

www.pict.com.pk



Pakistan International Container Terminal Limited

Head Office

2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi 74000, Pakistan.

Tel. (+9221) 32400450-3 Fax. (+9221) 32400281 Email. info@pict.com.pk Website. www.pict.com.pk

Terminal Office

Berth 6-9, East Wharf, Karachi, Pakistan. UAN. (+9221) 111 11 PICT (7428) Fax. (+9221) 32855715



Pakistan International Container Terminal Limited



QUARTERLY REPORT
September 30, 2011

CONTENTS

■ Company Information	1
■ Directors' Report	2
■ Financial Statements	4

COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman	Capt. Haleem A. Siddiqui
Chief Executive	Capt. Zafar Iqbal Awan
Directors	Mr. Aasim Azim Siddiqui Mr. Sharique Azim Siddiqui Syed Nizam A. Shah Mr. Ali Raza Siddiqui Mr. M. Masood Ahmed Usmani, FCA

Chief Operating Officer	Mr. Sharique Azim Siddiqui
Chief Financial Officer	Mr. M. Masood Ahmed Usmani, FCA
Company Secretary	Mr. Arsalan I. Khan, ACA

AUDIT COMMITTEE

Chairman	Syed Nizam A. Shah
Members	Mr. Aasim Azim Siddiqui Mr. Ali Raza Siddiqui
Chief Internal Auditor	Mr. Noman Yousuf
Secretary	Mr. Arsalan I. Khan, ACA

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

Legal Advisor	Kabraji & Talibuddin 64 - A/1, Gulshan -e -Faisal, Bath Island Karachi 75530. Usmani & Iqbal Advocates & Solicitors 604 - 9, 6 th Floor, Business Centre, Mumtaz Hassan Road Karachi.
----------------------	---

	The Continental Law Associates Panorama Centre, Saddar, Karachi.
--	--

Bankers	Albaraka Islamic Bank Limited Barclays Bank PLC Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited HSBC Bank Middle East Limited JS Bank Limited National Bank of Pakistan Samba Bank Limited Standard Chartered Bank United Bank Limited
----------------	---

Registered & Head Office	2 nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi, Pakistan. Tel: 32400450-3 Fax: 32400281
-------------------------------------	--

Terminal	Berth 6-9, East Wharf, Karachi, Pakistan. Tel: 32855701-14 Fax: 32854815 UAN. (+9221)111-11-PICT (7428)
-----------------	---

Registrar / Transfer Agent	Technology Trade (Pvt.) Limited. 241-C, Block-2, P.E.C.H.S., Karachi. Tel: 34391316-7
-----------------------------------	---

Directors' Report

The Directors have pleasure in presenting the un-audited financial statements for the quarter ended September 30, 2011.

General Review:

The company during the quarter from July 2011 to September 2011 observed the continuity in growth in container handling volumes and revenues. PICT handled 152,531 TEUs (Twenty Foot Equivalent Container Units) during the period from July 2011 to September 2011 as compared to 151,133 TEUs handled during the corresponding period last year showing a growth of 1%.

Operating & Financial Results for the quarter ended September 30, 2011:

	<i>Rs. in 000's</i>
Profit before tax	489,645
Less: Provision for taxation	171,376
Profit after taxation	318,269
Specie Dividend to ordinary share holders	(545,764)
Un-appropriated profit brought forward	3,409,418
Un-appropriated profit carried forward	3,181,923
Earnings per ordinary share- Basic	Rs. 2.87

During the quarter ended September 30, 2011, the Company has shown a consistent growth in terms of turnover. The Company has achieved a turnover of Rs. 1,684.74 million as compared to Rs. 1,392.13 million in corresponding period last year showing a growth of 21%.

Gross profit for the quarter ended September 30, 2011 amounted to Rs. 790.41 million as compared to Rs. 568.52 million in the same period last year showing an increase of 39%. Profit after tax amounted to Rs. 318.27 million as compared to Rs. 277.24 million in the corresponding period last year showing an increase of 14.80%.

