۔ ایک ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہو، اپنی جگہ کسی اور شخص کو بطور نائب شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔
- ۲۔ ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل طور سے پُر کرے اور پانچ روپے کی رسیدی ٹکٹ پر دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم ۴۸ گھنٹے قبل کمپنی کے ساتھ جمع کر دے۔
- ۳۔ اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- ۴۔ دستخط کا نمونہ جو کمپنی کے ریکارڈ میں جمع اور ج ہے، اس سے اتفاق ہونا چاہیے۔
- ۵۔ سی ڈی سی حصص یافتگان اور ان کا نائب کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی اس پروکسی فارم کے ساتھ منسلک کرنی ہوگی۔
- ۶۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز / ٹریسٹیز کی قرارداد / پاور آف اٹارنی کے نمونہ دستخط کے ساتھ، نائب کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی اس پروکسی فارم کے ساتھ منسلک کرنی ہوگی۔

PAKISTAN INTERNATIONAL CONTAINER TERMINAL LIMITED

Admission Slip

For the 19th Annual General Meeting of Pakistan International Container Terminal Limited scheduled on Wednesday, March 25, 2020 at 11:00 a.m. at Auditorium Hall, the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi. Kindly bring this slip duly signed by you for attending the Meeting.

Folio No. _____

COMPANY SECRETARY

Name _____

Joint holder(s), if any, _____

i. _____

ii. _____

iii. _____

Signature (s)

NOTES:

- i) The signature of the shareholder must tally with the specimen signature in the Company record.
- ii) Shareholders are requested to hand over duly completed admission slips at the counter before entering the meeting premises.

THIS ADMISSION SLIP IS NON TRANSFERABLE

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2019 | Annual Report

Pakistan International Container Terminal Limited

Registered & Terminal Office:

Berths 6-9, East Wharf, Karachi Port, Karachi, Pakistan.

UAN: (+9221) 111 11 PICT (7428)

Fax: (+9221) 32854815

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