Annual Report 2011

PIBT

PAKISTAN INTERNATIONAL
BULK TERMINAL (PRIVATE) LIMITED

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

Chief Financial Officer	Mr. Arsalan I. Khan, ACA
Company Secretary	Mr. Mohammad Atiq, ACIS

Auditors	**Ernst & Young Ford Rhodes Sidat Hyder** **Chartered Accountants** 6th Floor, Progressive Plaza Beaumont Road, P.O. Box 15541, Karachi-75530.
Legal Advisor	**Kabraji & Talibuddin** 64 - A/1, Gulshan -e -Faisal, Bath Island Karachi -75530.
Banker	**Faysal Bank Limited** Faysal House, Shahra-e-Faisal, Karachi.
Registered & Head Office	2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi-74000, Pakistan. Tel: 32400450-3 Fax: 32400281
Registrar / Transfer Agent	**Technology Trade (Pvt.) Limited** 241-C, Block-2, P.E.C.H.S., Karachi. Tel: 34391316-7

Directors' Report

The Directors have pleasure in presenting the Annual Report of Pakistan International Bulk Terminal (Pvt.) Limited (PIBT) together with the audited Financial Statements of the Company for the year ended June 30, 2011. The company has a Built Operate and Transfer (BOT) contract with Port Qasim Authority (PQA) for the exclusive construction, development, operations and management of a coal and clinker/cement terminal at Port Mohammad Bin Qasim for a period of thirty years commencing November 6, 2010.

Operational Performance

The company is in a start up phase and has not commenced its operations. During the year equity contributions of Rs. 425,000,000 was made. PIBT has earned other income of Rs.7,667,473 during the year ended June 30, 2011 which comprises the interest income on the deposits held with the Commercial Banks. Profit before tax of the company was Rs. 7,340,955 during the year, as compared to a loss of Rs. 10,283,000 during the last financial period. The Company has posted net profit after tax of Rs. 8,165,642 (2010: Rs. (10,183,000)).

Financial Results

These are summarized below:

	Rs.
Profit before taxation	***7,340,955***
Taxation	***824,687***
Profit after tax	***8,165,642***
Un-appropriated (loss) brought forward	***(10,183,000)***
Un-appropriated (loss) carried forward	***(2,017,358)***
EPS- Basic	***Rs. 0.69***

Auditors

The auditors M/s Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants retire and being eligible they have offered themselves for reappointment. The Board of Directors has recommended the reappointment of the retiring auditors for the year ending June 30, 2012.

Board of Directors

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

Material Changes & Commitments:

Subsequent to the balance sheet date, the company has further issued 12,076,576 ordinary shares of Rs. 10/- each, increasing the total share capital of the company to 54,576,583 ordinary shares of Rs. 10/- each.

The Board of Directors of Pakistan International Container Terminal Limited (the Holding Company) in its meeting held on July 11, 2011 has proposed to distribute 54,576,576 million ordinary shares of the company having face value of Rs. 10/- each, to the members of the Holding 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 Holding Company. The members of the Holding Company have approved the said distribution at their Extra Ordinary General Meeting (EOGM) held on August 3, 2011 thereby resulting in ceasing of the Holding Company's equity holding in the company. Furthermore, the Holding Company in Pursuance of the requirement of the Section 25 of the Listing Regulations has initiated the process of listing of the company's shares on Karachi Stock Exchange (KSE).

For and on behalf of Board of Directors

Sharique Azim Siddiqui
Chief Executive Officer
Karachi: August 29, 2011

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of PAKISTAN INTERNATIONAL BULK TERMINAL (PRIVATE) LIMITED (the Company) as at 30 June 2011 and the related profit and loss account, statement of comprehensive income, cash flow statement and 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 standards as applicable in Pakistan. These standards require 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 disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a 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 explanations 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 conform 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 affairs as at 30 June 2011 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Karachi : August 29, 2011

