



Directors' Report

The Directors are pleased to present the Annual Report of Pakistan International Bulk Terminal Limited (PIBT) (the “Company”) together with the audited financial statements of the Company for the year ended June 30, 2024.

BUSINESS REVIEW

As a Terminal Operator, your Company’s operations are largely dependent on the demand for imported coal by the cement, power plants, textile, chemical and other allied industries. During the year, your Company successfully handled 6,410,112 tons of cargo compared to 4,842,829 tons last year primarily due to the economic stabilization measures, including the easing of import restrictions and the stability in the value of the local currency which supported industrial demand during yet another challenging year marked by subdued growth.

Additionally, the slowdown in imports from Afghanistan, driven by its rising prices, trade restrictions and supply chain disruptions among others, also contributed positively to the Company’s volumes, particularly when the global coal prices were trending lower.

Corresponding to the business performance, the management of your Company is focusing on strategies to focus on volume consolidation and enhance efficiency in cargo handling operations. The Terminal, dedicated to bulk handling of Coal, Clinker and Cement, stands committed to its objective of providing unparalleled services to its customers at international standards of efficiency and pollution control.

FINANCIAL PERFORMANCE

During the year, the Company achieved a profit after tax, driven primarily by improved operational performance. Key financial highlights for the year, compared to the previous year, are outlined below:

Particulars	Rs. in ‘000	
	2023-2024	2022-2023
Revenue – net	13,852,284	9,072,699
Gross profit	4,533,177	1,599,977
Profit / (loss) before tax	2,304,796	(3,128,342)
Taxation	(653,987)	972,702
Net profit / (loss)	1,650,809	(2,155,640)
Earnings / (loss) per Share	0.92	(1.21)



The Company demonstrated strong performance with notable improvements in revenue, gross profit, EBITDA and profit after tax. While macroeconomic environment is expected to improve gradually, consistent operational performance at optimized costs and cash flow generation remain the key priorities for the management, which will help improve shareholders’ return in due course.

FINANCIAL MATTERS

During the year, the Company entered into Standstill/Suspension Agreements with International Finance Corporation and OPEC Fund for International Development for the deferment of the principal repayment of USD 3.43 million due on June 15, 2023, which was duly settled on November 02, 2023.

The management of your Company regularly assesses contingencies and their potential exposures, which are disclosed in the financial statements. Based on the legal counsel’s advice, the management is confident that the eventual outcome of these matters will be in favour of the Company.

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CONTRIBUTION TO THE ECONOMY

It is noteworthy that ~33% of your Company's revenue goes to Port Qasim Authority in terms of royalty which amounted to Rs. 4,623 million this year. Additionally, your Company also contributed Rs. 1,851 million to the national exchequer in the form of income tax, sales tax, and other government levies.

RECOGNITION

During the year, your Company has been nominated under the category the "Best Bulk Terminal Company of Pakistan" by the Federation of Pakistan Chambers of Commerce & Industry recognizing our commitment to excellence in the maritime sector.

APPROPRIATION

The Board of Directors has not recommended any dividends and/or bonus for the financial year 2024 considering accumulated losses and the financial restrictions within the financing agreements. In the coming years, the Company will strengthen its financial position by repaying its long term loans as per contractual commitments, and in the long term, free cash flows will be available to be distributed to the shareholders.

RELATED PARTY TRANSACTIONS

All related party transactions entered into had arrangement/agreement in place and were reviewed and approved by the Audit Committee as well as the Board of Directors of your Company in compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019 and the requirements of the International Financial Reporting Standards (IFRS) and the Companies Act, 2017. These transactions were executed at an arm's length basis and have been duly disclosed in the financial statements under relevant notes.

EMPLOYEES' RETIREMENT BENEFITS

Your Company provides retirement benefits to its employees. This includes a contributory Provident Fund and Defined Benefit Obligation for permanent employees. The value of investments of provident fund and defined benefit obligation based on their un-audited accounts as of June 30, 2024 was Rs. 363 million and Rs. 300 million respectively.

