Pakistan International Container Terminal Limited





10 YEARS OF EXPERIENCE COMMITMENT AND SERVICE





ANNUAL REPORT 2012


PAKISTAN INTERNATIONAL CONTAINER TERMINAL
ZPMC PICT SWL41T 1
ZPMC PICT SWL41T 2

Contents

Vision

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

Mission

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

Company Information

Board of Directors

Chairman
Capt. Haleem A. Siddiqui

Chief Executive Officer
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

Human Resource Committee

Chairman
Syed Nizam A. Shah

Members
Mr. Aasim Azim Siddiqui
Mr. Ali Raza Siddiqui

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

Legal Advisors
Kabraji & Talibuddin, 64-A/1,
Gulshan-e-Faisal, Bath Island, Karachi.

Usmani & Iqbal,
6th Floor, Business Centre, Mumtaz Hassan Road,
Karachi.

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

Bankers
Faysal Bank Limited
Samba Bank Limited
Dubai Islamic Bank Pakistan Limited
National Bank of Pakistan
Habib Bank Limited
JS Bank Limited
United Bank Limited
Standard Chartered Bank (Pakistan) Limited
HSBC Bank Middle East Limited
Albaraka Islamic Bank Limited

Registered & Head Office
2nd Floor, Business Plaza, Mumtaz Hassan Road,
Karachi.
Tel. 92-21-32400450-3 Fax. 92-21-32400281

Terminal
Berth 6-9, East Wharf Karachi.
UAN. 111-11-PICT (7428)
Fax. 92-21-32855715

Registrar / Transfer Agent
Technology Trade (Pvt.) Ltd.
241-C, Block-2, P.E.C.H.S., Karachi.
Tel: 92-21-34391316-7

Board of Directors

Capt. Haleem A. Siddiqui
Chairman

Capt. Zafar Iqbal Awan
Chief Executive

Aasim A. Siddiqui
Director

Sharique A. Siddiqui
Director / COO

Nizam A. Shah
Director

Ali Raza Siddiqui
Director

M. Masood Ahmed Usmani
Director / CFO

Arsalan I. Khan
Company Secretary

Management Team

Front Row: (Left to right)
Mr. Mohsin Mushtaq, Mr. Saud Ur Rehman, Mr. M. Zahid Ahmed, Capt. (R) Shaheen Pervez, Mr. M. Masood Ahmed Usmani, Cdre. (R) Salim Ahmad Siddiqui, Capt. Haleem A. Siddiqui, Capt. Zafar Iqbal Awan, Mr. Sharique Azim Siddiqui, Mr. Mumtaz Hassan Penkar, Col (R) Nadeem Gulzar Syed Masroor-ul-Hassan, Mr. Mobin Ahmed Qureshi, Moazzam Ali and Capt. Ibrahim Zaheer Khan

Back Row: (Left to right)
Mr. Rizwan Ahmed Khan, Mr. Kamran Samad, Syed Ziauddin, Mr. Riaz Ahmed Khan, Mr. Safdar Abbas, Mr. Mohammad Atiq, Mr. Perveiz Ahmed Khan, Mr. Waqar Ali Khan, Capt. Afzal Shaikh, Mirza Mujeeb Baig, Mr. Sharaf Basit Alavi, Syed M. Imran Moosa, Mr. Noman Yousuf and Syed Asad Ali,

OPERATIONS DIVISION

ENGINEERING DIVISION

FINANCE DIVISION

Notice of the 11th Annual General Meeting

Notice is hereby given that the 11th Annual General Meeting of Pakistan International Container Terminal Limited will be held at Beach Luxury Hotel, Karachi, on October 25, 2012 at 12:30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Extra Ordinary Meeting of the Company held on February 24, 2012.

2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2012 together with Auditors` and Directors` Reports thereon.

3. To appoint Auditors of the Company for the financial year ending June 30, 2013 and to fix their remuneration. The present auditors, being eligible, have offered themselves for re-appointment.

4. To approve interim dividend in cash @ 125% i.e. Rs. 12.5/- per ordinary share of Rs.10/- each, which has already been announced and paid in March 2012, to the ordinary shareholders of the Company.

5. To approve pro-rata cash dividend @10% i.e. Rs. 1 per preference share on the outstanding 18,000,000 Preference Shares of the company and the redemption of entire Rs. 180,000,000 being the face value of the preference shares to the preference shareholders of the Company.

6. To transact any other business with the permission of the Chair.

The statement under Section 4(2) of SRO 27 (i) 2012 dated January 16, 2012 is annexed with this notice to the members.

By order of the Board

Arsalan I. Khan
Company Secretary

Karachi: October 04, 2012

NOTES:

1. The Share Transfer Books of the Company will be closed and no transfer will be accepted for registration from October 18, 2012 to October 25, 2012 (both days inclusive).

2. A Member of the Company, entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy to attend, speak and vote instead of him/her and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Annual General Meeting as are available to the Member. Proxy form, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the Meeting. The proxy need not be a Member of the Company. The proxy shall produce his/her original Computerized National Identity Card (CNIC) or passport to prove his identity.

3. In case of corporate entity, the Board of Directors'/Trustees' resolution/power of attorney with specimen signature of the nominee shall be submitted with the proxy form to the Company, and the same shall be produced in original at the time of the meeting to authenticate the identity.

4. Members are requested to notify any change in their addresses immediately to our Registrar Technology Trade (Pvt.) Ltd., 241-C, P.E.C.H.S., Block 2, Karachi.

5. Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) are requested to send the same to our Registrar at the above address at the earliest.

6. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING

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

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

B. FOR APPOINTING PROXIES

i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement (note 2 above).

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his original CNIC or original passport at the time of the meeting.

v. In case of corporate entity, the Board of Directors'/Trustees' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) alongwith proxy form to the Company.

STATEMENT UNDER SECTION 4(2) OF SRO 27 (I) 2012 DATED JANUARY 16, 2012

The total cumulative investment of Rs. 6,100,000/- was approved by the shareholders of the company in its 10th AGM held on October 03, 2011 and in its 9th AGM held on October 13, 2010 in the share capital of the Pakistan International Bulk Terminal Limited (PIBT) of which the company has made equity investment of Rs. 545,765,760/-in 54,576,576 ordinary shares of Rs. 10/- each of PIBT upto July 04, 2011.

Further, the shareholders in 10th AGM held on October 03, 2011 also approved the loan /advance to PIBT for an amount not exceeding Rs. 1,000,000,000/-. To date the company has not disbursed any loan/advance to PIBT.

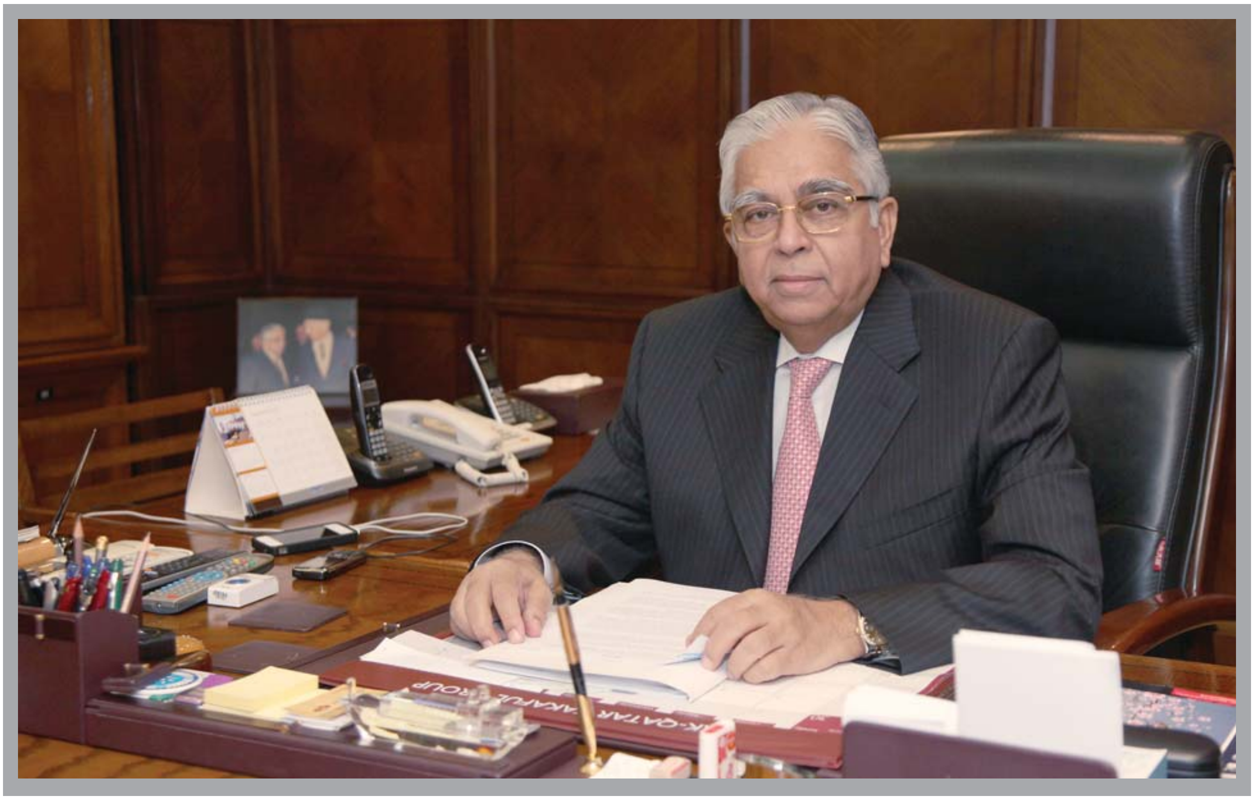
The approval from the shareholders was taken to invest in PIBT from time to time either through subscribing to the shares of PIBT or making an advance or loan. However, the company made no further investment in the equity of PIBT since July 04, 2011.

Further investment in the equity of PIBT could not be made due to the fact that BOD of PIBT has not resolved to issue further shares in PIBT since July 4, 2011. Accordingly the company made investment in PIBT to the extent it was offered.

PICT in its EOGM held on August 03, 2011 declared the specie dividend in which the 54,576,576 ordinary shares of PIBT, held by the company, were approved to be distributed among the shareholders of the company. Consequently, PIBT seizes to be the wholly owned subsidiary of the company.

The BOD of the company received a firm intention to acquire the shares of the company from ICTSI Mauritius Limited to acquire shares upto 55% of the share capital of the company. Considering the situation in respect of acquisition of the share of PICT, the BOD has decided/resolved not to invest any further in PIBT.

Chairman's Review



I am pleased with the efforts made by the management of PICT for achieving growth in the revenues of the company in financial year 2011-12, inspite the tough economic and trade conditions within the country and internationally. The company has handled 631,411 TEUs (Twenty Foot Equivalent Container Units) during the year as compared to 669,806 TEUs last year. Our revenues have grown by 9% and consequently net profits before tax have seen a growth of 2%. Our growth has been commendable ever since we started commercial operations in 2002. All this has been possible by the Grace of God with the full dedication of our team of professionals.

Our priority is to add shareholder value by reinvesting our earnings in the company to support our expansion plans in order to capture a significant share in the growth in Pakistan's container throughput.

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.

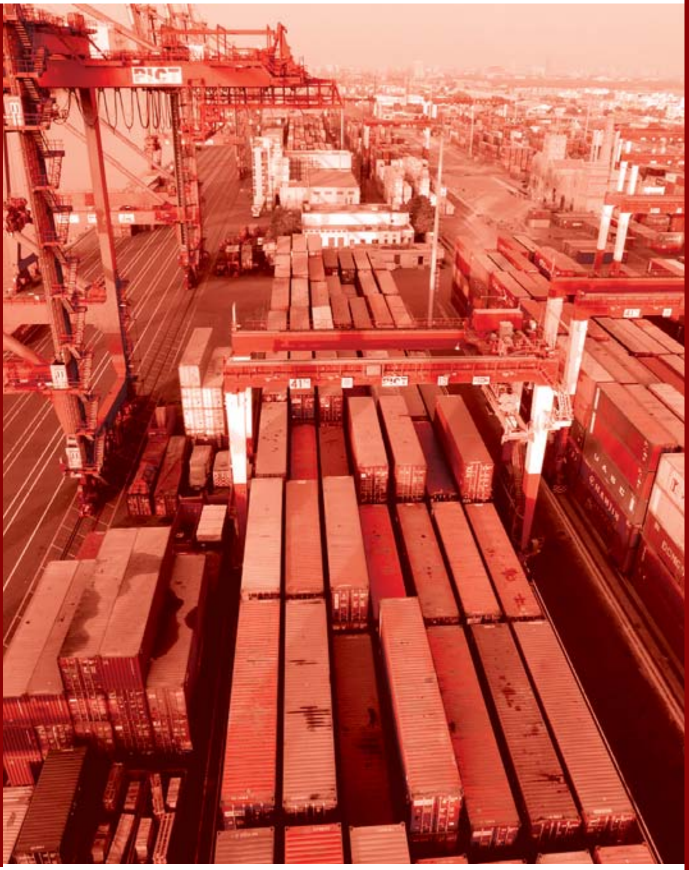
During the year, on March 6, 2012, ICTSI Mauritius Limited ("ICTSI") a company established under the laws of Mauritius, expressed its interest to acquire 35% - 55% of the voting shares or control of the company making a public announcement of intention in accordance with the provisions of "Listed Companies (Substantial Acquisition of Voting Shares and take-overs) Ordinance, 2002" (the take over ordinance) in relation to that, on March 30, 2012, ICTSI has entered into a Share Purchase Agreement with the majority shareholders of the company (together the "sellers group"), pursuant to which the sellers group agreed to sell upto 35% of the shares to ICTSI, @ Rs. 150/- per share, subject to the acquisition of the shares from the public pursuant to a tender offer ("Tender Offer"). The tender offer has been made through a public announcement, which was published, in local newspapers on August 10, 2012 in accordance with the provisions of Take Over Ordinance and the related legal and procedural formalities will be completed in due course.

I believe that this proposed purchase of voting shares will significantly add value in terms of synergies and operational efficiencies from a globally recognised Terminal Operating Company, ICTSI. On behalf of PICT, I would like to thank the management of KPT, our Lenders, our clients and our valued shareholders.

Our objective remains to continue to build the first Pakistani-owned container terminal in the country into a leading container terminal operator in Pakistan and to successfully operate at international norms of productivity and service, and to be second to none.

Capt. Haleem A. Siddiqui
Chairman
Karachi: September 10, 2012

Our priority is to add shareholder value by reinvesting our earnings in the company to support our expansion plans in order to capture a significant share in the growth in Pakistan's container throughput.

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Directors' Report

The Directors have pleasure in presenting the Annual Report together with the audited Financial Statements of the Company for the year ended June 30, 2012.