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

BALANCE SHEET
AS AT JUNE 30, 2011

	Note	2011 (Rupees)	2010 (Rupees)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	4	**403,447,958**	-
Deferred tax	5	**3,625,711**	-
		407,073,669	-
CURRENT ASSETS			
Deposits and prepayments	6	**1,000,000**	-
Cash and bank balances	7	**16,496,919**	70
		17,496,919	70
TOTAL ASSETS		**424,570,588**	70
SHARE CAPITAL AND RESERVES			
Authorised capital			
200,000,000 Ordinary shares of Rs. 10/- each		**2,000,000,000**	2,000,000,000
Issued, subscribed and paid up capital			
42,500,007 Ordinary shares of Rs. 10/- each fully paid in cash	8	**425,000,070**	70
Accumulated loss		**(2,017,358)**	(10,183,000)
		422,982,712	(10,182,930)
CURRENT LIABILITIES			
Trade and other payables	9	**1,574,505**	10,183,000
Taxation - net		**13,371**	-
		1,587,876	10,183,000
COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		**424,570,588**	70

The annexed notes from 1 to 17 form an integral part of these financial statements.

SHARIQUE AZIM SIDDIQUI
Chief Executive

CAPT. ZAFAR IQBAL AWAN
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2011

	Note	For the year ended June 30, 2011 (Rupees)	For three months and ten days period ended June 30, 2010 (Rupees)
Administrative expenses	11	**(176,175)**	(10,183,000)
Other charges - worker's welfare fund		**(150,343)**	-
Other income	12	**7,667,473**	-
Profit / (loss) before taxation		**7,340,955**	(10,183,000)
Taxation	13	**824,687**	-
Net profit / (loss) for the year / period		**8,165,642**	(10,183,000)

The annexed notes from 1 to 17 form an integral part of these financial statements.

SHARIQUE AZIM SIDDIQUI
Chief Executive

CAPT. ZAFAR IQBAL AWAN
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2011

	For the year ended June 30, 2011 (Rupees)	For three months and ten days period ended June 30, 2010 (Rupees)
Net profit / (loss) for the year / period	**8,165,642**	(10,183,000)
Other comprehensive income - net of taxation	-	-
Total comprehensive income / (loss) for the year / period	**8,165,642**	(10,183,000)

The annexed notes from 1 to 17 form an integral part of these financial statements.

SHARIQUE AZIM SIDDIQUI
Chief Executive

CAPT. ZAFAR IQBAL AWAN
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2011

	Note	For the year ended June 30, 2011 (Rupees)	For three months and ten days period ended June 30, 2010 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the year / period before taxation		**7,340,955**	(10,183,000)
(Increase) in current assets			
Deposits and prepayments		**(1,000,000)**	-
(decrease) / Increase in current liabilities			
Trade and other payables		**(8,608,495)**	10,183,000
Cash used in operating activities		**(2,267,540)**	-
Taxes paid		**(2,787,653)**	
Net cash used in operating activities		**(5,055,193)**	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to port concession rights		**(403,447,958)**	-
Net cash used in investing activities		**(403,447,958)**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**425,000,000**	70
Net cash generated from financing activities		**425,000,000**	70
Net increase in cash and cash equivalents		**16,496,849**	70
Cash and cash equivalents at the beginning of the year / period		**70**	-
Cash and cash equivalents at the end of the year / period	7	**16,496,919**	70

The annexed notes from 1 to 17 form an integral part of these financial statements.

SHARIQUE AZIM SIDDIQUI
Chief Executive

CAPT. ZAFAR IQBAL AWAN
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2011

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	---------- (Rupees) ----------		
Balance as at March 22, 2010	-	-	-
Profit / (loss) for the period	-	(10,183,000)	(10,183,000)
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	(10,183,000)	(10,183,000)
Shares issued during the period	70	-	70
Balance as at June 30, 2010	**70**	**(10,183,000)**	**(10,182,930)**
Balance as at July 01, 2010	70	(10,183,000)	(10,182,930)
Profit for the year	-	8,165,642	8,165,642
Other Comprehensive Income	-	-	-
Total Comprehensive Income		8,165,642	8,165,642
Shares issued during the year	425,000,000	-	425,000,000
Balance as at June 30, 2011	**425,000,070**	**(2,017,358)**	**422,982,712**

The annexed notes from 1 to 17 form an integral part of these financial statements.

