

BIBOJEE GROUP



Quartaly Accounts
September 30, 2018
(Un-audited)



GAMMON PAKISTAN LIMITED

COMPANY INFORMATION

President of Gammon Pakistan Limited

Lt. Gen (Retd) Ali Kuli Khan Khattak

Board of Directors

Saad Waheed
Fazal-ur-Rehman Khan Burki
Kamal Abdullah
Khalid Kuli Khan Khattak
A. Karim Khan
Muhammad Kuli Khan Khattak
Sikandar Kuli Khan Khattak

Chairman
Independent Director
Independent Director
Director
Independent Director
Director
Director

Chief Executive Officer

Muhammad Salahuddin-FCA

Audit Committee

Fazal-ur-Rehman Khan Burki
Kamal Abdullah
Khalid Kuli Khan Khattak
Sikandar Kuli Khan Khattak

Chairman
Member
Member
Member

HR Committee

Khalid Kuli Khan Khattak
Muhammad Salahuddin-FCA
Kamal Abdullah
Sikandar Kuli Khan Khattak

Chairman
Member
Member
Member

Company Secretary

Amin ur Rasheed

Chief Financial Officer

Nadeem Ahmed

Internal Auditor

Nasir Ali Khan-ACCA

External Auditor

M/s BDO Ebrahim & Co.
Chartered Accountants
Islamabad

Legal Advisor

Chanda Law Associates
Rawalpindi

Advocates

Stock Exchange

The Gammon Pakistan Limited is a listed Company and its Shares are traded on Pakistan Stock Exchange Limited

Bankers

Silk Bank Limited
Askari Bank Limited
National Bank of Pakistan
Bank of Punjab
Habib Bank Limited
Allied Bank Limited

Registered Office

Gammon House, 400/2
Peshawar Road, Rawalpindi
Tel: 051-5477326-7
Fax: 051-5477511
E-mail: gammon1@dsl.net.pk

Share Registrar

Management & Registration
Services (Pvt) Limited
Business Executive Centre,
F/17/3, Block 8, Clifton,
Karachi.
Tel: 021-35375127-29
Fax: 021-3582 0325
Email: registrationservices@live.co.uk

www.gammonpakistan.com

DIRECTOR'S REPORT

The directors of your Company have pleasure in presenting their report, together with the un-audited Financial Statements of the Company for the first quarter ended 30th September, 2018.

PERFORMANCE REVIEW

The principal activity of the Company is all type construction specially Buildings and Bridges. The highlights of the Company's Three months results as compared to the preceding period are as follows:

Particulars	September 2018 (Rupees)	September 2017 (Rupees)
Contract Income	22,148,655	113,699,379
Contract Expenditure	19,406,878	106,144,214
Net contract profit	2,741,777	7,555,165
Profit before taxation	770,791	6,565,940
Taxation	(995,741)	(2888,819)
(Loss) /Profit after tax	(224,950)	3,647,625

The pace of work on ongoing projects was hampered due to non disbursement of funds by the interim government and the situation could not been improved even after the new government come in to power. Therefore, working activity on most projects remained very slow and revenue decline as compare to same period of last year.

The work at CPEC sawan bridge included some other small bridges is also near completion but we are waiting for release of funds from FWO.

Your company got new project of Old Bannu Road worth Rs.760 million since FWO will supply the steel and ready mix concrete so GPL scope of work will only be around Rs.152 million. After mobilization the work has been started and the revenue will improve in future.

We are in the final stage of completion at Fateh Jang project but again cashflow constrain is a hurdle in timely completion.

Final bills for DHA Blocks is being processed.

The Company has decided to use its engineering skills in other fields related to construction industry which includes solarization and IT based solutions. Similarly the company is exploring the possibility of operating a material/ Metal testing laboratory coupled by blending/upgrading of certain material for export market

FUTURE PROSPECTS

Despite of all these difficulties Company Management is confident that we will overcome this temporary slump. Further after acquiring another mega project of Old Bannu Road from FWO future revenues of the company may revive again.

Due to 18th amendment in constitution the collection rights of sales tax has been given to the provinces but now every province is levying this tax on the entire amount of work done irrespective of their jurisdiction and have resorted to coercive measures for its recovery process of elimination of these false demands is extremely cumbersome and time consuming.

ACKNOWLEDGMENT

We appreciate the hard work and dedication of the Company's Management, engineers and employees during the period under review.

We would also like to express our gratitude to our bankers, clients and suppliers for their co-operation, support and trust reposed in the Company.

For and on behalf of Board of Director's



Khalid Kuli Khan Khattak
Director



Muhammad Salahuddin
Chief Executive Officer

گیمن پاکستان لمیٹڈ

ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹر کی جانب سے 30 ستمبر 2018ء کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرتے ہوئے خوش محسوس کرتا ہوں۔

مالیاتی کارکردگی

کمپنی کی بنیادی سرگرمی تمام قسم کے تعمیراتی کام بالخصوص عمارتوں اور پلوں کی تعمیر ہے۔ پچھلی سہ ماہی کے مقابلے میں کمپنی کی مالیاتی نتائج کی اہم جھلکیاں مندرجہ ذیل ہے:-