During the last year, PICT has shown progress in terms of growth in company revenues and profits despite the marginal decrease in the container handled during the period. The significant milestones achieved were the following:

- 24 percent growth earnings before interest tax depreciation and amortization to Rs. 3, 265.73 (2011: 2,632.33) million
- 9 percent growth in annual revenues to Rs. 6,692.32 (2011: Rs. 6,123.78) million;
- 6 percent decrease in annual container throughput to 631,411 TEUs (Twenty Foot Equivalent Container Units) (2011: 669,806 TEUs);
- 2 percent increase in profits before tax to Rs. 2,170.82(2011: Rs. 2,128.81) million.

Future Outlook:

During the year, on march 6, 2012, ICTSI Mauritius Limited (ICTSI) a company established under the laws of Mauritius, expressed its interest to acquire 35% - 55% of the voting shares or control of the company making a public announcement of intention in accordance with the provisions of "Listed Companies (Substantial Acquisition of Voting Shares and take-overs) Ordinance, 2002" (the take over ordinance) in relation to that, on March 30, 2012, ICTSI has entered into a Share Purchase Agreement with the majority shareholders of the company (together the "sellers group"), pursuant to which the sellers group agreed to sell upto 35% of the shares to ICTSI, @ Rs. 150/- per share, subject to the acquisition of the shares from the public pursuant to a tender offer ("Tender Offer"). The tender offer has been made through a public announcement which was published in local news papers on August 10, 2012 in accordance with the provisions of Take Over Ordinance and the related legal and procedural formalities will be completed in due course.

The Board of Directors of your company believes that this proposed purchase of voting shares will add value in terms of synergies and operational efficiencies from a globally recognised Terminal Operating Company.

Operational Performance

The Company has shown growth in terms of revenue despite the marginal decrease in the containers handled during the period. During the year, the Company has handled 631,411 TEU's as compared to 669,806 TEU's in the last year showing a decrease of 6%. This decrease in volume is mainly attributable to the decline in exports volume. During the year the total volume of TEUs handled in the country were also decreased, however, your company has managed to sustain the pressures and has retained its percentage share of the total TEUs handled in the country.

Financial Performance

The Company's turnover has reached Rs. 6,692.315 million during the year showing an increase of 9% in revenues as compared to last year i.e. from Rs. 6,123.78 million to Rs.6,692.32 million.

Gross profit for the year has amounted to Rs. 2,966.43 million (2011: Rs. 2,599.12 million). Gross margins for the year have also shown a slight improvement to be at 44% as compared to 42% last year.

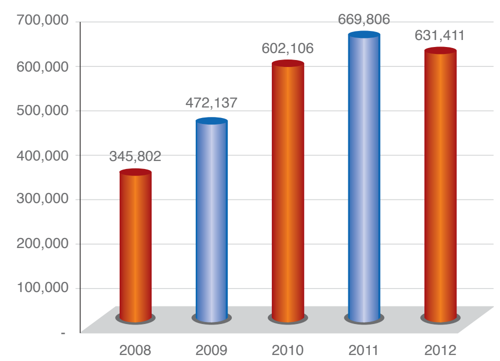
The Company has posted a pre-tax profit of Rs. 2,170.82 million (2011: Rs. 2,128.81 million) showing an increase of 2% from last year. During the year post-tax profits of the company stood at of Rs. 1,410.04 million (2011: Rs. 1,253.86 million) showing an increase 12% from last year figures.

Financial Results

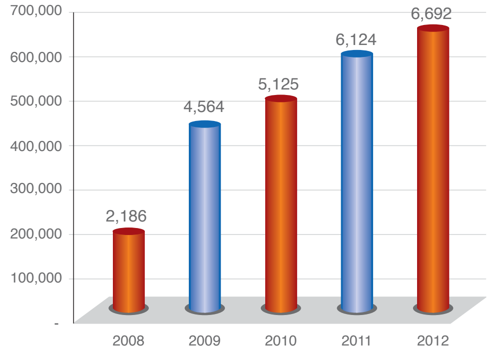
These are summarized below:

	Rs in 000's
Profit before taxation	2,170,819
Taxation	(760,779)
Profit after tax	1,410,040
Un-appropriated profit brought forward	3,409,418
Final dividend for the year ended June 30, 2011- Preference Shares	(18,000)
Final Dividend for the year ended June 30, 2011 - Ordinary Shares	(436,611)
Dividend on pro-rata basis for the year 2012 - Preference Shares	(18,197)
Interim Dividend for the year 2012 - Ordinary Shares	(1,364,411)
Specie Dividend for the year 2012 - Ordinary Shares	(545,770)
Un-appropriated profit carried forward	2,436,469
EPS- Basic	Rs. 12.75
EPS- Diluted	Rs. 11.09

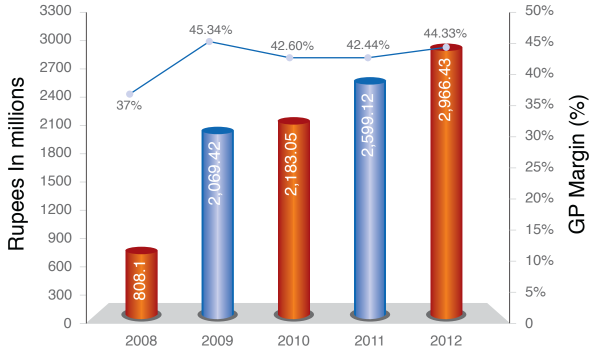
Annual Volume in TEU's (Twenty Foot Equivalent Unit)



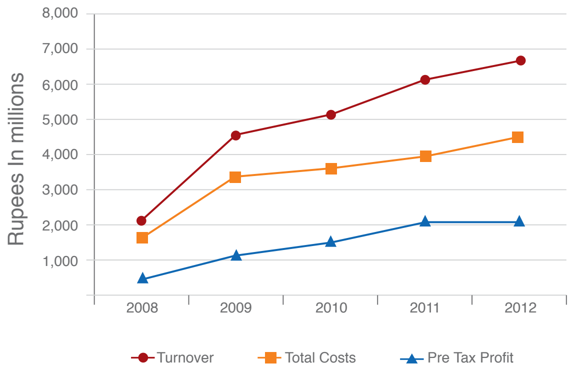
Annual Turnover - Rupees in millions



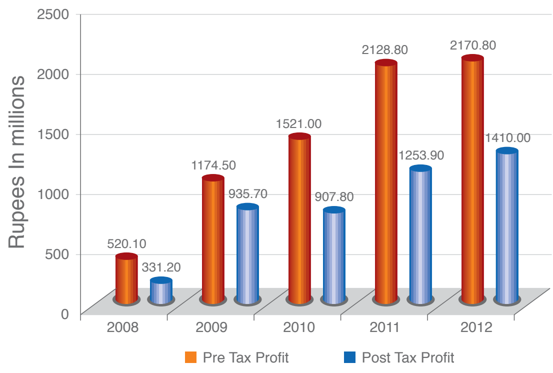
Gross Profit Analysis



Revenue & Cost Analysis



Pre & Post Tax Profit Analysis



During the year the Board of Directors in its meeting held on July 11, 2011 has proposed to distribute 54.577 million ordinary shares (100% of the issued, subscribed and paid up capital) of its subsidiary company, Pakistan International Bulk Terminal (Private) Limited (PIBTL), 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 have approved the said distribution at the Extra Ordinary General Meeting (EOGM) held on August 3, 2011 thereby resulting in ceasing of the Company's equity holding in PIBTL.

During the year the Board of Directors in its meeting held on March 13, 2012 Company has declared interim cash dividend @ 125% (Rs. 12.50 per ordinary share) amounting to Rs. 1,364.411 million for the year ending June 30, 2012. The dividend warrants in respect of this interim dividend were dispatched March 27, 2012 to the ordinary shareholders.

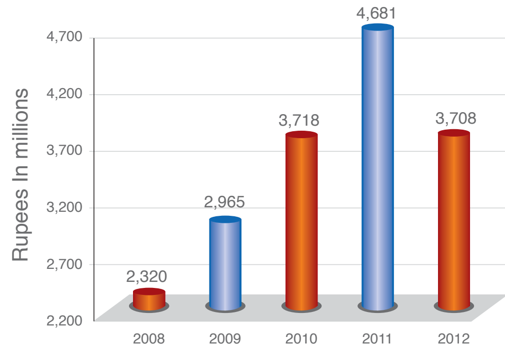
During the year Board of Directors in its meeting held on April 30, 2012 has resolved, in terms of the SECP's approval dated February 28, 2005 vide cause (g) of the terms and conditions thereof for issue of 10% Redeemable Cumulative Series A Preference Shares to exercise the option to call and redeem the said 18,000,000 shares at Rs. 10/- (par value) along with the pro-rata dividend these preference shares on July 4, 2012. Accordingly, as per the provisions of section 85 of the Companies Ordinance, 1984, subsequent to the year end the company has made an equity adjustment in the financial statements transferring a sum equal to the amount to be applied in redeeming the shares from undistributed reserves to a reserve fund, called "Capital Redemption Reserve Fund" and has dispatched the Preference Shares Redemption Warrants and the related pro-rata dividend warrants on July 5, 2012.

The approval of the members for the dividends will be obtained at the Annual General Meeting to be held on October 25, 2012.

Share Holders' Equity & Capital Gearing

At the year end, the shareholders' equity stood at Rs. 3,708.00million (2011: Rs. 4,680.95 million). Debt to Equity ratio is 40:60 as compared to 35:65 last year due to the swapping of the foreign currency loans with the local currency loans during the year.

Share Holders' Equity



The interest coverage for the year is 6.21 times as compared to 14.45 times last year. Current ratio at the year-end stood at 1.92 as compared to 2.31 last year.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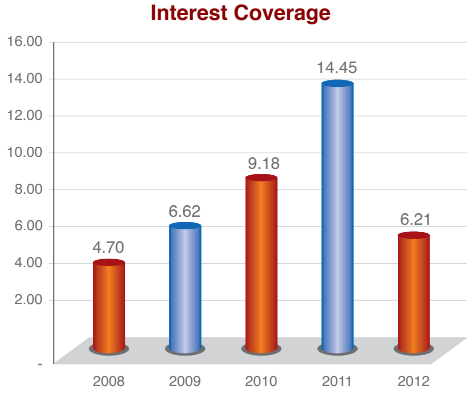
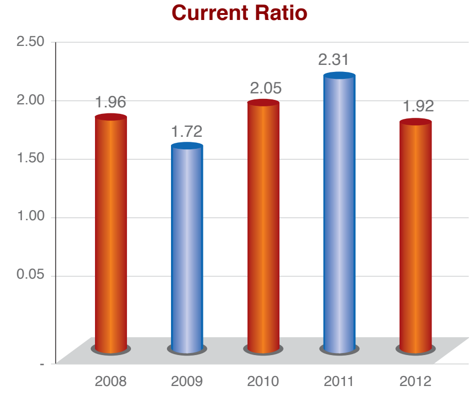




Integrated Management System (IMS)

PICT is the first Container Terminal in Pakistan to have an IMS Certification from Bureau Veritas Quality International. IMS integrates the main parameter of ISO9001:2008 (Quality Management System), ISO14001:2008 (Environment Management System) and OSHAS 18001:2008 (Occupational Safety and Health Standards). By complying with all the three standards we are committed to follow the World Bank Guidelines on Quality, Environment, Health and Safety.

Health Safety & Environment

The Company has implemented the ISO 9001:2008 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health & Safety Management System) certification through a recognized consultant.

ISPS Code Compliant Terminal

PICT is compliant with the International Ship and Port Facility Security Code whereby the Terminal facility is well equipped to deal with security threats and respond to potential emergencies. Furthermore, the Terminal is equipped with a camera surveillance system and monitors the entry of all vehicles into the Terminal.

Credit Rating by JCR-VIS

JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned entity credit rating of A + (Single A Plus) and A-1 (A One) for the medium to long-term and short-term respectively to the Company with "Rating Watch-Positive" status.

Auditors

The auditors M/s Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants retire and being eligible they have offered themselves for reappointment. The Audit Committee has recommended the reappointment of the retiring auditors for the year ending June 30, 2013 and the Board agrees to the recommendation of the Audit Committee.

Compliance with the Code of Corporate Governance

The compliance with the Code of Corporate Governance set out by the Karachi Stock Exchange in the listing regulations, relevant for the year ended June 30, 2012 have been duly complied with. A statement to this effect is annexed with the report.

Board of Directors

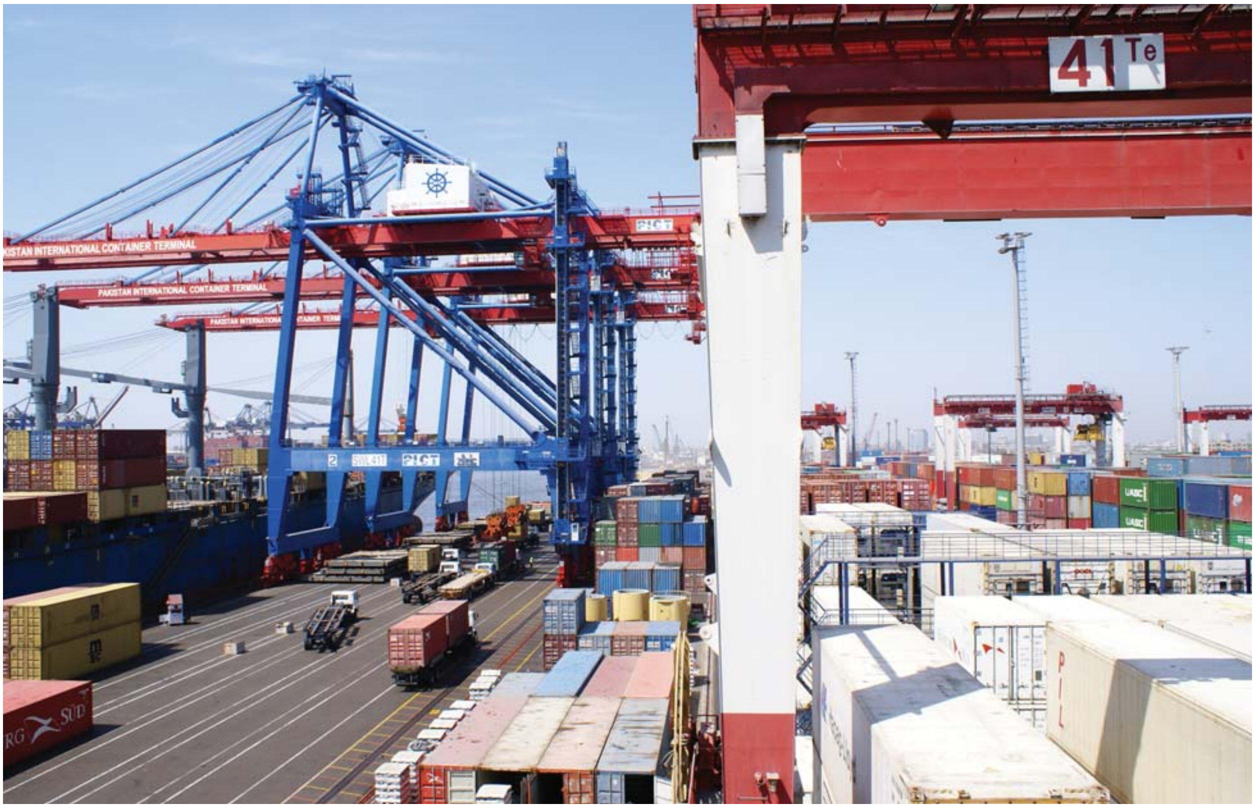
During the year four meetings of the Board of Directors of the Company were held.