SHARIQUE AZIM SIDDIQUI
Chief Executive

CAPT. ZAFAR IQBAL AWAN
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

1. THE COMPANY AND ITS OPERATIONS

1.1 Pakistan International Bulk Terminal (Private) Limited (the Company) was incorporated under the Companies Ordinance, 1984 (the Ordinance) on March 22, 2010 as a private limited company. The registered office of the Company is situated at 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi.
The Company is in start-up phase and has not commenced its operations. The Company is a wholly owned subsidiary of Pakistan International Container Terminal Limited.

1.2 The Company has a Build Operate Transfer (BOT) contract with Port Qasim Authority (PQA) for the exclusive construction, development, operations and management of a coal and clinker / cement terminal at Port Muhammad Bin Qasim for a period of thirty years which is to commence from the date of completion of terminal or the date after thirty six months from the date of effectiveness, whichever is earlier , where date of effectiveness means 365 days from the date of signing of the contact.

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.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention

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 2 – Group Cash-settled Share-based Payment Arrangements

IAS 32 – Financial Instruments: Presentation – Classification of Rights Issues (Amendment)

IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

Improvements to various standards issued by IASB

Issued in 2009

IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations
IFRS 8 – Operating Segments
IAS 1 – Presentation of Financial Statements
IAS 7 – Statement of Cash flows Presentation of Financial Statements
IAS 17 – Leases
IAS 36 – Impairment of Assets
IAS 39 – Financial Instruments : Recognition and Measurement

Issued in May 2010

IFRS 3 – Business Combinations
IAS 27 – Consolidated and Separate Financial Statements
The adoption of the above standards, amendments / improvements and interpretations did not have any effect on the financial statements.

2.4 Standards, interpretations and amendments to approved accounting standards that are not yet effective:

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective revised standard or : interpretation:

Standards or interpretation			Effective date (accounting periods beginning on or after)
IAS 1	–	Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented	July 01, 2012
IFRS 7	–	Financial Instruments : Disclosures - Amendments enhancing disclosures about transfers of financial assets	July 01, 2011
IAS 12	–	Income Tax (Amendment) – Deferred Taxes : Recovery of Underlying Assets	January 01, 2012
IAS 19	–	Employee Benefits - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects	January 01, 2013
IAS 24	–	Related Party Disclosures (Revised)	January 01, 2011
IFRIC 14	–	Prepayments of a Minimum Funding Requirement (Amendment)	January 01, 2011

The Company expects that the adoption of the above revision, amendments and interpretations of the standards will not have any material impact on the Company's financial statements in the period of certain additional disclosures, initial application except.

In addition to the above, amendments to various accounting standards have also been issued by the IASB. Such improvements are general ly effective for accounting periods beginning on or after 01 January 2011. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments	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 judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, est imates 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Port concession rights

The Company recognizes port concession rights as intangible assets arising from a service concession arrangement, in which the public sector (the grantor) controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment., if the infrastructure is existing infrastructure of the grantor or the infrastructure constructed or purchased by the Company as part of the service concession arrangement.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

The estimated useful life of port concession rights is thirty years. Port concession rights also include certain property, plant and equipment which are classified as intangible assets in accordance with IFRIC 12 'Service Concession Arrangements'. These assets are amortized based on the lower of their useful lives or concession period.

3.2 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.

3.3 Financial instruments

All financial assets and liabilities are recognized at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets are recognised when the contractual rights under the instruments are derecognised, expired or surrendered. Financial liabilities are derecognised from the balance sheet when the obligation is extinguished, discharged, cancelled or expired. Any gain or loss on recognition or derecognition of the financial assets and financial liabilities is taken to the profit and loss account.

3.4 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.

3.5 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.

3.6 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.

3.7 Provisions

Provision is recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.8 Related party transactions

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

3.9 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Companies functional and presentation currency.