During the period the company has prepaid all of its foreign currency loans obtained from International Finance Corporation (IFC) and OPEC Fund for International Development (OFID) amounting to Rs. 2,328 million which were payable in different installments by January 15, 2018. The company has replaced this Foreign Currency Loan with the Local Currency Loan from Faysal Bank Limited amounting to Rs. 2,241 million, which is repayable in five years and repayments to start from January 15, 2012.

During the quarter ended September 30, 2011 Pakistan International Bulk Terminal Limited (PIBTL) has further issued 12.077 million ordinary shares of Rs.10/- to the Company, increasing the carrying amount to Rs 545.77 million. The Board of Directors in its meeting held on 11 July 2011 proposed to distribute 54.577 million ordinary shares (100% of the issued, subscribed and paid up capital) of the subsidiary company, having face value of Rs.10/- each, to the members of the Company as 'specie dividend' in the ratio of 1:2, i.e. one ordinary share of PIBTL for every two ordinary shares held of the existing issued, subscribed and paid up capital of the Company. The members approved the said distribution at the Extra Ordinary General Meeting (EOGM) held on 03 August 2011 thereby resulting in ceasing of the Company's equity holding in PIBTL.

Future Plans:

Having completed all its development phases much within the stipulated BOT concession period, PICT now endeavours to maximize efficiencies and improve its services to its customers through our systems and to achieve higher standards of productivity. PICT has built a new Customer Services facility at the entrance of the Terminal with improved systems and increased number of counters to deal with more customers at the same time. Customers can now find out the status of their containers through a newly introduced automated mobile SMS facility. Azim Gate Building has been commissioned to have most of PICT's departments under one roof. Azim Gate comprises of new eight lane entry and exit lanes to reduce traffic congestion at the entrance of the Terminal. PICT has enhanced the Customs Examinations Area to accommodate larger number of Containers for grounding and examinations by the Customs. PICT has reduced its carbon emissions and its fuel bill by converting its Rubber Tyred Gantry Cranes from diesel power to electric-power. We are now exploring methods to further reduce our diesel costs by looking into the possibility of introducing Heavy Fuel Oil based gensets in our Power Plant.

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

KARACHI:

Dated: October 25, 2011

For and on behalf of the Board

Capt. Zafar Iqbal Awan

Chief Executive

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2011**

	Note	September 30, 2011 (Un-Audited)	June 30, 2011 (Audited)
ASSETS			
----- (Rs. in thousands) -----			
NON-CURRENT ASSETS			
Property, plant and equipment		5,424,949	5,548,063
Intangible assets		47,887	51,307
Long-term investments	4	-	425,000
Long-term deposits		83,705	83,705
		<u>5,556,541</u>	<u>6,108,075</u>
CURRENT ASSETS			
Stores and spares		324,533	340,791
Trade debts - unsecured		322,738	227,340
Advances - Unsecured considered good		94,380	69,727
Deposits and prepayments		223,320	16,724
Other receivables		19,130	21,638
Short term Investments		563,744	548,004
Cash and bank balances		1,641,277	1,702,396
		<u>3,189,122</u>	<u>2,926,620</u>
TOTAL ASSETS		<u><u>8,745,663</u></u>	<u><u>9,034,695</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up capital		1,271,532	1,271,532
Unappropriated profit		<u>3,181,735</u>	<u>3,409,418</u>
		4,453,267	4,680,950
NON-CURRENT LIABILITIES			
Long-term financing	5	1,781,794	1,852,896
Liabilities against assets subject to finance lease		113,484	113,485
Deferred tax liability		1,098,307	1,087,306
Staff compensated absences		34,928	34,928
		<u>3,028,513</u>	<u>3,088,615</u>
CURRENT LIABILITIES			
Trade and other payables		574,345	608,635
Accrued interest		74,427	51,287
Taxation-net		107,069	70,014
Current maturity of long-term financing		448,133	475,285
Current maturity of liabilities against assets subject to finance lease		59,909	59,909
		<u>1,263,883</u>	<u>1,265,130</u>
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		<u><u>8,745,663</u></u>	<u><u>9,034,695</u></u>