These were attended as follows:

Name of Directors	Meetings Attended
Capt. Haleem A. Siddiqui	7
Capt. Zafar Iqbal Awan	5
Mr. Aasim A. Siddiqui	7
Mr. Sharique A. Siddiqui	6
Syed Nizam A. Shah	6
Mr. Ali Raza Siddiqui	7
Mr. Masood Ahmed Usmani	7

Audit Committee

During the year four meetings of Audit Committee were held.



Corporate Governance and Financial Reporting Framework:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- 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 judgment.
- International Accounting Standards, as applicable in Pakistan, 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 the best practices of corporate governance, as detailed in the Listing Regulations.
- There has been no departure from the best practices of transfer pricing, as detailed in the Listing Regulations.
- The key operating and financial data is annexed.
- The value of investments of provident fund based on their un-audited accounts as on June 30, 2012 was Rs. 162 million.
- Details of purchase/sale of shares of the company by its directors, CEO, CFO, Company Secretary and their spouses and minor children are given on page 77.
- Pattern of shareholding is included in the annexed shareholders' information.

Code of Ethics & Business Principles

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

Corporate Social Responsibility

Pakistan International Container Terminal Limited embraces responsibility for the impact of its activities on the environment, consumers, employers, communities and all other stakeholders of the public sphere. In the past year, PICT has undertaken various initiatives in the areas of health, safety, education, environmental protection and preservation and other social activities of individuals and groups, attached directly or indirectly to its business activities.

The following describes the scope of PICT's CSR programs:

The development of an enterprise is inextricably linked to the welfare and well-being of the people associated with it. In order for a business to be sustainable in the long run, it must monitor and ensure its adherence to ethical standards and international norms. Corporate Social Responsibility (CSR) is a choice that an organization makes to implement strategies and processes that will produce a lasting beneficial impact on society. It is a multi-layered process which involves the company's relations with the people and the environment in the communities in which it operates.

PICT's corporate responsibility strategy focuses on giving back to its environment by protecting and nourishing it and by looking after the comfort and security of its immediate workforce. Since its inception, PICT has undertaken various initiatives in the areas of health, safety, education, environmental protection and preservation, and other social activities of individuals and groups, attached directly or indirectly to its business activities.

Awards & Achievements

MAP's 28th Corporate Excellence Award: PICT has won the 28th Corporate Excellence Award in April, 2012. The award competition was organized by Management Association of Pakistan.

7th EFP OSH&E Award:

PICT has won the 7th EFP Best Practices Award on OSH&E receiving 2nd prize in the Services Sector in April, 2012. The award competition was organized by Employers' Federation of Pakistan.

NFEH 9th AEE Award 2012:

PICT has also won the 9th Environment Excellence Award 2012 organized by National Forum for Environment & Health.

Social Responsibility Strategy:

At PICT, we believe integrating evolving social and environmental dynamics into our business operations is critical for a business to flourish and become truly sustainable. We pride in the scrupulous way we take care of the needs of all our stakeholders including our future generations to come. The following describe the scope of PICT's CSR activities:

I. Environmental Protection Measures

Due to the pressures of population and technology, our biophysical environment has deteriorated over the years, especially in urban areas which are highly industrialized. At PICT we believe that there is concrete value in taking initiatives that lead to environmental protection. PICT has an IMS policy which covers the following three standards: ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007. The following measures have been undertaken to ensure environmental protection:

- **Reducing Emissions:** A conversion project of 10 old diesel operated RTGs into electrically operated RTGs has been completed. In addition to this all the old RTGs have been converted to electrically operated RTGs with the indigenous efforts of our Engineering Team. This will reduce fuel consumption and ultimately emissions. In addition, necessary environmental monitoring including emission testing of terminal equipment is also being performed at set intervals.

- **Sewerage Treatment Plant:** 2 Sewage Treatment Plants have been installed; one at the new Executive Block and the second at the new expansion at the terminal. The capacities of these sewage treatment plants are roughly 20 and 22 m3/ day. Furthermore, effluent testing is also being carried out regularly in order to ensure compliance against the applicable requirements.

- **Waste Management:** Waste generated is segregated into hazardous and non-hazardous waste and stored in separate areas where access is controlled. Disposal of waste is carried out through Authorized Waste Contractor(s) according to the requirements.

- **Oil Spill Control:** PICT has a written procedure regarding oil spill control. A secondary containment tray and saw dust, however, are also available to control any spillage. Spill Drills are carried out regularly and in case of any leakage at seaside, response is sought from the Marine Pollution Control Department.

- **Power Generation and Sound Attenuation:** PICT has its own power house which generates around 10MW of electricity and fulfills the entire domestic needs of the terminal. Louvers have been installed in the power house to achieve sound attenuation and the staff working inside the power house area, wear ear muffs as a part of personal protective equipment.

In addition to this a Leaky Container Area been developed and designated at the terminal to contain the leakage of any cargo and a proper Work Permit System is in place for hot work and work at height etc.

PICT has also encouraged the formation of a green belt inside the terminal. In this respect, date trees were planted at the terminal this year.

II. Occupational Safety and Health

PICT would like to improve the occupational health

of its employees and to eliminate or minimize any safety risks to its employees. We believe that the integration of OHSAS requirements with existing business processes achieves significant efficiencies. We implement, maintain and continually improve an Occupational Health and Safety system which covers the following areas of activity:

- **Trainings:** As part of OSHAS, safety awareness sessions and trainings are carried out on a regular basis. A total of 64 training sessions were conducted related to Occupational Safety and Health. These were attended by a total of 1031 participants. The topics covered in these sessions included terminal and workplace safety, understanding fire safety arrangements, fire fighting and response to fire operations, basic first aid and safe driving techniques etc. As a result of these trainings, there has also been a reduction in the number of injuries at the workplace and our management has noticed a better response to workplace safety guidelines among our employees

- **Ambulance/Dispensary:** PICT has arranged and manages a 24 hour dispensary and ambulance at the terminal. Further, a casualty room with basic facilities has been setup to provide first aid

treatment on the spot. This emergency facility is available to all the persons directly or indirectly involved in the day to day activities being carried out within the premises.

- **Staff sports:** PICT believes that people with healthy bodies and mind can work with maximum efficiency. To improve the performance of staff members, an open opportunity was given to all, to participate and perform in extracurricular activities. For this, a PICT cricket team has been formed, which regularly participates and plays matches at professional cricket grounds.

III. Welfare spending for under privileged classes:

PICT provides educational and medical assistance for its lower income staff. All such staff is provided with the facility of getting reimbursement for the educational and related expenses of up to two children. To meet their medical expenses, the lower salaried staff has also been facilitated by providing an allowance for OPD visits within annual limits prescribed on the basis of their salary. The company has also provided hospitalization for daily wages workers through insurance covering up to Rs. 150,000/- per individual.

In addition to this, PICT covers burial expenses for the lower salary staff in the case of the death of any family member. Also, in order to support low-paid salary staff who cannot afford to perform Hajj, PICT provides this opportunity by holding a ballot for all such employees. Every year, two employees are picked through ballot and all the expenses pertaining to the holy journey are borne by the Company.

IV. Investing in Rural Pakistan for a Secure Tomorrow

Organization for Social Development Initiatives (OSDI) was established with the support of PICT and other Marine Group companies as a think tank for poverty alleviation to produce research on sustainable development in the rural areas of Pakistan. By providing necessary resources and skills to rural communities, OSDI has improved lives through multi-faceted programs such as Livelihood Assistance, Community Development and Food Security.

The purpose of the Livelihood Assistance Programs is to enhance household incomes in rural Pakistan by means of affordable financing of agricultural inputs and livestock animals along with

training and guidance on modern farming techniques. The program is carefully measured and documented to assess the impact on savings, asset creation, expenditure, and investment patterns in rural Pakistan. Community Development Programs, on the other hand, are designed to reduce expenditures by setting up affordable services and infrastructure related to Health, Education, Clean Water, and Sanitation in communities where none existed before. Together the two programs complement each other in increasing the overall standard of living in OSDI's focus communities. Lastly, the Food Security Program meets immediate nutritional requirements, and the assets generated through it provide a safety net to vulnerable households in case of fluctuations in income in the future.

The impact of individual projects is monitored and documented in detail by OSDI so that research can influence national policy on poverty through precise data and quality research in the future. The outreach of on-going projects thus far is approximately 2,000 households covering a total number of 12,000 people in 15 villages across Sindh and Khyber-Pakhtunkhwa.

Health

This year PICT continued to fund the entire range of Health related projects under OSDI's Community Development Program in District Shikarpur, Matiari and Khairpur in Sindh and District Mardan in Khyber-Pakhtunkhwa. Quality healthcare is usually unavailable on a reliable and affordable basis in rural Pakistan. OSDI initiatives aim to fill gaps wherever there is a lack of adequate healthcare, investing in a variety of aspects such as medicines, trained health staff, lady health workers, mobile camps and primary healthcare clinics. Some of the major initiatives are detailed below:

1. **Primary Healthcare Center (PHC):** A PHC was set up in March 2011 to provide quality healthcare including qualified doctors, subsidized medicines and basic health infrastructure for 16 villages in District Shikarpur. These centers are accessible to the entire population of these villages and cater to between 10 and 15 patients daily.

   In 2012, a second PHC has become functional in District Mardan in Khyber-Pakhtoonkhwa. It is equipped with a pharmacy, a dispenser and a lady health worker, and a specialist doctor sets up medical camps every week.

2. **Hepatitis B & C prevention and Control Program:** In collaboration with the Chief Minister's Initiative for Hepatitis Free Sindh, the Hepatitis Prevention and Control Program has successfully screened 6,482 individuals (including children) in 9 villages.

is designed to first screen the entire population for the infection to estimate the prevalence of Hepatitis B & C in the focus villages. Subsequently, OSDI facilitates the treatment of Hepatitis positive patients and vaccinates the remaining community in order ensure total control of the debilitating disease.

3. **Hygiene and Nutrition Campaign:** A special Hygiene and Nutrition Campaign is being run with the support of PICT in the Temporary Learning Centers established by OSDI. The purpose of this campaign is to improve the nutrition and hygiene of the children in these communities. The campaign includes general medical check-ups, a de-worming campaign, along with provision of clean drinking water, milk and healthy biscuits for the 300 children in the focus villages. PICT's contribution towards OSDI's Health program from July 2011 till June 2012 was Rs. 3.14 million.

Education

In order to make development initiatives sustainable, it is critical to invest in education as without a literate population all other efforts may fail. OSDI is committed to bringing primary literacy to all its focus villages in Sindh and Khyber-Pakhtoonkhwa. Apart from running 2 Temporary Learning Centers in districts Khairpur and Shikarpur, OSDI adopted 2 non-functional government schools in districts Matiari and Shikarpur in 2012. Altogether, OSDI has engaged over 300 students and 6 teachers and remains committed to expanding in the next year.

In 2012, OSDI began the process of converting its successful TLC in Shikarpur into a proper school by acquiring land from within the community and starting construction of a five-room school building. The community also participated in the inauguration of the construction by providing labor and rice bags for construction. The school is expected to be ready and functional by 2013.

PICT's contribution towards OSDI's Education program from July 2011 till June 2012 was Rs. 1.04 million.

Food Security

OSDI provides households with seeds and fertilizer to grow seasonal vegetables along with training and guidance on cultivating kitchen gardens inside homes. These vegetables are consumed at home providing a balanced nutritious dietary intake for women and children or can be sold for a profit. This not only saves the household a significant monthly expense on purchasing vegetables but also provides food security during low income seasons, natural disasters, and economic crises.

PICT's contribution towards Kitchen Gardens from July 2011 till June 2012 was Rs. 0.064 million. By providing vulnerable households with livestock animals as assets, OSDI ensures that their herd keeps increasing while the females produce milk. The offspring of female livestock animals can also be sold to a neighboring rural household generating income for the focus family and enabling savings for the latter. This affords a much needed safety net for rural communities facing regular economic hardship and fluctuating incomes.

PICT's contribution towards Livestock Distribution project from July 2011 till June 2012 was Rs. 1.37 million.

Flood Relief

Rs. 1.5 million was donated by PICT for OSDI's flood relief efforts in Badin last year. This contribution provided emergency rations, temporary shelters and immediate medical care to victims of heavy rains and flash floods in the monsoon season of 2011. The flood relief operation was overseen by OSDI employees who personally stayed at the site and engaged volunteers to set up the temporary camp.

An additional Rs. 3.15 million have been donated to International Organization of Migration for their Early Recovery Shelter Support Program for Flood Affected Families in Southern Sindh. This will facilitate a new life for victims of devastating floods and provide the much needed economic boost to impoverished, struggling rural communities.

V. Community Investment and welfare schemes

Adopted schools: In November 2009, Pakistan International Container Terminal Ltd. (PICT) adopted five schools at the Hatim Ali Alvi Campus in Keamari. We provide ongoing assistance to these schools. The entire Hatim Ali Campus was repainted this year and 2 teacher training workshops on 'Managing Challeging Behaviour' in children and teaching a multi-grade classroom were organized. A sports week was also organized for all five schools of the campus. In addition to this, PICT supports ongoing extracurricular activities throughout the school year at the campus.

Total donation in past year: Rs. 1.2 million

The Karigar Training Institute: The Karigar Training Institute provides vocational skills training to young men who have studied up to 8th class or a higher level. Since November 2010, PICT has started a scholarship program in partnership with the Karigar Institute. Under this program, PICT covers the tuition cost for students who would like to complete a technical training course in one of the following four basic trades: motorcycle repair, plumbing, electrical wiring, and AC and Refrigerator repair. In the past year, PICT has sponsored 20 students through this program.

Total donation in past year: Rs. 0.24 million

VI. Corporate Philanthropy

PICT believes in giving charitable donations as part of its broader social responsibility. Charitable giving forms a major link between an organization and the communities its serves and leads to the formation of healthier communities. Charitable donations have been made by PICT to the following organizations:

Behbud Association, Citizens Police Liaison Committee, Dept of Orthopaedic Surgery, Nigahban Welfare Association, Pakistan Disabled Persons Welfare Organization, Pakturk International School & Colleges, Patients Behbud Society for AKUH, Poor Patients Aid Society, Szabist Student Council, The Karachi Oxford & Cambridge Society, Child Aid Association, The Indus Hospital, Kiran Patients Welfare Society, The National Institute for Cardiovascular Diseases, The Sindh Institute of Urology & Transplantation, SOS Children's Villages of Sindh, Support fund for victims of Ashura CDGK, Fakhr-e-Imdad Foundation, Edhi Foundation, Ahmed E.H. Jaffer Foundation and the Rabia Azim Trust.