EXTERNAL AUDITORS

The retiring auditors, M/s Yousuf Adil, Chartered Accountants, being eligible have offered themselves for re-appointment. The Board has recommended the appointment of M/s Yousuf Adil, Chartered Accountants, as auditors for the ensuing year, as recommended by the Audit Committee, subject to the approval of the members in the forthcoming Annual General Meeting.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.

CREDIT RATING

The Pakistan Credit Rating Agency Limited (PACRA) reaffirmed the Company's long-term and short-term credit ratings at A and A2 respectively. Additionally, the credit rating agency has upgraded the outlook to 'Stable' from 'Developing,' reflecting improved confidence in the Company's financial stability and future prospects.

The long-term rating signifies credit quality and short term rating indicates capacity for timely payments. Your company's high credit rating indicates creditworthiness evidencing its efficient cash flow strategy to settle financial commitments.

SUSTAINABILITY RELATED RISKS

Sustainability-related risks encompass environmental, social, and governance (ESG) considerations. By implementing sustainable operational practices, embracing renewable energy policies, and launching green initiatives, the Company strives to contribute to a more sustainable future. We are committed to ESG targets that align with the Company's strategic objective of enhancing resilience and driving positive social impact.

Over the years, substantial capital has been invested in advanced, eco-efficient technologies and infrastructure upgrades that minimize our environmental footprint and reflect the principles of responsible resource management. As a dirty bulk cargo terminal, we recognize the importance of improving operational efficiency, reducing emissions, and adopting sustainable practices throughout our operations to balance economic performance with environmental stewardship.

DIVERSITY, EQUITY AND INCLUSION

We take pride in being an equal opportunity employer, dedicated to empowering individuals by acknowledging and embracing the diversity that makes each person unique. We appreciate differences in age, gender, ethnicity, religion, disability, sexual orientation, education, and national origin, understanding that these distinctions enhance our workplace and drive our success.

At PIBT, we actively ensure that the contributions, presence, and perspectives of diverse groups are not only valued but fully integrated into our operations. We remain committed to developing gender-neutral roles, fostering an inclusive environment where everyone is given the opportunity to succeed.

GENDER PAY GAP STATEMENT

Following is the gender pay gap calculated for the year ended 30 June, 2024:

Mean gender pay gap

On average female employees are paid 6% more than male employees, primarily because of the majority of females working in professional roles in contrast to a significant proportion of males.

Median gender pay gap

Even at the mid-salary point, female employees are paid 79% more than male employees.

HEALTH, SAFETY AND ENVIRONMENT

We are firmly committed to maintaining a safe and healthy working environment to ensure the well-being of the people who work with us as well as of the communities where we operate. As a certified organization under ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and ISO 45001 (Occupational Health and Safety Management System), we are dedicated to continuously improving our practices to uphold the highest standards in health, safety, and environmental performance.

In support of employee welfare, we have established a free medical center at our Terminal to provide accessible healthcare. Additionally, we conduct regular first aid training, mock drills, firefighting, and evacuation exercises to ensure readiness and to maintain a safe and healthy working environment for all stakeholders engaged in our operations.

GREEN OPERATIONS

PIBT is the first cargo handling facility in Pakistan to comply with World Bank's standards of environment pollution control. In this respect, PIBT has developed an Environmental Management Plan (EMP) in compliance with applicable laws & regulations of Pakistan, IFC's performance standards and World Bank Group Environment, Health & Safety Guidelines.

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Key aspects of the EMP are:

- Dust emission control
- Noise pollution control
- Waste water management
- Solid waste management
- Dredge material disposal management
- Biodiversity conservation & sustainable natural resources management

These aspects of the EMP and the related regulations etc. had been implemented over the course of the construction of the terminal, and are monitored and updated regularly during the terminal operations.

Furthermore, the Company has installed the pilot phase of the solar power project of 159 KW. The project is working efficiently, by contributing to the consumption from non-renewable sources and reducing CO2 emissions.