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

CAPT. ZAFAR IQBAL AWAN
Chief Executive

AASIM AZIM SIDDIQUI
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2011
(UN-AUDITED)**

	For the quarter ended September 30, 2011 (Un-Audited)	For the quarter ended September 30, 2010 (Un-Audited)
	----- (Rs. In thousands) -----	
Turnover - net	1,684,742	1,392,134
Terminal operating costs	894,330	823,612
Gross profit	790,412	568,522
Administrative expenses	161,107	105,258
Other operating income	55,604	35,241
	684,909	498,505
Finance costs	184,509	33,544
Other Charges	10,755	28,588
Profit before taxation	489,645	436,373
Taxation	171,564	159,135
Profit after taxation	318,081	277,238
Earnings per ordinary share - Basic	2.87	2.49 (Restated)
Earnings per ordinary share - Diluted	2.50	2.18

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

CAPT. ZAFAR IQBAL AWAN
Chief Executive

AASIM AZIM SIDDIQUI
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2011
(UN-AUDITED)**

	For the quarter ended September 30, 2011 (Un-Audited)	For the quarter ended September 30, 2010 (Un-Audited)
	----- (Rs. In thousands) -----	
Profit for the period after tax	318,081	277,238
Other comprehensive income - net of taxation	-	-
Total comprehensive income for the period	<u><u>318,081</u></u>	<u><u>277,238</u></u>

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

CAPT. ZAFAR IQBAL AWAN
Chief Executive

AASIM AZIM SIDDIQUI
Director

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2011
(UN-AUDITED)**

	Note	For the quarter ended September 30, 2011 (Un-Audited)	For the quarter ended September 30, 2010 (Un-Audited)
		----- (Rs. In thousands) -----	
CASH FLOWS FROM OPERATIONS	8	464,388	449,926
Tax paid		(123,509)	(28,644)
Finance costs paid		(110,247)	(34,118)
		<hr/>	<hr/>
Net cash generated from operating activities		230,632	387,164
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment & payment in relation to capital work-in-progress (Purchase) / Redemption of investments – net		(27,828)	(61,435)
Interest received		(120,765)	75,046
		38,109	33,992
		<hr/>	<hr/>
Net cash (used in) / generated from investing activities		(110,484)	47,603
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing – net		(181,267)	(43,368)
Lease rentals paid		-	-
		<hr/>	<hr/>
Net cash used in financing activities		(181,267)	(43,368)
		<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents		(61,119)	391,399
Cash and cash equivalents at the beginning of the period		1,702,396	1,026,175
		<hr/>	<hr/>
Cash and cash equivalents at the end of the period		1,641,277	1,417,574

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

CAPT. ZAFAR IQBAL AWAN
Chief Executive

AASIM AZIM SIDDIQUI
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2011
(UN-AUDITED)**

	Issued, Subscribed, and paid-up Capital		Un-appropriated Profit	Total
	Ordinary Shares	Redeemable Preference Shares		
	----- (Rs. In thousands) -----			
Balance as at June 30, 2010	1,091,532	180,000	2,446,444	3,717,976
Profit for the period			277,238	277,238
Other Comprehensive Income			-	-
Total comprehensive income			277,238	277,238
Balance as at September 30, 2010	1,091,532	180,000	2,723,682	3,995,214
Balance as at June 30, 2011	1,091,532	180,000	3,409,418	4,680,950
Profit after taxation for the period			318,081	318,081
Other Comprehensive income			-	-
Total Comprehensive Income			318,081	318,081
Specie dividend on ordinary shares in ratio of 1 ordinary share of Pakistan International Bulk Terminal Limited for every 2 shares of the Company held			(545,764)	(545,764)
Balance as at September 30, 2011	1,091,532	180,000	3,181,735	4,453,267

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

CAPT. ZAFAR IQBAL AWAN
Chief Executive

AASIM AZIM SIDDIQUI
Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2011
(UN-AUDITED)**

1. CORPORATE INFORMATION AND OPERATIONS

- 1.1.** Pakistan International Container Terminal Limited (the Company) was incorporated in Pakistan as a private limited company in June 2002. Subsequently, it was converted to an unquoted public limited company and is now listed on the Karachi Stock Exchange. The registered office of the Company is situated at 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi. The terminal office of the Company is located at berth 6 to 9, East Wharf, Kemari Road, Karachi Port.
- 1.2.** The Company has a Build Operate Transfer (BOT) contract with Karachi Port Trust (KPT) for the exclusive construction, development, operations and management of a common user container terminal at Karachi Port for a period of twenty-one years commencing June 18, 2002.

2. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements are un-audited and are being submitted to the shareholders in accordance with Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", as applicable in Pakistan. These financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the company for the year ended June 30, 2011.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of annual published financial statements of the company for the year ended June 30, 2011.

4. LONG TERM INVESTMENT - at cost

Unquoted subsidiary

Number of ordinary shares of Rs.10/- each		Activity	Holding		September 30, 2011 (Un-Audited)		June 30, 2011 (Audited)	
September 30, 2011 (Un-Audited)	June 30, 2011 (Audited)		September 30, 2011	June 30, 2011	September 30, 2011 (Un-Audited)	June 30, 2011 (Audited)		
-	42,500,007	Pakistan International Bulk Terminal (Private) Limited	Bulk Terminal	%	%	(Rupees in thousands)	-	425,000

- 4.1** During the quarter ended September 30, 2011 Pakistan International Bulk Terminal Limited (PIBTL) has further issued 12.077 million ordinary shares of Rs.10/- to the Company, increasing the carrying amount to Rs 545.77 million. The Board of Directors in its meeting held on 11 July 2011 proposed to distribute 54.577 million ordinary shares (100% of the issued, subscribed and paid up capital) of the 'subsidiary company', having face value of Rs.10/- each, to the members of the Company as 'specie dividend' in the ratio of 1:2, i.e. one ordinary share of PIBTL for every two ordinary shares held of the existing issued, subscribed and paid up capital of the Company. The members approved the said distribution at the Extra Ordinary General Meeting (EOGM) held on 03 August 2011 thereby resulting in ceasing of the Company's equity holding in PIBTL.

	September 30, 2011 (Un-Audited)	June 30, 2011 (Audited)
	----- (Rs. in thousands) -----	
5. LONG-TERM FINANCING - secured		
<u>International Finance Corporation (IFC)</u>		
First Loan	-	185,247
- Loan A	-	129,075
- Loan C	-	314,322
Second Loan	-	309,780
Third Loan	-	86,051
Fourth Loan	-	860,500
	-----	1,570,653
<u>OPEC Fund for International Development (OFID)</u>		
First Loan	-	185,247
Second Loan	-	309,780
Third Loan	-	32,269
Fourth Loan	-	258,150
	-----	785,446
	-	2,356,099
<u>BANK</u>		
Faysal Bank Limited - note 5.1 & 5.2	2,240,666	-
	2,240,666	2,356,099
Less:		
- Unamortized transaction costs	10,739	27,918
- Current maturity of long-term financing	448,133	475,285
	458,872	503,203
	1,781,794	1,852,896

5.1 During the period, the Company obtained a local currency loan facility of Rs. 2,500 million from a commercial bank and fully paid off the outstanding foreign currency loans amounting to Rs. 2,328 million as at June 30, 2011 which were payable in different installments by January 15, 2018. The company drawn down Rs. 2,241 million out of the total sanctioned limit, and the remaining outstanding limit after the draw down was cancelled.

5.2 The principal terms and conditions of the above loan are summarized as follows:

- The loan is repayable in 10 equal installments on six-monthly basis starting from January 15, 2012 and then on each mark-up payment date at a mark-up rate of six month KIBOR plus 1.75% per annum. The mark-up is payable on six-monthly basis in arrears.
- The loan is secured by way of pari passu charge on all plant and machinery located at the project site.