We would like to thank our valued shareholders, lenders and clients and management of KPT for their turst and support reposed in the Company.

For and on behalf of Board of Directors

Capt. Zafar Iqbal Awan
Chief Executive Officer

Karachi: September 10, 2012

Key Operating & Financial Data

	2012	2011	2010	2009	2008	2007
	Rupees in Millions					
TURNOVER & PROFITS						
Revenue	6,692.32	6,123.78	5,125.12	4,564.26	3,134.06	2,186.06
Gross Profit	2,966.43	2,599.12	2,183.05	2,069.42	1,325.60	808.07
Operating Profit	2,694.00	2,349.12	1,930.69	1,883.17	1,185.61	699.61
Profit Before Taxation	2,170.82	2,128.81	1,520.96	1,174.53	740.99	520.12
Profit After Taxation	1,410.04	1,253.86	907.81	935.69	529.26	331.19
ASSETS EMPLOYED						
Operating Assets - net	5,158.01	5,434.61	5,346.13	4,724.75	2,970.58	2,879.49
Intangible Assets - net	37.63	51.31	64.99	0.25	14.41	33.81
Net Current Assets	1,320.74	1,661.49	1,213.80	785.08	811.85	812.82
FINANCED BY						
Share Capital	1,271.53	1,271.53	1,271.53	1,089.61	1,089.61	938.01
Share Holder's Equity	3,708.00	4,680.95	3,717.98	2,964.60	2,319.80	1,808.50
Long Term Loans	1,732.17	1,852.90	2,298.04	2,656.03	1,745.57	1,301.40
STATISTICS						
Break up Value Per Ordinary Share (Rs.)	32.32	41.24	32.41	30.61	23.52	21.48
Market Value Per Ordinary Share (Rs.)	146.00	81.25	75.00	53.43	124.48	84.80
Earnings Per Ordinary Share (Rs.)	12.75	11.32	8.15	8.41	5.62	4.13
Total TEU's for the Year (Numbers)	631,411	669,806	602,106	513,580	472,137	345,802
Total Boxes for the Year (Numbers)	461,055	497,389	453,108	388,511	357,942	260,225
CAPITAL MARKET ANALYSIS RATIOS						
Price Earning Ratio	11.45	7.18	9.20	6.35	22.15	20.53
LIQUIDITY ANALYSIS RATIOS						
Current Ratio	1.92	2.31	2.05	1.72	1.96	2.82
PROFITABILITY ANALYSIS RATIOS						
Return on Assets (before tax)	25.49%	24.54%	18.97%	17.43%	14.61%	12.92%
Return on Capital Employed (before tax)	51.75%	50.69%	45.52%	44.45%	35.90%	31.49%
Return on Capital Employed (after tax)	33.62%	29.86%	27.17%	35.41%	25.64%	20.05%
Gross Profit Margin	44.33%	42.44%	42.60%	45.34%	42.30%	36.96%
Net Profit Margin-Before Tax	32.44%	34.76%	29.68%	25.73%	23.64%	23.79%
Net Profit Margin-After Tax	21.07%	20.48%	17.71%	20.50%	16.89%	15.15%
CAPITAL STRUCTURE ANALYSIS RATIOS						
Debt Ratio	31.05%	28.26%	37.37%	45.15%	44.03%	44.11%
Debt Equity Ratio	40:60	35:65	46:54	54:46	52:48	52:48
Interest Coverage	6.21	14.45	9.18	6.62	4.70	3.93

Statement of Value Added

	2012 Rs '000	2011 Rs '000
Value Added		
Turnover	7,530,016	6,878,333
Net Cost of services rendered	2,391,609	2,190,829
	5,138,407	4,687,504
Other Income	228,840	221,083
	5,367,247	4,908,587
Distribution		
Employees		
- Salaries & Wages	680,192	643,574
Karachi Port Trust		
- Royalty & HMS Charges	676,535	675,595
Government		
- Taxes	1,599,181	1,487,001
Lenders		
- Mark up on Loans and Leased Assets	416,843	158,319
Preference Share Holders		
- Cash Dividend	36,197	18,000
Ordinary Share Holders		
- Cash Dividend	1,801,022	272,883
- Specie Dividend	545,770	-
Retained in Business	(388,493)	1,653,215
	5,367,247	4,908,587

Distribution - %	2012	2011
Employees	12.7%	13.1%
KPT	12.6%	13.8%
Government	29.8%	30.3%
Lenders	7.8%	3.2%
Cash Dividend - Preference Share	0.7%	0.4%
Cash dividend-Ordinary shares	33.6%	5.6%
Specie dividend - Ordinary Shares	10.2%	0.0%
Retained in Business - For future Expansion	-7.2%	33.7%
	100%	100%

Statement of Compliance

with Code of Corporate Governance for the year ended June 30, 2012

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

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

1. The Board of Directors of Pakistan International Container Terminal Limited (PICT) has always supported and re-confirms its commitment to continued support and implementation of the highest standards of Corporate Governance at all times.

2. The Company encourages representation of independent non-executive directors on its Board of Directors. At present the Board includes:

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

The independent director meets the criteria of independence under clause i (b) of the Code.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. All the directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

5. There were no casual vacancies on the Board during the year.

6. The Company has prepared a "**Code of Conduct**" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

7. The Company has developed Vision / Mission Statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

8. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board.

9. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose and the Board met atleast once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated atleast seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

10. The Board arranged briefings for its Directors to apprise them of their duties and responsibilities. One of the Directors of the Company has enrolled for the Corporate Governance leadership Skills (CGLS) - Director Education Program conducted by the Pakistan Institute of Corporate Governance, Karachi and the certification will be completed in due course. In addition, the Independent Director of the company meets the criteria of exemption under clause (xi) of the code, and accordingly is exempted from director's training program. In future, arrangements will also be made for other Directors for acquiring certification under the directors training program.

11. The Board has approved appointment of Chief Financial Officer, Chief Operating Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment as determined by the CEO.

12. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

14. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

15. The Company has complied with all the corporate and financial reporting requirements of the Code.

16. The Board has formed an Audit Committee. It comprises three members, one of them is independent director and the chairman of the committee and one is non-executive director and one is the executive director.

17. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

18. The Board has set-up an effective internal audit function that are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

19. The Board has formed a Human Resources and Remuneration Committee. It also comprises of three members, one of them is independent director and the chairman of the committee, one is non-executive director and one is the executive director.

20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

22. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.

23. The related party transactions have been placed before the Audit Committee and approved by the Board of Directors.

24. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.

25. We confirm that all other material principles enshrined in the Code have been complied with.

Capt. Zafar Iqbal Awan
Chief Executive Officer
Karachi: September 10, 2012

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

We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) for the year ended 30 June 2012 prepared by the Board of Directors of Pakistan International Container Terminal Limited (the Company) to comply with the Regulations of the respective Stock Exchanges, where the Company is listed.

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

As part of our audit of 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 have not carried out any special review of the internal control systems to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Listing Regulations of Karachi and Lahore Stock Exchanges require the Company to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code for the year ended 30 June 2012.

Karachi: September 10, 2012

Ernst & Young Ford Rhodes Sidat Hyder
CHARTERED ACCOUNTANTS
Audit Engagement Partner: Riaz A. Rehman Chamdia

Financial Statements

Audittors' Reports to the Members

We have audited annexed balance sheet of PAKISTAN INTERNATIONAL CONTAINER TERMINAL LIMITED (the Company) as at 30 June 2012 and the related profit and loss account, statement of comprehensive income, cash flow statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

a) In our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

b) In our opinion:
   i. The balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance , 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied , except for changes as stated in note 2.3 to the accompanying financial statements with which we concur;
   ii. The expenditure incurred during the year was for the purpose of the Company's business ; and
   iii. the business conducted , investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanation given to us, the balance sheet , profit and loss account , statement of comprehensive income , cash flow statement and statement of changes in equity together with the notes forming part thereof confirm with approved accounting standards as applicable in Pakistan , and give the information required by the Companies Ordinance , 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affaires as at 30 June 2012 and of the profit, its comprehensive income , cash flow and changes in equity for the year then ended ; and

d) In our opinion, 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 that Ordinance.

We draw attention to the contents of note 14.2.3 to the financial statements. As fully explained in the said note, preference shares have been treated as part of equity in view of the requirements of the Companies Ordinance, 1984. Subsequent to the year end, these preference shares have been redeemed. Our report is not qualified in respect of this matter

Ernst & Young Ford Rhodes Sidat Hyder
CHARTERED ACCOUNTANTS
Audit Engagement Partner: Raiz A.Rehman Chamdia

Karachi: September 10, 2012

Balance Sheet

As at June 30, 2012

	Note	2012 Rs '000	2011 Rs '000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	5,209,807	5,548,063
Intangible assets	5	37,625	51,307
Long-term investment	6	-	425,000
Long-term deposits		675	83,705
		5,248,107	6,108,075
CURRENT ASSETS			
Stores and spares	7	325,639	340,791
Trade debts	8	206,418	227,340
Advances	9	60,888	69,727
Deposits and prepayments	10	184,942	16,724
Other receivables	11	8,411	21,638
Short term investments	12	595,458	548,004
Taxation - net		82,203	-
Cash and bank balances	13	1,287,694	1,702,396
		2,751,653	2,926,620
TOTAL ASSETS		7,999,760	9,034,695
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital	14.1	2,000,000	2,000,000
Issued, subscribed and paid-up capital	14.2	1,271,532	1,271,532
Unappropriated profit		2,436,469	3,409,418
		3,708,001	4,680,950
NON-CURRENT LIABILITIES			
Long-term financing - secured	15	1,732,173	1,852,896
Liabilities against assets subject to finance lease	16	-	113,485
Deferred tax liability	17	1,086,605	1,087,306
Staff compensated absences	18	42,069	34,928
		2,860,847	3,088,615
CURRENT LIABILITIES			
Trade and other payables	19	679,299	608,635
Accrued interest		140,202	51,287
Taxation - net		-	70,014
Current maturity of long - term financing	15	497,926	475,285
Current maturity of liabilities against assets subject to finance lease	16	113,485	59,909
		1,430,912	1,265,130
CONTINGENCIES AND COMMITMENTS	20		
TOTAL EQUITY AND LIABILITIES		7,999,760	9,034,695

The annexed notes from 1 to 36 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

Profit and Loss Account

For the year ended June 30, 2012

	Note	2012 Rs '000	2011 Rs '000
Turnover - net	21	6,692,315	6,123,776
Terminal operating costs	22	3,725,889	3,524,660
Gross profit		2,966,426	2,599,116
Administrative expenses	23	501,270	471,075
Other operating income	24	228,840	221,083
		2,693,996	2,349,124
Finance costs	25	416,843	158,319
Other charges	26	106,334	61,992
Profit before taxation		2,170,819	2,128,813
Taxation	27	760,779	874,956
Profit after taxation		1,410,040	1,253,857
Earnings per ordinary share - Basic	28.1	Rs. 12.75	Rs. 11.32
Earnings per ordinary share - Diluted	28.2	Rs. 11.09	Rs. 9.86

The annexed notes from 1 to 36 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

Statement of Comprehensive Income

For the year ended June 30, 2012

	2012 Rs '000	2011 Rs '000
Profit for the year	1,410,040	1,253,857
Other comprehensive income - net of taxation	-	-
Total comprehensive income for the year	1,410,040	1,253,857

The annexed notes from 1 to 36 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

Cash Flow Statement

For the year ended June 30, 2012

	Note	2012 Rs '000	2011 Rs '000
CASH FLOWS FROM OPERATIONS	32	2,724,998	2,776,421
Taxes paid		(956,612)	(600,598)
Leave encashment paid		(1,274)	(1,557)
Finance costs paid		(316,262)	(105,610)
Net cash generated from operating activities		1,450,850	2,068,656
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(128,566)	(94,110)
Proceeds from sale of property, plant and equipment		19,814	6,671
Payment in relation to capital work-in-progress		(121,406)	(198,630)
Purchase of Investments - net		-	(345,201)
Redemption of investment		3,500	19,000
Interest received		152,506	114,602
Net cash used in investing activities		(74,152)	(497,668)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing - net		(98,082)	(523,498)
Dividends paid on preference shares		(18,000)	(18,000)
Dividend paid on ordinary shares		(1,603,743)	(272,883)
Lease rentals paid		(71,575)	(80,387)
Net cash used in financing activities		(1,791,400)	(894,768)
Net (decrease) / increase in cash and cash equivalents		(414,702)	676,220
Cash and cash equivalents at the beginning of the year		1,702,396	1,026,176
Cash and cash equivalents at the end of the year	13	1,287,694	1,702,396

The annexed notes from 1 to 36 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

Statement of Changes in Equity

For the year ended June 30, 2012

	Issued, subscribed and paid-up capital			
	Ordinary shares	Redeemable preference shares	Unappropriated profit	Total
	Rs '000			
Balance as at June 30, 2010	1,091,532	180,000	2,446,444	3,717,976
Profit for the year	-	-	1,253,857	1,253,857
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	1,253,857	1,253,857
Dividend on preference shares @ 10% for the year ended June 30, 2010	-	-	(18,000)	(18,000)
Dividend on ordinary shares @ 25% for the year ended June 30, 2010	-	-	(272,883)	(272,883)
Balance as at June 30, 2011	1,091,532	180,000	3,409,418	4,680,950
Profit for the year	-	-	1,410,040	1,410,040
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	1,410,040	1,410,040
Dividend on preference shares @ 10% for the year ended June 30, 2011	-	-	(18,000)	(18,000)
Dividend on ordinary shares @ 40% for the year ended June 30, 2011	-	-	(436,611)	(436,611)
Specie dividend on ordinary shares in the ratio of 1 Ordinary share of Pakistan International Bulk Terminal Limited for every 2 shares held in the Company	-	-	(545,770)	(545,770)
Interim dividend on ordinary shares @ 125% for the year ended June 30, 2012	-	-	(1,364,411)	(1,364,411)
Dividend on preference shares @ 10% on pro rata basis for the year ended June 30, 2012	-	-	(18,197)	(18,197)
Balance as at June 30, 2012	1,091,532	180,000	2,436,469	3,708,001

The annexed notes from 1 to 36 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
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 Karachi Stock Exchange on 15 October 2003. 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 berths 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 18 June 2002.

1.3. During the year, on 06 March 2012, ICTSI Mauritius Limited (ICTSI), a company established under the laws of Mauritius, expressed its interest to acquire 35% to 55% of voting shares or control of the Company by making a public announcement of intention in accordance with the provisions of the "Listed Companies (Substantial Acquisition of Voting Shares and Take-overs) Ordinance, 2002" (the Takeover Ordinance). In relation to that, on 30 March 2012, ICTSI has entered into a Share Purchase Agreement with the majority shareholders of the Company (together the "Sellers Group"), pursuant to which the Seller's Group agreed to sell up to 35% of their shares to ICTSI, at Rs. 150 per share, subject to acquisition of shares from public pursuant to a tender offer ("Tender Offer"). The Tender Offer has been made through a public announcement which was published in local newspapers on 10 August 2012 in accordance with the provisions of the Takeover Ordinance and the related legal and procedural formalities will be completed in due course.