CORPORATE SOCIAL RESPONSIBILITY

The development of an enterprise is inextricably linked to the welfare and well-being of the people associated with it. Corporate Social Responsibility (CSR) has been deeply embedded in the culture of PIBT since its inception, originating from the Company's Board and the management's objectives to play a meaningful role for the betterment of the communities at its operating areas in particular and the society in general. The Company embraces responsibility for the impact of its activities on the environment, employees, communities and all other stakeholders of the public sphere.

As a bulk cargo terminal, we recognize the importance of reducing its environmental impact while ensuring operational efficiency. To this end, PIBT has implemented a comprehensive range of sustainability initiatives. Notably, it is the only common-user facility in Pakistan dedicated to dirty bulk cargo and adheres to international standards for environmental pollution control.



Our corporate philosophy recognizes local communities as one of our primary stakeholders. To support them, PIBT has





undertaken several community development programs aimed at improving living standards and creating economic opportunities in the areas surrounding our terminal. These initiatives include educational sponsorships and healthcare programs, such as free medical camps and health awareness workshops, designed to enhance both access to education and healthcare for underprivileged population.

Also, in collaboration with local NGOs, the company is also actively engaged in providing daily sustenance to the nearby communities. This partnership ensures that essential resources, including food reach those in need, further reinforcing PIBT's commitment to social welfare and improving the quality of life to the underprivileged communities.

CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

The Directors of your Company are aware of their responsibilities under the Code of Corporate Governance, the listing requirements of Pakistan Stock Exchange Limited and the Financial Reporting framework of Securities and Exchange Commission of Pakistan and confirm that throughout the year 2023-24 the following has been complied with:



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- 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 with which the Directors concur.
- There has been no material departure from the best practices of corporate governance as per Regulations.
- There are no significant doubts upon the Company's ability to continue as a going concern. The material uncertainties upon the Company's ability to going concern and their mitigating factors have been described in detail in this report and the financial statements for the year ended June 30, 2024.
- There is no purchase/sale of shares of the company by its directors, CEO, CFO, Company Secretary and their spouses and minor children, other than those disclosed to the Pakistan Stock Exchange. Pattern of shareholding has been presented (separately).
- Detail of shares held by associated undertakings and related persons has also been presented (separately).
- Statement of the Board meetings held during the year and attendance by each director has also been presented.
- Key financial data for the last six years has also been presented (separately).

RISK MANAGEMENT

Your Company has in place a comprehensive risk management framework designed to systematically assess both internal and external risks. In response to identified risks, we have developed and implemented robust mitigation strategies to minimize their potential impact. Our operational risk management approach emphasizes risk reduction through the sustainable maintenance of equipment and infrastructure, supported by investments in reliable cargo handling technologies. Details of the Company's financial risk management are disclosed in the financial statements.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors is responsible for adequate internal financial controls and has established an efficient system of internal financial controls to ensure effective and efficient conduct of operations, the safeguarding of Company assets, compliance with applicable laws and regulations and the reliability of financial reporting. The independent Internal Audit function of the Company conducts regular evaluations and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and the financial statements on a quarterly basis to ensure their integrity and alignment with corporate governance standards.

QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

The Chief Financial Officer (CFO) and Head of Internal Audit possess the requisite qualification and experience as prescribed in the Code of Corporate Governance.

BOARD OF DIRECTORS

Total number of directors are seven comprising:

Male	06
Female	01

The Board comprises two (02) Independent Directors, One (01) Executive Director and four (04) Non-Executive **Directors**.

The Board reviewed the Company's strategic direction, annual corporate plans and targets, and is committed to ensuring the highest standard of governance.

During the year, five (05) meetings of the Board of Directors were held. Attendance by the Directors is as follows:

Name of Directors	Meetings attended	Name of Directors	Meetings attended
Captain Haleem A. Siddiqui	05	Syed Nadir Shah	05
Mr. Sharique A. Siddiqui	05	Ms. Farah Agha	05
Captain Zafar Iqbal Awan	05	Mr. Nadeem Nisar	00
Mr. M. Masood A. Usmani	05		

There was no change in the directors during the year ended June 30, 2024.