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 During the year ended June 30, 2007, the Trustees of the Port of Karachi filed a civil suit against the Company in the Honorable High Court of Sindh alleging mis-declaration of the category of goods upon import by the Company of Quayside Container Crane and Rubber Tyred Gantry Cranes in the year 2004 and claiming a sum of Rs. 101.5 million being additional wharfage charges and Rs 203 million as penalty, with interest. According to the opinion of the legal counsel of the Company, there is no merit in this claim and hence there is a remote possibility that the case would be decided against the Company. Further, the legal counsel has also stated that, in any case, the penalty imposed will be disallowed by the Honorable High Court. In view thereof, no provision is considered necessary to be made in these financial statements.

6.1.2 During the year ended June 30, 2007, the Company has filed a interpleader civil suit against the Deputy District Officer, Excise and Taxation and the Trustees of the Port of Karachi (KPT) in the Honorable High Court of Sindh against the demand raised by the Deputy District Officer, Excise and Taxation under Section 14 of the Property Tax Act, 1958 to pay the property tax amounting to Rs. 34.6 million for the period from 2003 to 2007 out of the rent payable to KPT. The Honorable High Court of Sindh granted a stay order to Company ensuring that no coercive action is taken against the Company in due course until the case has been finalized. According to the opinion of the legal counsel of the Company, there is full merit in this suit and the property tax imposed will be disallowed by the Honorable High Court. In view thereof, no provision is considered necessary to be made in these financial statements

September 30, 2011 (Un-Audited)	June 30, 2011 (Audited)
----- (Rs. in thousands) -----	

6.2 Commitments

6.2.1 Commitments for capital expenditure
Civil works

	15,000	15,000
--	---------------	---------------

6.2.2 Letter of Guarantees

	87,350	86,050
--	---------------	---------------

6.2.3 Letters of Credit

	11,218	16,624
--	---------------	---------------

7. RELATED PARTIES TRANSACTIONS

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

	For the quarter ended September 30, 2011 (Un-Audited)	For the quarter ended September 30, 2010 (Un-Audited)
	----- (Rs. In thousands) -----	
Subsidiary Company		
Pakistan International Bulk Terminal (Private) Limited		
Issue of share capital	12,077	-
Major shareholders		
<i>Premier Mercantile Services (Private) Limited</i>		
Stevedoring Charges	171,223	148,629
Storage Charges	7,704	8,296
Equipment Charges	6,900	6,900
Entities having directors in common with the Company		
<i>Premier Software (Private) Limited</i>		
Software maintenance charges	900	825
<i>Marine Services (Private) Limited</i>		
Revenue from container handling	4,499	261
<i>Port Link International (Private) Limited</i>		
Revenue from container handling	1,553	75
<i>AMI Pakistan (Private) Limited</i>		
Revenue from container handling	72	23
<i>Travel Club (Private) Limited</i>		
Traveling expenses	2,029	2,345
Rabia Azeem Trust		
Donation	2,152	500
Organization for Social Development Initiative		
Donation	2,400	8,600
7.1 Staff retirement contribution plan		
Contribution to staff provident fund	4,129	3,519

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

For the
quarter ended
September 30,
2011
(Un-Audited)

For the
quarter ended
September 30,
2010
(Un-Audited)

----- (Rs. In thousands) -----

8. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	489,645	436,373
Adjustments for non-cash items:		
Depreciation & Amortization	180,605	127,953
Finance costs	184,509	43,625
Exchange Loss	-	19,892
Fair value (gain)/Loss on Derivatives	-	(10,081)
Unrealized (gain) on investment	(15,738)	(1,249)
Interest income	(55,604)	(35,241)
	293,772	144,899
Operating profit before working capital changes	783,417	581,272
(Increase) in current assets		
Stores and spares	16,258	6,987
Trade debts	(95,398)	(117,344)
Advances, deposits, prepayments and other receivables	(228,739)	(93,787)
	(307,879)	(204,144)
	475,538	377,128
(Decrease) / Increase in current liabilities		
Trade payables, accrued and other liabilities	(11,150)	72,798
Cash generated from operations	464,388	449,926

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue by the Board of Directors of the Company on October 25, 2011.

10. GENERAL

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

CAPT. ZAFAR IQBAL AWAN
Chief Executive

AASIM AZIM SIDDIQUI
Director