2. BASIS OF PREPARATION

2.1. Statement of compliance

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

The Securities and Exchange Commission of Pakistan in pursuance of the Circular No. 21 dated 22 June 2009 has given relaxation for the implementation of IFRIC 12 - "Service Concession Arrangements" due to the practical difficulties facing the companies till the conclusion of the agreements entered on or before 30 June 2010 with the Government or other authority/entity. However, the SECP made it mandatory to disclose the impact on the results due to application of IFRIC-12 (Refer note 35).

2.2. Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value as referred to in note 3.8 below.

2.3. New and amended standards and interpretations

The accounting policies adopted in the preparation of these financial statements are consistent with those of previous financial year except as disclosed below:

The Company has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the year:

IFRS 7 - Financial Instruments: Disclosures (Amendment)

IAS 24 - Related Party Disclosures (Revised)

IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

Issued in May 2010

IFRS 7 - Financial Instruments: Disclosures Clarification of disclosures

IAS 1 - Presentation of Financial Statements Clarification of statement of changes in equity

IAS 34 - Interim Financial Reporting Significant events and transactions

IFRIC 13 - Customer Loyalty Programmes Fair value of award credits

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

2.4. 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 standard or interpretation:

Standards or interpretation			Effective date (annual periods Beginning on or after)
IFRS 7	-	Financial Instruments : Disclosures - (Amendments) Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	01 January 2013
IAS 1	-	Presentation of Financial Statements - Presentation of items of comprehensive income	01 July 2012
IAS 12	-	Income Taxes (Amendment) - Recovery of Underlying Assets	01 January 2012
IAS 19	-	Employee Benefits - (Amendment)	01 January 2013
IAS 32	-	Offsetting Financial Assets and Financial liabilities - (Amendment)	01 January 2014
IFRIC 20	-	Stripping Costs in the Production Phase of a Surface Mine	01 January 2013

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

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

Standard			IASB Effective date (annual periods Beginning on or after)
IFRS 9	-	Financial Instruments: Classification and Measurement	01 January 2015
IFRS 10	-	Consolidated Financial Statements	01 January 2013
IFRS 11	-	Joint Arrangements	01 January 2013
IFRS 12	-	Disclosure of Interests in Other Entities	01 January 2013
IFRS 13	-	Fair Value Measurement	01 January 2013

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates, estimates and judgments which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognised prospectively.

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

Property, plant and equipment and intangible assets

The Company reviews appropriateness of the rate of depreciation / amortisation, useful life and residual value used in the calculation of depreciation / amortisation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and intangible assets, with corresponding effects on the depreciation / amortisation charge and impairment.

Trade debts

The Company reviews it's doubtful trade debts at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Provision for impairment

The Company reviews carrying amount of assets annually to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Fixed assets and depreciation

3.1.1 Property, plant and equipment

Owned

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

Depreciation is charged to profit and 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 to use and on disposals up to the month the respective asset was in use. Assets residual values, useful lives and methods are reviewed, and adjusted, if appropriate, at each financial year end.

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

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

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

Leased

Assets held under finance lease are stated at cost less accumulated depreciation and accumulated impairment losses, if any. These are accounted for by recording the asset at the lower of present value of minimum lease payments under the lease agreements and the fair value of asset acquired. The related obligation under the lease is accounted for as liability. Financial charges are allocated to the accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Depreciation is charged to the profit and loss using the same basis as for owned assets.

3.1.2 Capital work-in-progress

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

3.2. Intangible assets

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

Costs incurred on the acquisition of computer software are capitalized and are amortized on straight line basis over their estimated useful life. Amortization is charged in the month in which the asset is put to use at the rates stated in note 5 to these financial statements.

Development expenditure incurred on the project is capitalized when its future recoverability can reasonably be regarded as assured. These are amortized over a period of five years on straight line basis commencing from the date of completion of the project, on a monthly pro-rata basis.

Useful lives of intangible assets are reviewed, at each financial year end and adjusted if appropriate.

The carrying value of intangible assets are reviewed for impairment at each financial year end when events or changes in circumstances, indicate that the carrying value may not be recoverable.

3.3. Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are capitalized as a part of the cost of related asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

3.4. Stores and spares

Stores, spares and loose tools, except items-in-transit, are valued at lower of net realizable value and cost, calculated on a weighted average basis. Items in-transit are valued at cost comprising invoice value plus other charges accrued thereon to the balance sheet date. Provision is made annually in the financial statements for slow moving and obsolete items.

3.5. Trade debts

Trade debts originated by the Company are recognised and carried at original invoice amounts less an allowance 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.

3.6. Loans, advances and other receivables

After initial measurement these are carried at amortized 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.

3.7. 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 recognized 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.

Investments at fair value through profit or loss
Financial assets at fair value through profit or loss includes 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 recognized directly in the profit and loss account. Transaction costs are charged to profit and loss account 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 amortized cost using the effective interest method. Gains and losses are recognized in profit and loss account when the investments are derecognized or impaired, as well as through the amortization 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. They are initially measured at fair value plus directly attributable transaction costs. After initial measurement, these are stated at fair values (except for unquoted investments where active market does not exist) with unrealized gains or losses recognized 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 recognized in the profit and loss account.

Fair value of investments

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

3.8. Cash and cash equivalents

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

3.9. Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any or on one percent of turnover under Section 113 of the Income Tax Ordinance, 2001, whichever is higher.

Deferred

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized 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 utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax asset is reviewed at each balance sheet 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 recognized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized 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 realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

3.10. Interest-bearing loans and borrowings

All loans and borrowings are initially recognized 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 amortized cost using effective interest rate method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

3.11. Trade and other payables

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

3.12. Provisions

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

3.13. Transactions with related parties

All transactions with related parties are carried out by the company using the methods prescribed under the Ordinance.

3.14. Revenue

- Revenues from port operations are recognized when services are rendered;
- Profit on deposits / saving accounts are recognized on time proportion basis; and
- Dividend income is recognised when the Company's right to receive the same is established.

3.15. Staff retirement benefits

The Company operates an approved contributory provident fund for all eligible employees. Equal monthly contributions are made by the Company and the employees to the fund at the rate of 8.33% of the basic salary.

Contributions from the Company are charged to profit and loss account for the year.

3.16. Staff compensated absences

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

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

3.17. Financial Instruments

Financial assets and financial liabilities are recognized 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 realized, expire or surrendered and in case of liability, when the obligation is discharged, cancelled or expired.

3.18. Offsetting of financial assets and financial liabilities

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

3.19. Foreign currency translations

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

3.20. Dividend and other appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

3.21. Impairment

3.21.1 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.

3.21.2 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 profit and loss account, for the amount by which an asset's carrying amount exceeds it 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).

3.22. Functional and presentation currency

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

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2012 Rs '000	2011 Rs '000
Operating fixed assets	4.1	5,158,005	5,434,610
Capital work-in-progress	4.2	51,802	113,453
		5,209,807	5,548,063

4.1. The following is a statement of operating fixed assets:

2012

	COST				ACCUMULATED DEPRECIATION					
	As at July 01, 2011	Additions / *transfers	Disposals	As at June 30, 2012	As at July 01, 2011	For the Year	Disposals / *transfers	As at June 30, 2012	Written down value as at June 30, 2012	Dep rate % per annum
	Rs '000									
Owned										
Leasehold improvements	371,858	57,798	(10,000)	419,656	116,268	75,335	(1,333)	190,270	229,386	20
Port improvements	1,533,243	33,819	-	1,567,062	250,234	109,892	-	360,126	1,206,936	5-7.14
Mobile Harbour Crane	101,819	-	-	101,819	101,819	-	-	101,819	-	20
Ship to Shore Cranes - STS	2,007,164	3,905	-	2,011,069	508,204	123,356	-	631,560	1,379,509	5-6.98
Gantry tracks	12,254	-	-	12,254	4,410	613	-	5,023	7,231	5
Rubber Tyred Gantry Cranes - RTG	1,592,200	61,208	-	1,653,408	361,461	105,881	-	467,342	1,186,066	6-6.98
Port equipment	716,969	63,803	-	780,772	262,885	57,082	-	319,967	460,805	7-20
	-	42,747*	-	42,747	-	-	24,580*	24,580	18,167	
Port Power Generation	329,376	10,035	-	339,411	117,263	20,718	-	137,981	201,430	5- 10
Vehicles	109,766	43,196	(22,454)	130,508	41,969	23,684	(14,368)	51,285	79,223	20
Computers	67,672	8,338	-	76,010	49,131	11,060	-	60,191	15,819	33.33
Furniture and fixtures	56,853	2,056	-	58,909	14,088	5,697	-	19,785	39,124	10
Office equipment	44,737	27,465	-	72,202	24,379	10,746	-	35,125	37,077	10-20
	6,943,911	354,370	(32,454)	7,265,827	1,852,111	544,064	8,879	2,405,054	4,860,773	
Leased										
Ship to Shore Cranes - STS	380,973	-	-	380,973	105,815	23,087	-	128,902	252,071	5-6.06
Rubber Tyred Gantry Cranes - RTG	67,908	-	-	67,908	18,672	4,075	-	22,747	45,161	6
Port equipment	42,747	(42,747)*	-	-	24,331	249	(24,580)*	-	-	7-20
	491,628	(42,747)	-	448,881	148,818	27,411	(24,580)	151,649	297,232	
Total - 2012	7,435,539	311,623	(32,454)	7,714,708	2,000,929	571,475	(15,701)	2,556,703	5,158,005	

	2011									
	COST				ACCUMULATED DEPRECIATION					
	As at July 01, 2010	Additions	Disposals	As at June 30, 2011	As at July 01, 2010	For the Year	Disposals	As at June 30, 2011	Written down value as at June 30, 2011	Dep rate % per annum
	Rs '000									
Owned										
Leasehold improvements	289,598	82,260	-	371,858	56,598	59,670	-	116,268	255,590	20
Port improvements	1,176,608	356,635	-	1,533,243	164,660	85,574	-	250,234	1,283,009	5-7.14
Mobile Harbour Crane	101,819	-	-	101,819	101,819	-	-	101,819	-	20
Ship to Shore Cranes - STS	2,007,164	-	-	2,007,164	385,011	123,193	-	508,204	1,498,960	5-6.98
Gantry tracks	12,254	-	-	12,254	3,797	613	-	4,410	7,844	5
Rubber Tyred Gantry Cranes - RTG	1,545,030	47,170	-	1,592,200	258,968	102,493	-	361,461	1,230,739	6-6.98
Port equipment	703,591	13,378	-	716,969	210,748	52,137	-	262,885	454,084	7-20
Port Power Generation	301,806	27,570	-	329,376	92,287	24,976	-	117,263	212,113	5- 10
Vehicles	93,577	35,692	19,503	109,766	39,357	19,347	16,735	41,969	67,797	20
Computers	52,206	15,466	-	67,672	40,162	8,969	-	49,131	18,541	33.33
Furniture and fixtures	33,605	23,248	-	56,853	10,304	3,784	-	14,088	42,765	10
Office equipment	40,420	4,317	-	44,737	20,798	3,581	-	24,379	20,358	10-20
	6,357,678	605,736	19,503	6,943,911	1,384,509	484,337	16,735	1,852,111	5,091,800	
Leased										
Ship to Shore Cranes - STS	380,973	-	-	380,973	82,728	23,087	-	105,815	275,158	5-6.06
Rubber Tyred Gantry Cranes - RTG	67,908	-	-	67,908	14,598	4,074	-	18,672	49,236	6
Port equipment	42,747	-	-	42,747	21,339	2,992	-	24,331	18,416	7-20
	491,628	-	-	491,628	118,665	30,153	-	148,818	342,810	
Total - 2011	6,849,306	605,736	19,503	7,435,539	1,503,174	514,490	16,735	2,000,929	5,434,610	

4.1.1 Disposal of operating fixed assets:

	Cost	Accumulated depreciation	Written down value	Sale price	Gain	Mode of disposal	Particulars of buyer
	Rs '000						
Leasehold Improvements							
Immovable Property	10,000	1,333	8,667	10,817	2,150	Negotiation	Premier Mercantile Services (Private) Limited - related party
Vehicles							
Suzuki Alto	600	330	270	600	330	Insurance claim	PICIC Insurance
Santro Club	559	559	-	112	112	Company policy	Mr. Rizwan Ahmed Khan (Employee)
Santro Club	559	559	-	112	112	Company policy	Mr. Masrur-ul-Hasan (Employee)
Toyota Corolla GLI	1,005	821	184	184	-	Company policy	Mr. Afzal Sheikh (Employee)
Honda City	1,159	784	375	375	-	Company policy	Mr. Ibrahim Zaheer (Employee)
Honda Civic	1,429	1,143	286	286	-	Company policy	Mr. Sharaf Basit Alvi (Employee)
Mercedez Benz	5,593	4,101	1,492	1,492	-	Company policy	Mr. Zafar Iqbal Awan (CEO)
Audi Q7	9,945	4,972	4,973	5,300	327	Negotiation	M/s Zaki Motors (Third Party)
Toyota Corolla Altis	1,475	1,082	393	418	25	Negotiation	Mr. Nadir Shah
Honda CD Motorcycle	64	14	50	55	5	Insurance claim	PICIC Insurance
Honda CD Motorcycle	66	3	63	63	-	Insurance claim	PICIC Insurance
	32,454	15,701	16,753	19,814	3,061		

		Note	2012 Rs '000	2011 Rs '000
4.1.2	Depreciation charge for the year has been allocated as under:			
	Terminal operating costs	22	514,328	452,751
	Administrative expenses	23	57,147	61,739
			571,475	514,490

4.2. Capital work-in-progress

	2012 Rs '000	2011 Rs '000
Civil works	1,739	33,987
Advances to suppliers and contractors	43,194	72,597
Mobilization advance - for purchase of cranes and related equipments	6,869	6,869
	51,802	113,453

4.2.1 Movement

	Civil works	Advances to suppliers and contractors	Advance for purchase of crane related equipments	Total
	Rs '000			
Balance as at June 30, 2010	314,502	132,835	6,869	454,206
Capital expenditure incurred / advances made during the year	155,224	43,406	-	198,630
Transfer to a related party	(27,755)	-	-	(27,755)
Transfer from advances to suppliers and contractors to civil works	52,581	(52,581)	-	-
Transfer to operating fixed assets	(460,565)	(51,063)	-	(511,628)
Balance as at June 30, 2011	33,987	72,597	6,869	113,453
Capital expenditure incurred / advances made during the year	71,858	49,548	-	121,406
Transfer from advances to suppliers and contractors to civil works	29,524	(29,524)	-	-
Transfer to operating fixed assets	(133,630)	(49,427)	-	(183,057)
Balance as at June 30, 2012	1,739	43,194	6,869	51,802

5. INTANGIBLE ASSETS

	Note	COST			ACCUMULATED AMORTIZATION				
		As at July 01, 2011	Additions	As at June 30, 2012	As at July 01, 2011	Charge for the year	As at June 30, 2012	Book value as at June 30, 2012	Amortization rate %
		Rs '000							
Computer software		105,767	-	105,767	54,460	13,682	68,142	37,625	20
Project development cost	5.1.1	37,889	-	37,889	37,889	-	37,889	-	20
2012		143,656	-	143,656	92,349	13,682	106,031	37,625	
2011		143,656	-	143,656	78,667	13,682	92,349	51,307	

5.1.1. These include legal and professional charges, litigation settlement, salaries and benefits and traveling expenses incurred in connection with the main project during the pre operating period.