	Note	2011 (Rupees)	2010 (Rupees)
4. FIXED ASSETS INTANGIBLES			
Capital work-in-progress			
Port Concession Rights			
Civil works	4.1	**321,460,337**	-
Consultancy and survey fees		**78,859,361**	-
Advance			
- for purchase of equipment		**2,978,260**	-
- for purchase / development of computer software		**150,000**	-
		403,447,958	-

4.1 This includes Peripheral Development Charges of leasehold land amounting to Rs. 309 million paid to Port Qasim Authority (PQA).

	2011 (Rupees)	2010 (Rupees)
5. DEFERRED TAX		
Deductible temporary differences		
Pre-incorporation expenses	**3,625,711**	-
	3,625,711	-

6. This represents security deposit given to Port Qasim Authority against bidding of the Build Operate Transfer contract.

	Note	2011 (Rupees)	2010 (Rupees)
7. CASH AND BANK BALANCES			
With banks:			
- in current account		**5,000**	-
- in saving account	7.1	**16,485,189**	-
		16,490,189	-
Cash in hand		**6,730**	70
		16,496,919	70

7.1 It carries profit at the rate of 11 percent per annum.

8. ISSUED, SUBSCRIBED & PAID UP CAPITAL

8.1 Authorised capital

2011 (Number of shares)	2010 (Number of shares)		2011 (Rupees)	2010 (Rupees)
200,000,000	200,000,000	Ordinary shares of Rs.10/- each	**2,000,000,000**	2,000,000,000

8.2 Issued, subscribed and paid-up capital

2011 (Number of shares)	2010 (Number of shares)		2011 (Rupees)	2010 (Rupees)
		Ordinary shares of Rs. 10/- each		
		Fully paid in cash		
7	-	Opening balance	70	-
42,500,000	7	Issued during the year	425,000,000	70
42,500,007	7	Closing balance	425,000,070	70

8.3 During the year, the Company issued 42.5 million Ordinary shares of Rs.10/- each to Pakistan International Container Terminal Limited (PICTL), the holding company, and subsequent to the balance sheet date, the Company has further issued 12.077 million Ordinary shares of Rs.10/- each to the holding company.

The Board of Directors of the holding company has proposed to distribute 54.577 million Ordinary shares, 100% of the issued, subscribed and paid up capital of the Company having face value of Rs 10 each, to its members 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 holding company at their meeting held on July 11, 2011. The said distribution has been approved by the members of the holding company at the Extra Ordinary General Meeting (EOGM) to be held on August 3, 2011 thereby resulting in ceasing of the holding companies holding in the Company. Furthermore, the holding company, in pursuance of the requirement of section 25 of the listing regulations, intends to apply to Karachi Stock Exchange (KSE) for the listing of the Company s shares subsequent to the approval of distribution at the EOGM held on August 3, 2011.

	Note	2011 (Rupees)	2010 (Rupees)
9. TRADE AND OTHER PAYABLES			
Due to the holding company	9.1	-	10,133,000
Withholding tax		1,274,162	-
Accrued liabilities		150,000	50,000
Workers welfare fund payable		150,343	-
		1,574,505	10,183,000

9.1 These represent registration fee paid to the Securities and Exchange Commission of Pakistan by the holding company on behalf of the Company.

	2011 (Rupees)	2010 (Rupees)
10. COMMITMENTS		
Letter of Guarantee	214,250,000	-

	2011 (Rupees)	For three months and ten days period ended June 30, 2010 (Rupees)
11. ADMINISTRATIVE EXPENSES		
Incorporation expenses – legal and professional	-	10,133,000
Audit fees – statutory audit fee	150,000	50,000
– fee for review of half yearly accounts	25,000	-
– out of pocket expenses	1,175	-
	176,175	50,000
	176,175	10,183,000

12. OTHER INCOME	2011 (Rupees)	2010 (Rupees)
Profit on saving account	7,667,473	-

13. TAXATION

Current	2,801,024	-
Deferred	(3,625,711)	-
	(824,687)	-

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Companys financial instruments are credit risk, liquidity risk, currency risk, interest rate risk and capital risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

14.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises 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. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on deposits and bank balances. The Company seeks to minimise the credit risk exposure through having exposure only to customers/ parties considered credit worthy and obtaining securities where applicable.