TRAINING OF DIRECTORS

The directors are aware of their duties and strive to discharge them according to the highest standards. At the year end, the Company was majorly compliant with the optional requirements for the Directors' Training Program stipulated in the Listed Companies (Code of Corporate Governance) Regulations, 2019, where out of the seven (07), six (06) Directors have either obtained certificate of Directors' Training Program (DTP) or are exempted from the requirement of DTP, while remaining one (01) Director will undertake the DTP in due course.

EVALUATION CRITERIA FOR THE BOARD

The performance of the Board of our Company is evaluated annually along the following parameters:

- Integrity, credibility, trustworthiness and active participation of members.
- Follow-up and review of annual targets set by the management.
- Ability to provide guidance and direction to the Company.
- Ability to identify aspects of the organization's performance requiring action.
- Review of succession planning of management.
- Ability to assess and understand the risk exposures of the Company.
- Contribution and interest in regard to improving health safety and environment, employment and other policies and practices in the Company.

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PERFORMANCE EVALUATION OF THE BOARD

The overall performance of the Board and effectiveness of the role of the Board measured on the basis of above-mentioned parameters for the year was satisfactory. A separate review report by the Chairman on Board's overall performance, as required under the Companies Act, 2017 is annexed with the Annual Report.



REMUNERATION OF DIRECTORS

The Board of Directors has approved a "Remuneration Policy for Directors" i-e Chairman, non-executive directors and independent directors are entitled only to the fee for attending the meetings. The levels of remuneration are appropriate and commensurate with the level of responsibility and expertise to govern the company successfully and with value addition. Remuneration details of the key management personnel are disclosed in note 26 to the financial statements.

The Article of Association of the Company permits the Board of Directors to determine and approve the remuneration of a director for attending meetings of the Board of Directors or its Committees from time to time.

COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee (AC) assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control, risk management and the audit process. It has the autonomy to call for information from management and to consult directly with external auditors or advisors as considered appropriate.

Human Resource & Remuneration Committee (HRC) meets to review and recommend all elements of the compensation, organization and employee development policies relating to the senior executives' remuneration and to approve all matters relating to the remunerations of the executive directors and members of the management committee.

After each meeting, the Chairman of the Committees reports to the Board with the respective approvals and recommendations.

During the year, four (04) meetings of the Audit Committee and One (01) meeting of the Human Resource & Remuneration Committee were held. Names of members of the Committees and attendance by their members is as follows:

Name of AC members	AC Meetings attended	Name of HRC members	HRC Meetings attended
Captain Zafar Iqbal Awan	04	Mr. Sharique A. Siddiqui	01
Syed Nadir Shah	04	Syed Nadir Shah	01
Ms. Farah Agha	04	Ms. Farah Agha	01

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 your Company who are required to abide by the Code.

FORWARD OUTLOOK

The demand for imported coal in Pakistan is expected to continue, driven by the requirements of key industries such as power generation, cement, textiles, and chemicals. As the Government of Pakistan seeks to address the rising energy demand economically, it continues to utilize coal-based power plants, given that coal remains one of the most cost-effective fuels for power generation. While the government's efforts to diversify its energy mix along with the local coal sources may affect the demand, sea-borne coal will play a vital role in meeting industrial and energy needs, particularly given the current infrastructure setup and the existing power generation facilities on imported coal. Additionally, inherent factors such as price equilibrium and logistical considerations regarding the other sources of coal will further reinforce the reliance on imported coal.

Your Company is committed to capitalizing on the sustained demand for imported coal by enhancing operational efficiency and ensuring compliance with international standards for both efficiency and environmental stewardship.

ACKNOWLEDGMENT

Your directors take this opportunity to express their deep appreciation for the commitment and contribution made by the employees. We also extend our gratitude to all the stakeholders for their continued support and confidence in the Company. We would like to thank our esteemed shareholders, both public and institutional, as well as foreign and local lenders, for investing in the Company and instilling confidence among all stakeholders.

For and on behalf of the Board of Directors,

Sharique Azim Siddiqui
Chief Executive Officer

Capt. Zafar Iqbal Awan
Director

Karachi: September 13, 2024