	Note	2012 Rs '000	2011 Rs '000
5.1.2. Amortization charge for the year has been allocated to terminal operating costs:	22	13,682	13,682

6. LONG TERM INVESTMENT - at cost

Unquoted subsidiary

Number of ordinary shares of Rs.10/- each				Holding			
2012	2011		Activity	2012 %	2011 %	2012	2011 (Rs. '000)
-	42,500,007	Pakistan International Bulk Terminal Limited	Bulk Terminal	-	100	-	425,000

6.1. On 11 July 2011, Pakistan International Bulk Terminal Limited (PIBTL) has further issued 12.077 million ordinary shares of Rs 10/- each to the Company, increasing the carrying amount of Company's investment to Rs 545.77 million. The Board of Directors of the Company 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. As per the listing regulations of the Karachi Stock Exchange Guarantee Limited (KSE), 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, the subsidiary at that date.

According to regulation 25 of the Listing Regulations of KSE, a company distributing shares of its unlisted subsidiary company in the form of specie dividend, shall get such subsidiary company listed within a period of 120 days from the date of approval of such distribution. In case of failure of such subsidiary company to apply for listing or refusal by the KSE, the Company will be obliged to encash the said shares, at the options of the recipients, at a price not less than the current breakup value or face value of the shares of the subsidiary company, whichever is higher, within 30 days from such non - compliance. Moreover, in case of failure in this regard, the KSE may suspend the trading of shares of the Company or it may be delisted.

The Company, in pursuance of the above regulation, applied to the KSE for the listing of PIBTL following the approval of distribution at EOGM held on 03 August 2011. In relation to that, the KSE, vide its letter no. GEN-3035 dated 10 April 2012 addressed to PIBTL, has informed that PIBTL will be required to fulfill all the requirements of Rule 3(II)(iii)(b) of the Companies (Issue of Capital) Rules, 1996 as per the directive of SECP and shall obtain necessary relaxation from the SECP as required under Listing Regulations No. 6(6). Moreover, since the listing application of PIBTL has been deferred till fulfillment of the requirements, therefore the time frame under Listing Regulation No. 25 has been extended accordingly.

As per the directive of the SECP, the PIBTL was also required to inform all the shareholders about the above mentioned requirements and the progress of the project alongwith the proposed time frame of the fulfillment of these requirements and this information was also required to be communicated to the SECP and the KSE for its dissemination to all concerned; PIBTL has done so vide its letter dated 12 July 2012. The management of the Company is actively pursuing this matter and expects that listing of PIBTL will be done in due course.

	Note	2012 Rs '000	2011 Rs '000
7. STORES AND SPARES			
Stores		91,179	95,421
Spares		234,460	245,370
		325,639	340,791
8. TRADE DEBTS			
Considered good	8.1 & 8.2	206,418	227,340
Considered doubtful		1,475	1,475
		207,893	228,815
Less: Provision for doubtful debts	8.3	1,475	1,475
		206,418	227,340

8.1. The aging of trade debts at June 30 is as follows:

	2012 Rs '000	2011 Rs '000
Neither past due nor impaired	138,928	213,581
Past due but not impaired		
- within 90 days	63,526	8,115
- 91 to 180 days	3,073	5,644
- over 180 days	891	-
	206,418	227,340

8.2. Includes Rs. 2.052 million (2011: Rs. 0.3 million) due from Marine Services (Private) Limited and Rs. 3,000 (2011: Rs. Nil) due from Premier Mercantile Services (Private) Limited (related parties).

	Note	2012 Rs '000	2011 Rs '000
8.3. Movement of provision for doubtful debts			
Opening balance		1,475	3,641
Written off during the year		-	(2,166)
		1,475	1,475
9. ADVANCES - unsecured, considered good			
- to employees		11,166	6,952
- to suppliers		49,722	62,775
		60,888	69,727
10. DEPOSITS AND PREPAYMENTS			
Security deposits	10.1	121,798	9,336
Prepayments			
- Insurance		54,315	673
- Others		8,829	6,715
		184,942	16,724

10.1. Includes Rs. 83.530 million (2011: Nil) as security deposits against leased assets. These finance lease facilities are expiring in the year 2012-13.

		Note	2012 Rs '000	2011 Rs '000
11.	OTHER RECEIVABLES			
	Accrued profit on term deposits		625	1,348
	Accrued profit on certificate of investments	11.1	3,845	16,688
	Other receivables - considered good		3,941	3,602
			8,411	21,638
11.1.	Accrued profit on certificate of investments		22,699	18,854
	Less: Provision for impairment		(18,854)	(2,166)
			3,845	16,688
12.	SHORT TERM INVESTMENTS			
	Designated at fair value through profit or loss	12.1	569,208	509,754
	Held to maturity	12.2	26,250	38,250
			595,458	548,004

12.1. Designated at fair value through profit or loss

Number of units / shares 2012	Number of units / shares 2011		2012 Cost	2012 Fair Value	2011 Cost	2011 Fair Value
		Listed - Mutual Funds (Open Ended)	(Rs. in thousands)			
1,230,883	1,160,980	ABL Cash Fund	11,091	12,339	10,000	11,091
4,015,809	3,556,039	JS Cash Fund	374,456	418,246	332,990	374,456
123,019	107,415	PICIC Income Fund	11,070	12,404	10,000	11,093
129,125	112,781	Atlas Money Market Fund	58,308	64,892	52,244	58,308
6,685	6,393	JS - Unit Trust of Pakistan	662	768	582	662
40,601	24,350	UTP Large Cap Fund - Class B	2,129	2,446	757	2,129
579,084	519,048	UBL Liquidity Plus Fund - Class C	52,015	58,113	50,000	52,015
			509,731	569,208	456,573	509,754
		Unrealized gain on revaluation of investments	59,477	-	53,181	-
			569,208	569,208	509,754	509,754

		Note	2012 Rs '000	2011 Rs '000
12.2.	Held to Maturity Investments			
	Saudi Pak Leasing Company - COI	12.3	52,500	56,000
	Less: Provision for impairment		(26,250)	(17,750)
			26,250	38,250

12.3. Represents investments in Certificates of Investments (COIs) of Saudi Pak Leasing Company (the Leasing Company), having face value of Rs. 52.5 million (2011: Rs. 56 million) carrying interest at the rate of 7% (2011: 7%) per annum.

The Leasing Company made default in repayment against COIs in August 2009 due to serious financial and liquidity crunch reportedly being faced by it. During the year, the Company has received Rs. 3.5 million (2011: Rs. 15 million) against the above investment. However, due to uncertainties involved, the Company carries impairment provision of Rs 26.250 million in these financial statements, as a matter of prudence.

13. CASH AND BANK BALANCES

	Note	2012 Rs '000	2011 Rs '000
With banks:			
- in current accounts		227,843	47,135
- in saving accounts	13.1	945,351	1,488,383
- in deposit accounts	13.2	100,000	150,000
		1,273,194	1,685,518
Cash in hand		14,500	16,878
		1,287,694	1,702,396

13.1. These carry profit at the rates ranging from 6 to 11.95 percent (2011: 5 to 11.95 percent) per annum.

13.2. These carry profit at the rates ranging from 10.00 to 12.90 percent (2011: 10.65 to 12.90 percent) per annum.

14. SHARE CAPITAL

14.1. Authorised capital

2012 (Number of shares)	2011 (Number of shares)		2012 Rs '000	2011 Rs '000
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
200,000,000	200,000,000		2,000,000	2,000,000

14.2. Issued, subscribed and paid-up capital

2012 (Number of shares)	2011 (Number of shares)		Note	2012 Rs '000	2011 Rs '000
		Ordinary shares of Rs. 10/- each			
63,761,200	63,761,200	- fully paid in cash		637,612	637,612
33,352,352	33,352,352	- issued as bonus shares		333,524	333,524
12,039,600	12,039,600	- issued for consideration other than cash	14.2.1	120,396	120,396
109,153,152	109,153,152			1,091,532	1,091,532
		Preference shares of Rs. 10/- each			
18,000,000	18,000,000	- fully paid in cash	14.2.2, 14.2.3 & 14.4	180,000	180,000
127,153,152	127,153,152			1,271,532	1,271,532

14.2.1 Represents shares issued in consideration for mobile harbour cranes, port equipment and a vehicle.

14.2.2 These are cumulative redeemable preference shares, issued in the ratio of 1 preference share for 3.54 ordinary shares held and carry a dividend of 10 percent on the issue price, redeemable 7 years after the issue date. The shareholders, inter alia, have the right to convert these into ordinary shares in the ratio of 1 ordinary share for 1 preference share held, if the Company fails to redeem these shares.

14.2.3 The above stated preference shares have been treated as part of equity on the following bases:

- The preference shares were issued under the provision of Section 86 of the Companies Ordinance, 1984 (the Ordinance) read with Section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.

- The authorised capital of the Company and the issue of the preference shares were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on 24 December 2004.

- Return of allotment of shares was filed under Section 93(1) of the Ordinance.

- The Company is required to set-up a reserve for redemption of preference shares under Section 85 of the Ordinance in respect of the shares redeemed which effectively makes preference shares a part of equity.

- Dividend on the preference shares is appropriation of profit both under the Ordinance and the tax laws.

- The requirements of the Ordinance take precedence over the requirements of IFRSs.

- As stated in 14.2.2 above, shareholders have the right to convert these preference shares into ordinary shares or else retain their preference shares, provided that the Company shall pay the preferred dividend for each financial year following the expiry of the term date at the rate of 12% (instead of 10%) per annum on the face value.

- These preference shares are listed on the Karachi Stock Exchange.

However, considering the requirements of the IFRSs for classification of debt and equity instruments, which suggests that the above preference shares be classified as debt, the Company has sought a clarification from the SECP in respect of the presentation of preference shares in the financial statements prepared in accordance with the requirements of the Companies Ordinance, 1984. Pending the decision of the SECP in this matter, the preference shares have been reflected as equity of the Company.

14.3. The Board of Directors of the Company, in its meeting held on 30 April 2012, has resolved, in terms of the SECP's approval dated 28 February 2005 vide Clause-(g) of the terms and conditions thereof for issue of 10% Redeemable Cumulative Series A Preference Shares to exercise the option to call and redeem the said 18,000,000 shares at Rs. 10/- (par value) along with the pro rata dividend on these preference shares on 04 July 2012. Accordingly, as per the provisions of Section 85 of the Companies Ordinance, 1984, subsequent to the year end, the Company has made an equity adjustment in the financial statements transferring a sum equal to the amount to be applied in redeeming the shares from undistributed reserves to a reserve fund, called "the capital redemption reserve fund" and has dispatched the Preference Shares Redemption Warrants and the related Pro Rata Dividend Warrants on 05 July 2012.

14.4. Premier Mercantile Services (Private) Limited - a related party holds 38,544,040 ordinary shares (2011: 38,544,040 ordinary shares) of nominal value of Rs.10/- each representing 35.3 percent (2011: 35.3 percent) of the ordinary paid-up capital of the Company.

Jahangir Siddiqui & Company Limited - a related party holds 23,000,000 ordinary shares (2011: 23,000,000 ordinary shares) of nominal value of Rs.10/- each representing 21.07 percent (2011: 21.07 percent) of the ordinary paid-up capital of the Company.

15. LONG-TERM FINANCING - secured

	Note	2012 Rs '000	2011 Rs '000
International Finance Corporation (IFC)			
First Loan			
- Loan A		-	185,247
- Loan C		-	129,075
		-	314,322
Second Loan		-	309,780
Third Loan		-	86,051
Fourth Loan		-	860,500
		-	1,570,653
OPEC Fund for International Development (OFID)			
First Loan		-	185,247
Second Loan		-	309,780
Third Loan		-	32,269
Fourth Loan		-	258,150
		-	785,446
		-	2,356,099
Bank			
Faysal Bank Limited	15.1	2,240,666	-
Less:			
- Unamortized transaction costs		10,567	27,918
- Current maturity of long-term financing		497,926	475,285
		508,493	503,203
		1,732,173	1,852,896

15.1. This represents a long term local currency loan from a commercial bank for a period of 5 years repayable in 9 equal semi-annual installments commencing from July 2012. This loan carries mark-up at the rate of 6 months' KIBOR + 1.75% and is secured against all present and future plant and machinery, tools and equipments. From the proceeds of this local currency loan, the Company has fully paid off the outstanding foreign currency loans of International Finance Corporation (IFC) and OPEC Fund for International Development (OFID) amounting to Rs. 2,356 million on 22 July 2011 which were payable in different installments by 15 January 2018.

16. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Represent finance leases entered into with leasing companies for Ship to Shore Crane (STS), Rubber Tire Gantry Crane (RTG) and port equipments. Total lease rentals due under various lease agreements aggregate Rs. 115.594 (2011: Rs. 187.731) million and are payable in quarterly and six monthly installments latest by 2012. Overdue rental payments are subject to an additional charge upto 0.1 percent per day. Taxes, repairs, replacement and insurance costs are to be borne by the lessee. In case of termination of agreement, the lessee has to pay the entire rent for unexpired period. Financing rates of approximately 14.24 to 16.04 (2011: 14.60 to 16.04) percent per annum have been used as discounting factor. These lease obligations are based on six months KIBOR. Purchase options can be exercised by the lessee in accordance with the respective lease agreements.