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:

	2011 (Rupees)	2010 (Rupees)
14.1.1 Cash with Banks		
A1+	16,490,189	-

14.2 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind. The maturity profile is monitored to ensure that adequate liquidity is maintained.

Year ended 30 June 2011		On demand	Less than 3 months	3 to 12 Months	1 to 5 years	Total
		(Rupees)				
Trade and other payables		1,574,505	-	-	-	1,574,505
	Total	1,574,505	-	-	-	1,574,505

Period ended 30 June 2010	On demand	Less than 3 months	3 to 12 Months	1 to 5 years	Total
	(Rupees)				
Trade and other payables	10,183,000	-	-	-	10,183,000
Total	10,183,000	-	-	-	10,183,000

14.3 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 foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. As at June 30, 2011, the Company is not exposed to . currency risks in respect of financial assets or financial liabilities

14.4 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. As of June 30, 2011 the Company is not exposed to interest rate risk.

14.5 Equity Price Risk

Equity price risk is the risk that the fair value of future cash flows 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. As at June 30, 2011 the Company is not exposed to equity price risk.

14.6 Capital risk management

The Company's objectives when managing capital is to safeguard the Company's ability to continue to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently in start-up phase and its capital risk management position will be developed in the near future.

14.7 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

15. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2011			2010		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees)					
Remuneration	-	-	**800,000**	-	-	-
Housing Rent	-	-	**240,000**	-	-	-
Retirement Benefits	-	-	**66,642**	-	-	-
Medical	-	-	**80,000**	-	-	-
Utilities	-	-	**80,000**	-	-	-
Conveyance	-	-	**26,500**	-	-	-
	-	-	**1,293,142**	-	-	-
Number	-	-	**1**			

16. RELATED PARTY TRANSACTIONS

Related parties comprise of entities which have the ability to control the Company to exercise sig nificant influence over the Company in making financial and operating decisions or vice versa. The related parties comprise holding company, group companies, principal shareholders and their affiliates directors, companies with common directors and key management personnel. Balances with related parties have been disclosed in respective notes to the financial statements. Significant transactions with related parties are as follows:

	2011 (Rupees)	2011 (Rupees)
Holding company		
Pre-incorporation expenditure	-	10,133,000
Issue of share capital	**425,000,000**	-

17. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 29, 2011 by the Board of Directors of the Company.

SHARIQUE AZIM SIDDIQUI
Chief Executive

CAPT. ZAFAR IQBAL AWAN
Director

PATTERN OF SHAREHOLDING (Ordinary Shares)

As at June 30, 2011

Number of Shareholders	Shareholding From	To	Total Shares Held
07	01	100	07
01	101	42,500,000	42,500,000
08			42,500,007

Categories of Shareholders	Number of Shareholders	Number of Share held	Percentage
Individuals	07	07	0.001
Others	01	42,500,000	99.999
Total	08	42,500,007	100.00

PATTERN OF SHAREHOLDING (Ordinary Shares)

As at June 30, 2011

Categories of Shareholders	Number of Shareholders	Number of Share held	Percentage
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES			99.999
Pakistan International Container Terminal Ltd.	01	42,500,000	
DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN			0.001
Capt. Haleem Ahmed Siddiqui	01	01	
Capt. Zafar Iqbal Awan	01	01	
Asim Azim Siddiqui	01	01	
Sharique Azim Siddiqui	01	01	
Syed Nizam Shah	01	01	
Ali Raza Siddiqui	01	01	
M. Masood Ahmed Usmani	01	01	
Executive	-	-	-
Public Sector Companies and Corporations	-	-	-
Banks, NBFI's Insurance Companies, Modarabas and Mutual Funds	-	-	-
Joint Stock Companies, Investment Companies Foreign Investors and Others	-	-	-
Individuals	-	-	-
Totals :	08	42,500,007	100.00

Shareholders holding 10% or more voting interest

Pakistan International Container Terminal Ltd.	01	42,500,000

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