	2012		2011	
	Minimum lease Payments	Present Value	Minimum lease Payments	Present Value
	Rs '000			
Within one year	115,594	113,485	71,830	59,909
After one year but not more than five years	-	-	115,901	113,485
Total minimum lease payments	115,594	113,485	187,731	173,394
Less: Amount representing finance charges	2,109	-	14,337	-
Present value of minimum lease payments	113,485	113,485	173,394	173,394
Less: Current portion	113,485	113,485	59,909	59,909
	-	-	113,485	113,485

17. DEFERRED TAX LIABILITY

	Note	2012 Rs '000	2011 Rs '000
Taxable temporary differences			
Accelerated tax depreciation / amortization allowance		1,141,526	1,181,082
Deductible temporary differences			
Provision for compensated absences		(14,724)	(12,225)
Provision for doubtful debts		(516)	(516)
Fair value loss on derivative		-	(15,406)
Others		(39,681)	(65,629)
		1,086,605	1,087,306

18. STAFF COMPENSATED ABSENCES

	2012 Rs '000	2011 Rs '000
Opening balance	34,928	28,628
Accrual for the year	8,415	7,857
Less: Encashments	(1,274)	(1,557)
Closing balance	42,069	34,928

	Note	2012 Rs '000	2011 Rs '000
19. TRADE AND OTHER PAYABLES			
Trade creditors	19.1	132,828	175,449
Due to Karachi Port Trust			
Royalty		43,101	46,114
Wharfage		43,831	44,368
Handling and marshalling charges	19.2 & 20.1.2	34,554	34,554
		121,486	125,036
Accrued expenses			
Legal and professional charges		1,453	5,750
Salaries and wages		65,797	91,196
Others		890	1,353
		68,140	98,299
Other liabilities			
Advances from customers		42,005	58,020
Retention money		4,875	9,959
Sales tax payable		45,597	48,840
Fair value loss on derivatives		-	44,018
Workers' Welfare Fund		45,465	43,445
Dividend payable		217,525	2,049
Others		1,378	3,520
		356,845	209,851
		679,299	608,635

19.1. Includes Rs. 24.585 million (2011: Rs. 89.951 million) payable to Premier Mercantile Services (Private) Limited - a related party.

19.2. Includes Rs. 34.6 million (2011: Rs. 34.6 million) withheld by the company from handling and marshalling charges billed by KPT as fully explained in note 20.1.2.

20. CONTINGENCIES AND COMMITMENTS

20.1. Contingencies

20.1.1 During the year ended 30 June 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 of Quayside Container Crane and Rubber Tyred Gantry Cranes in the year 2004 and thereby 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 for any liability has been made in these financial statements.

20.1.2 During the year ended 30 June 2007, the Company filed an 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 directing that no coercive action be taken against the Company in due course until the case has been finalized. During the year ended 30 June 2008, the Company has withheld the amount of Rs. 34.6 million from the handling and marshalling charges billed by KPT for the period from 01 July 2007 till 31 December 2007, in accordance with the Honorable High Court's short order dated 29 June 2007. According to the opinion of the legal counsel of the Company, there is full merit in this case and the property tax imposed will be disallowed by the Honorable High Court. In view thereof, no provision for any liability has been made in these financial statements.

		Note	2012 Rs '000	2011 Rs '000
20.2.	Commitments			
20.2.1	Commitments for capital expenditure			
	Civil works		14,247	15,000
20.2.2	Letter of guarantees		86,000	86,050
20.2.3	Letters of credit		116,241	16,624

21. TURNOVER - net

	2012 Rs '000	2011 Rs '000
Turnover	7,530,016	6,878,333
Less: Federal Excise Duty	(1,665)	(571,230)
Sales tax	(836,036)	(183,327)
	6,692,315	6,123,776

22. TERMINAL OPERATING COSTS

	Note	2012 Rs '000	2011 Rs '000
Salaries, wages and benefits	22.1	392,511	363,110
Contracted labour		53,035	34,002
Staff training		1,597	916
Royalty		549,092	560,356
Handling and Marshalling charges		127,443	115,239
Crane usage charges		16,182	29,163
Port maintenance		11,873	10,451
Stevedoring		844,605	847,143
Custom seals		5,000	4,700
Storage charges		30,815	33,185
Stores, spares and other maintenance charges		288,778	292,529
Fuel consumed		669,534	576,030
Travelling and conveyance		3,207	2,935
Office maintenance		32,816	43,095
Vehicles running expenses		14,134	10,426
Insurance		88,473	87,021
Printing and stationery		3,359	3,827
Utilities		5,305	5,235
Depreciation	4.1.2	514,328	452,751
Amortization	5.1.2	13,682	13,682
Others		60,120	38,864
		3,725,889	3,524,660

22.1. This includes Rs.8.99 (2011: Rs. 8.77) million in respect of staff retirement benefits and Rs. 4.79 (2011: Rs. 4.49) million in respect of compensated absences.

23. ADMINISTRATIVE EXPENSES

	Note	2012 Rs '000	2011 Rs '000
Salaries, wages and benefits	23.1	234,646	246,462
Travelling and conveyance		10,934	6,747
Advertising expense		6,472	3,517
Auditors' remuneration	23.2	3,015	3,211
Legal and professional charges		15,714	13,795
Office maintenance		14,932	14,386
Vehicles running expenses		16,613	13,228
Security expenses		13,133	8,132
Insurance expense		3,500	2,936
Communication		5,632	5,542
Printing and stationery		16,670	13,508
Utilities		2,549	2,492
Depreciation	4.1.2	57,147	61,739
Amortisation	15	30,559	19,557
Fees and subscription		6,659	4,819
Entertainment		18,962	16,678
Donations	23.3	31,067	23,941
Others		13,066	10,385
		501,270	471,075

23.1. This includes Rs.7.77 million (2011: Rs. 6.45) million in respect of staff retirement benefits and Rs.3.62 (2011: Rs. 3.40) million in respect of compensated absences.

23.2. Auditors' remuneration

	Note	2012 Rs '000	2011 Rs '000
Statutory audit fee		1,450	1,400
Fee for review of compliance with Code of Corporate Governance and half yearly accounts		697	528
Tax and corporate advisory services		708	1,167
Out of pocket expenses		160	116
		3,015	3,211

23.3. Includes Rs.3.6 (2011: Rs. 3.6) million paid to Rabia Azeem Trust in which Capt. Haleem A. Siddiqui, Mr. Aasim Azim Siddiqui and Mr. Sharique Azim Siddiqui are Trustees and Rs. 11.55 (2011: Rs. 11.392) million paid to Organization for Social Development Initiative in which Mr. Aasim Azim Siddiqui and Mr. Sharique Azim Siddiqui are Trustees. No other directors or their spouses have any interest in any donee's fund to which donation was made.

	Note	2012 Rs '000	2011 Rs '000
24. OTHER OPERATING INCOME			
Income from financial assets			
Profit on deposit accounts		151,782	118,092
Gain on re-measurement of investments designated at fair value through profit or loss		59,477	53,181
Fair value gain on derivatives		-	22,158
Gain realised on disposal of investments		-	1,505
Dividend income		-	51
		211,259	194,987
Income from non financial assets			
Gain on disposal of fixed assets		3,060	3,907
Liabilities no longer payable written back		14,499	22,179
Others		22	10
		17,581	26,096
		228,840	221,083
25. FINANCE COSTS			
Interest on long-term financing	25.1	403,561	120,873
Financial charges on leased assets		11,667	35,471
Bank charges		1,615	1,975
		416,843	158,319

25.1. This represents early settlement charges to IFC and OPEC amounting to Rs. 69.442 million (2011: Rs. Nil), interest on local currency loan Rs.312.877 million (2011: Rs. Nil) and interest on foreign currency loan Rs. 3.564 million (2011: Rs. 120.873 million).

	Note	2012 Rs '000	2011 Rs '000
26. OTHER CHARGES			
Exchange loss on long term financing		36,211	18,547
Workers' Welfare Fund		44,935	43,445
Provision for impairment against other receivable	11.1	16,688	-
Provision for impairment in the value of investment	12.2	8,500	-
		106,334	61,992
27. TAXATION			
Current		776,393	720,712
Deferred		(701)	142,512
Prior		(14,913)	11,732
	27.1	760,779	874,956

	Note	2012 Rs '000	2011 Rs '000
27.1. Relationship between tax expense and accounting profit			
Profit before tax		2,170,819	2,128,813
Tax at the applicable tax rate of 35%		759,787	745,085
Tax effect of expenses that are inadmissible in determining taxable income		249,645	208,128
Tax effect due to higher taxation rate		-	30,209
Tax effect of expenses that are admissible but not included in determining accounting profit		(233,040)	(262,710)
Net effect of income tax provision relating to prior years		(14,913)	11,732
Tax effect of taxable temporary differences		(39,555)	236,289
Tax effect of deductible temporary differences		38,855	(93,777)
		760,779	874,956

28. EARNINGS PER SHARE

28.1. Basic earnings per share

		2012	2011
Profit after tax		1,410,040	1,253,857
Preferred dividend on cumulative preference shares		(18,197)	(18,000)
Profit after taxation attributable to ordinary shareholders		1,391,843	1,235,857
Weighted average number of ordinary shares in issue during the year	Numbers	109,153	109,153
Basic earnings per share	Rupees	12.75	11.32

28.2. Diluted earnings per share

		2012	2011
Profit after taxation attributable to ordinary shareholders		1,391,843	1,235,857
Preferred dividend on cumulative preference shares		18,197	18,000
		1,410,040	1,253,857
Weighted average number of ordinary shares in issue during the year	Numbers	109,153	109,153
Adjustment of preference shares	Numbers	18,000	18,000
		127,153	127,153
Diluted earnings per share	Rupees	11.09	9.86

29. 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 30 June 2012. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

29.1. 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, deposits, other receivables, investments and bank balances. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	Carrying Values	
	2012 Rs '000	2011 Rs '000
Long-term deposits	675	83,705
Trade debts - unsecured	206,418	227,340
Advances - unsecured	60,888	69,727
Deposits	121,798	9,336
Other receivables - unsecured	8,411	21,638
Investments	595,458	548,004
Bank balances	1,273,194	1,685,518
	2,266,842	2,645,268

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 2012 Rs '000	Carrying Values 2011 Rs '000
29.1.1 Trade debts		
Customers with no defaults in the past one year	146,389	170,505
Customers with some defaults in past one year which have been fully recovered	60,029	56,835
	206,418	227,340
29.1.2 Investments		
In Mutual Funds and COIs		
Ratings by PACRA		
5 Star	3,215	2,791
AA+(f)	64,890	58,308
	68,105	61,099
Ratings by JCR		
A+(f)	12,405	11,093
AA+(f)	488,698	437,562
D	26,250	38,250
	527,353	486,905
	595,458	548,004
29.1.3 Cash with Banks		
A1	534,120	747,825
A1+	737,996	920,115
A2	1,078	32,918
F1+	-	930
WD	-	220
	1,273,194	1,702,008

29.2. 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:

Year ended 30 June 2012	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs '000					
Long-term financing - secured	-	248,963	248,963	1,742,740	-	2,240,666
Liabilities against assets subject to finance lease	-	-	113,485	-	-	113,485
Trade and other payables	474,107	133,067	4,875	-	-	612,049
Accrued interest on long - term financing	-	140,142	59	-	-	140,201
	474,107	522,172	367,382	1,742,740	-	3,106,401

Year ended 30 June 2011	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs '000					
Long-term financing - secured	-	148,743	326,542	1,561,196	319,616	2,356,097
Liabilities against assets subject to finance lease	-	-	59,909	113,485	-	173,394
Trade and other payables	307,456	143,414	64,907	-	-	515,777
Accrued interest on long - term financing	-	29,654	21,633	-	-	51,287
	307,456	321,811	543,829	1,674,681	319,616	3,096,479

29.3. Foreign Currency Risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in a foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. The Company's exposure to foreign currency risk is as follows:

	2012 USD '000	2011 USD '000
Long - term financing	-	27,381
Liability under swap arrangement	-	2,324
Accrued interest on long term financing	-	596
Trade and other payables	503	438
	503	30,739

	2012	2011
The following significant exchange rates have been applied at the reporting dates		
Exchange Rates	94.20	86.05

The foreign currency exposure is partly covered as the majority of the Company's billing is determined in dollars which is converted into rupees at the exchange rate prevailing at the transaction date. As of the balance sheet, the Company is not materially exposed to foreign currency risk.

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's profit before tax and the Company's equity.

	Change in US dollar rate (%)	Effect of translation of foreign currency liabilities on profit or (loss)	Effect on equity
		---------- Rs '000	---------
30 June 2012	+10	(4,738)	(3,080)
	-10	4,738	3,080
30 June 2011	+10	(235,475)	(153,059)
	-10	235,475	153,059

29.4. 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 changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Sensitivity Analysis:

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

		Increase / decrease in basis points	Effect on profit before tax
			--- Rs '000 ---
	2012		
KIBOR		+100	(21,360)
KIBOR		-100	21,360
	2011		
USD LIBOR		+15	(27,809)
USD LIBOR		-15	27,809

29.5. Equity price risk

Equity price risk is the risk that the fair value of future cashflows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's quoted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Company's Board of Directors on a regular basis. The Board of Directors review and approve all equity investment decisions.

The following table summarizes the Company's equity price risk as of 30 June 2012 and 2011. It shows the effects of an estimated increase of 5% in the equity market prices as on those dates. A decrease of 5% in the fair values of the quoted securities would affect profit and equity of the Company in a similar but opposite manner.

	Fair Value (Rs. □000)	Price change	Effect on profit for the year	Effect on shareholder's equity
			Rs '000	
30 June 2012	2,446	5% increase	122	79.5
30 June 2011	2,129	5% increase	106	68.9

29.6. 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 amount 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 and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances and investments. Capital signifies equity as shown in the balance sheet plus net debt.

The gearing ratios as at 30 June 2012 and 2011 were as follows:	2012 Rs '000	2011 Rs '000
Long term financing	2,230,099	2,328,181
Trade and other payables	679,299	608,635
Accrued interest / mark-up on borrowings	140,202	51,287
Liabilities against asset subject to finance lease	113,485	173,394
Total debt	3,163,085	3,161,497
Less: Cash and bank balances	(1,287,694)	(1,702,396)
Short term investments	(595,458)	(548,004)
Net debt	1,279,933	911,097
Share capital	1,271,532	1,271,532
Unappropriated profit	2,436,469	3,409,418
Equity	3,708,001	4,680,950
Capital	4,987,934	5,592,047
Gearing ratio	25.66%	16.29%

The Company finances its investment portfolio through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

29.7. Fair value of financial instruments

The fair value is the amount for which an asset will be exchanged or a liability settled between knowledgeable, willing parties at an arm's length. The carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

Fair value hierarchy

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market date (unobservable inputs).

Financial assets measured at fair value	Total	Level 1	Level 2	Level 2
	------ Rs '000 ------			
30 June 2012				
Investments designated at fair value through profit or loss	569,208	569,208	-	-
	569,208	569,208	-	-
30 June 2011				
Investments designated at fair value through profit or loss	509,754	509,754	-	-
	509,754	509,754	-	-
Financial liabilities measured at fair value				
30 June 2012				
Fair value loss on derivative	-	-	-	-
	-	-	-	-
30 June 2011				
Fair value loss on derivative	44,018	-	44,018	-
	44,018	-	44,018	-

During the year ended 30 June 2012, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2012			2011		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rs '000					
Remuneration (including bonus)	24,368	79,985	50,115	17,517	61,824	48,315
Housing rent	3,189	10,664	12,069	2,628	9,273	9,672
Retirement benefits	886	2,961	2,934	730	2,575	2,253
Medical Allowance	1,063	3,555	4,023	876	3,091	3,224
Utilities	1,063	3,555	4,023	876	3,091	3,224
Conveyance	317	1,786	2,028	280	1,533	1,705
	30,886	102,506	75,192	22,907	81,387	68,393
Number	1	4	44	1	4	40

30.2. The Chief Executive, some of directors and executives of the Company are also provided with the use of the Company maintained car, club memberships and medical benefits in accordance with their terms of service.

30.3. The aggregate amount paid to the Directors as a fee for attending the Board of Director's meetings amount to Rs. 0.710 million (2011: Rs. 0.214 million).

31. RELATED PARTY TRANSACTIONS

The related parties include major shareholders, entities having directors in common with the Company, directors, staff retirement fund and other key management personnel. Transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment and transactions with such related parties reflected elsewhere in these financial statements, are as under:

	Note	2012 Rs '000	2011 Rs '000
Subsidiary Company			
Pakistan International Bulk Terminal Limited	31.3		
Investment in a subsidiary		120,776	425,000
Major Shareholders			
Premier Mercantile Services (Private) Limited			
Stevedoring charges		604,939	605,572
Storage charges		30,815	33,185
Equipment charges		15,800	27,600
Sale of property		10,817	-
Dividend		635,977	96,360
Specie dividend		192,720	-
Jahangir Siddiqui & Company Limited			
Dividend		379,500	57,500
Specie dividend		115,000	-
Entities having directors in common with the Company			
Premier Software (Private) Limited			
Software maintenance charges		3,600	3,450
Marine Services (Private) Limited			
Revenue from container handling		27,290	4,497
Port Link International (Private) Limited			
Revenue from container handling		10,547	3,170
AMI Pakistan (Private) Limited			
Revenue from container handling		3,271	1,224
Travel Club (Private) Limited			
Traveling expenses		11,396	7,361
Rabia Azeem Trust			
Donation		3,679	3,094
Organization for Social Development Initiative			
Donation		11,554	11,392
Staff retirement contribution plan			
Contribution to staff provident fund		16,766	14,191

31.1. Balances outstanding with related parties have been disclosed in the respective notes to these financial statements.

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

31.3. As disclosed in note 6.1 to the financial statements, the Company has ceased to become the holding company of PIBTL w.e.f 03 August 2011, hence the transactions disclosed above covers a period from 01 July 2011 to 03 August 2011.

32. CASH FLOWS FROM OPERATING ACTIVITIES

	2012 Rs '000	2011 Rs '000
Profit before taxation	2,170,819	2,128,813
Adjustments for non-cash items:		
Depreciation	571,475	514,490
Amortisation	13,682	33,239
Accrual for staff compensated absences	8,415	7,857
Finance costs	416,843	158,319
Unrealised exchange loss	-	3,210
Fair value (gain) / loss on derivatives	-	(22,158)
Unrealised gain on investment	(59,477)	(53,181)
Interest income	(151,782)	(118,092)
Gain on disposal of fixed assets	(3,061)	(3,907)
Impairment	25,188	-
Provision for doubtful debts	-	-
	821,283	519,777
Operating profit before working capital changes	2,992,102	2,648,590
(Increase)/decrease in current assets		
Stores and spares	15,152	(39,705)
Trade debts	20,922	10,012
Advances, deposits, prepayments and other receivables	(146,152)	13,749
	(110,078)	(15,944)
	2,882,024	2,632,646
Increase/(decrease) in current liabilities		
Trade payables and other liabilities	(157,026)	143,775
Cash generated from operations	2,724,998	2,776,421

33. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue by the Board of Directors of the Company on September 10, 2012.

34. DIVIDENDS AND APPROPRIATIONS

34.1 The Board of Directors in their board meeting held on September 10, 2012 have recommended a final cash dividend of Rs. NIL per ordinary share amounting to Rs. NIL (2011: Rs. 4.00/- - 40% per ordinary share amounting to Rs. 436.613 million) for the year ended 30 June 2012. The financial statements for the year ended 30 June 2012 do not include the effect of the The Directors have also approved final pro-rata dividend for the year ended 30 June 2012 of Re.1 - 10% (2011: Re.1 - 10%) per preference share, in their meeting held on 30 April 2012.

35. EXEMPTION FROM APPLICABILITY OF IFRIC - 12 "SERVICE CONCESSION ARRANGEMENTS"

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

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

	2012 Rs '000	2011 Rs '000
Reclassification from depreciation expense to amortization expense	167,312	165,001
Reclassification from property, plant and equipment to intangible assets (Port Concession Rights) - written down value	1,702,208	1,851,936
Increase in profit before tax for the year on account of amortization of the intangible asset arising on handling and marshalling charges	40,190	40,794
Recognition of intangible assets (Port Concession Rights) on account of handling and marshalling charges	1,911,573	1,998,827

36. GENERAL

36.1 There were no material reclassifications that could affect the financial statements materially.

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

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

Pattern of Shareholding (Ordinary Shares)

As at June 30, 2012

NUMBER OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD
	FROM	TO	
950	1	100	12,670
436	101	500	91,942
835	501	1000	635,747
206	1001	5000	448,627
25	001	10000	180,789
8	10001	15000	101,833
4	15001	20000	68,595
5	20001	25000	110,484
3	25001	30000	88,264
1	30001	35000	34,962
2	35001	40000	76,147
3	40001	45000	128,534
1	45001	50000	49,680
3	55001	60000	170,824
1	60001	65000	62,000
1	70001	75000	73,563
1	85001	90000	85,540
1	100001	105000	100,082
1	225001	230000	229,900
1	265001	270000	265,423
1	360001	365000	361,000
1	390001	395000	391,999
1	505001	510000	508,640
1	595001	600000	600,000
1	665001	670000	667,711
1	735001	740000	739,500
1	765001	770000	770,000
1	1010001	1015000	1,013,741
1	1095001	1100000	1,099,361
1	1105001	1110000	1,105,636
1	1175001	1180000	1,179,145
1	1180001	1185000	1,182,849
1	1410001	1415000	1,411,904
1	1470001	1475000	1,471,298
1	2235001	2240000	2,235,083
1	5380001	5385000	5,383,573
1	7285001	7290000	7,286,822
1	17155001	17160000	17,155,639
1	22500001	23000000	23,000,000
1	38500001	39000000	38,573,645
2,508			109,153,152

Pattern of Shareholding (Ordinary Shares)

As at June 30, 2012

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
INDIVIDUALS	2446	14,896,444	13.65
INSURANCE COMPANY	1	854	0.00
FINANCIAL INSTITUTIONS	1	720	0.00
MODARABA AND MUTUAL FUNDS	7	2,182,665	2.00
FOREIGN INVESTORS	9	25,611,355	23.46
OTHERS:	44	66,461,114	60.89
	2,508	109,153,152	100.00

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
Associated Companies, undertakings and related parties			56.41
Premier Mercantile Services (Pvt.) Ltd.	1	38,573,645	
Jahangir Siddiqui & Co.	1	23,000,000	
NIT and ICP Investment Companies	-	-	
Directors, CEO and their spouse and minor children			9.36
Capt. Haleem A.Siddiqui	1	7,286,822	
Capt. Zafar Iqbal Awan	1	720	
Mrs. Saba Haleem	1	667,711	
Mr. Aasim A.Siddiqui	1	1,138,212	
Mr. Sharique A. Siddiqui	1	1,105,636	
Mr. M. Masood Ahmed Usmani	1	11,075	
Syed Nizam Shah	1	1,540	
Ali Raza Siddiqui	1	120	
Executives			
Salim A. Siddiqui	1	391,999	0.36
Arsalan Iftikhar Khan	1	2,000	
Public Sector Companies and Corporations	-	-	
Banks, DFI's, NBFI's, Insurance Companies, Modarabas and Mutual Funds	9	2,184,239	2.00
Joint Stock Companies, Investment Companies Foreign Investors and Others	51	30,498,824	27.94
Individuals	2436	4,290,609	3.93
TOTAL	2508	109,153,152	100

SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST

Premier Mercantile Services (Pvt.) Ltd.	1	38,573,645
Jahangir Siddiqui & Co.	1	23,000,000
Aeolina Investments Ltd.	1	17,155,639

Details of Purchase/Sale of Shares By Directors, CEO, CFO, Company Secretary and their spouses or Minor Children during Year Ended June 30, 2012 — NIL

Pattern of Shareholding (Preference Share)

As at June 30, 2012

NUMBER OF SHAREHOLDERS	SHARE HOLDING FROM	SHARE HOLDING TO	TOTAL SHARES HELD
22	1	100	811
449	101	500	81,221
37	501	1000	25,370
45	1001	5000	94,823
7	5001	10000	52,787
12	10001	100000	317,364
2	100001	1000000	372,947
1	1000001	2000000	1,990,750
2	2000001	3000000	4,514,607
1	3000001	4000000	3,600,000
1	6000001	7000000	6,949,320
579			18,000,000

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL SHARES HELD
INDIVIDUALS	562	624,583
MODARBAS & MUTUAL FUNDS	2	4,005,357
FINANCIAL INSTITUTIONS	2	2,557,734
OTHERS:	13	10,812,326
	579	18,000,000

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
Associated Companies, undertakings and related parties			
Premier Mercantile Services (Pvt.) Ltd.	1	3,600,000	20.00
NIT and ICP Investment Companies	-	-	
Banks, DFI's, NBFI's, Insurance Companies	2	2,557,734	14.21
Modarabas and Mutual Funds	2	4,005,357	22.25
Joint Stock Companies & Others	12	7,212,326	40.07
Individuals	562	624,583	3.47
TOTAL	579	18,000,000	100

SHAREHOLDERS HOLDING 10% OR MORE

Premier Mercantile Services (Pvt.) Ltd.	1	3,600,000
CDC-Trustee Faysal Balanced Growth Fund	1	2,110,750
CDC-Trustee Faysal Income & Growth Fund	1	2,107,108
JS Global Capital Ltd.	1	6,949,320
Pak Kuwait Investment Co. (Pvt.) Ltd.	1	2,500,000

Details of Purchase/Sale of Shares By Directors, CEO, CFO, Company Secretary and their spouses or Minor Children during Year Ended June 30, 2011 — NIL

Form of Proxy

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

I/We, ______________________________ of ______________________________ being member of Pakistan International Container Terminal Limited and holder of __________________ Ordinary Shares as per Share Register Folio No. _______ and/or CDC Participant I. D. N o. _______ hereby appoint Mr./Mrs./Miss _______________________ of (full address) as my/us proxy to attend, speak and vote for me/us and on my/our behalf at the 11th Annual General Meeting of the Company to be held on October 25, 2012 and at any adjournment thereof.

Signed this __________________ day of ____________ 2012

Witnesses:

1. Name ______________________________
   Address ______________________________
   CNIC No. ______________________________
   Signature ______________________________

2. Name ______________________________
   Address ______________________________
   CNIC No. ______________________________
   Signature ______________________________

Signature on Rs. 5/- Revenue Stamp

Notes:

1. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.

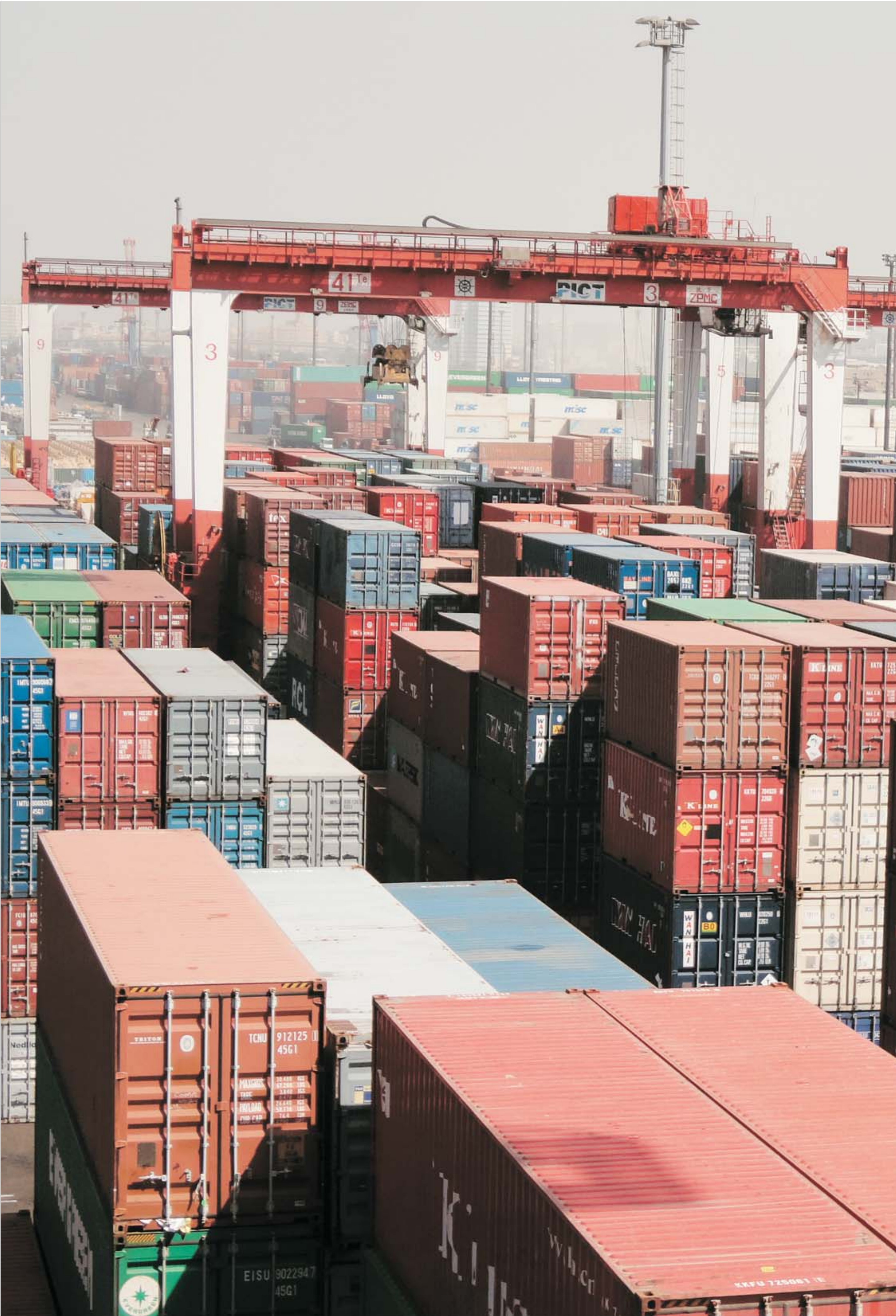
2. The proxy in order to be valid must be signed across Five Rupees Revenue Stamp and should be deposited with the Company not later than 48 hours before the time of holding the Meeting.

3. The proxy shall authenticate his/her identity by showing his/her original CNIC or original passport and bring folio number at the time of attending the meeting.

4. Signature should agree with the specimen signature registered with the Company.

5. CDC shareholders and their Proxies must attach either an attested photocopy of their National Identity Card or Passport with this Proxy Form.

6. In case of proxy by a corporate entity, Board of Directors resolution/power of attorney with specimen signature and attested copies of CNIC or Passport of the proxy shall be submitted along with the proxy form.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10 YEARS OF EXPERIENCE
COMMITMENT AND SERVICE

PICT

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