ستمبر 2017 (روپے)	ستمبر 2018 (روپے)	
113,699,379	22,148,655	پراجیکٹس سے آمدن
106,144,214	19,406,878	پراجیکٹس کا خرچ
7,555,165	2,741,777	مجموعی منافع
6,565,940	770,791	قبل از ٹیکس منافع
(2,888,819)	(995,741)	ٹیکس
3,647,625	(224,950)	منافع بعد از ٹیکس

موجودہ پراجیکٹس پر کام کی رفتار میں کمی کی بڑی وجہ گران گورنمنٹ کی طرف سے فنڈز کی ادائیگی نہ کرنا ہے جبکہ نئی گورنمنٹ کے حکومت میں آنے کے باوجود معاملات میں کوئی خاطر خواہ پیش رفت نہیں ہوئی۔ لہذا زیادہ تر پراجیکٹس پر کام کی رفتار سست روی کا شکار رہی اور پچھلی سہ ماہی کے مقابلے میں آمدن میں کمی کا باعث بنی۔

سی بیک پراجیکٹ (سواں پل اور دیگر چھوٹے پلوں) پر کام بھی تکمیلی مراحل میں ہے۔ لیکن ہم FWO کی جانب سے ادائیگیوں کا انتظار کر رہے ہیں۔

آپ کی کمپنی کو بنوں روڈ پر 76 کروڑ کی لاگت کا کام ملا ہے جہاں FWO سٹیل اور کنکریٹ مہیا کرے گا جسکی وجہ سے گیمن کا کام تقریباً 15 کروڑ 20 لاکھ ہے۔ پراجیکٹ سائٹ پر کام کا آغاز کر دیا گیا ہے اور امید کی جاتی ہے کہ مستقبل میں آمدن میں خاطر خواہ اضافہ ہوگا۔

فتح جنگ پراجیکٹ کے تکمیلی مراحل میں ہیں لیکن مالیاتی بحران پراجیکٹ کی وقتی تکمیل میں رکاوٹ ہے۔

ڈی ایچ اے بلاکس کے بل حتمی مراحل میں ہیں۔

کمپنی نے فیصلہ کیا ہے کہ تعمیراتی صنعت سے متعلق دیگر شعبوں میں انجینئرنگ کی مہارت کو استعمال کیا جائے جس میں سولر اور آئی ٹی سے متعلقہ خدمات شامل ہیں۔ اسی طرح کمپنی میٹرل اور میٹل ٹیسٹنگ لیبارٹری کو چلانے کے امکانات کی تلاش میں ہے جہاں مختلف قسم کے میٹرل کو ایکسپورٹ مارکیٹ کیلئے تیار کیا جاسکے۔

مستقبل کے امکانات

ان تمام مشکلات کے باوجود کمپنی انتظامیہ پُر اعتماد ہے کہ جلد اس عارضی بحران سے نکلا جاسکے۔ جبکہ FWO سے حاصل کئے گئے پرانے بنوں روڈ پراجیکٹ کی وجہ سے مستقبل کی آمدن میں خاطر خواہ اضافہ ہوگا۔ آئین میں 18 ویں ترمیم کی وجہ سے سبز ٹیکس کے حقوق صوبوں کو منتقل کیئے جا چکے ہیں لیکن ہر صوبہ اپنے دائرہ کار کو مد نظر رکھے بغیر مکمل آمدن پہ سبز ٹیکس لگا دیتا ہے اور ساتھ ہی ریکوری کی کارروائی شروع کر دی جاتی ہے۔ ان ناجائز مطالبات کو ختم کرنا بہت دشوار اور وقت کی بربادی کا سبب ہے۔

اعتراف

اس سہ ماہی کے دوران کمپنی کی انتظامیہ، انجینئرز اور ملازمین کی محنت اور لگن قابلِ تعریف ہے اور ہم تعاون، حمایت اور اعتماد کیلئے اپنے گاہکوں، سپلائرز اور چھوٹے ٹھیکیداروں کے تہہ دل سے مشکور ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے



محمد صلاح الدین
چیف ایگزیکٹو آفیسر



خالد علی خان خٹک
ڈائریکٹر

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018 (UN-AUDITED)

		Un-audited September 30, 2018	Audited June 30, 2018
ASSETS			
NON CURRENT ASSETS			
	Note		
Property, plant and equipment			
Operating fixed assets		143,888,447	144,697,293
Investment property		340,177,098	340,176,931
Long term investments		1,300,412	1,300,413
Long term security deposits		961,203	961,203
		<u>486,327,160</u>	<u>487,135,840</u>
CURRENT ASSETS			
Stores, spares and loose tools		29,171,389	29,735,381
Contract receivables		105,344,528	105,417,844
Cost and estimated earnings in excess of billings		66,389,914	66,489,059
Loans and advances		14,759,772	15,698,223
Other receivables		1,360,000	64,467
Short term prepayments		172,808	287,184
Tax refunds due from Government		86,558,638	82,591,116
Taxation - net		285,868	5,159,912
Cash and bank balances		4,140,032	4,150,577
		<u>308,182,949</u>	<u>309,593,763</u>
TOTAL ASSETS		<u><u>794,510,109</u></u>	<u><u>796,729,603</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	5	282,662,310	282,662,310
Capital reserves			
Revaluation surplus on property, plant and equipment		267,669,985	268,108,095
Share premium reserve		15,380,330	15,380,330
		<u>283,050,315</u>	<u>283,488,425</u>
Accumulated profit		3,967,506	3,754,346
		<u>569,680,131</u>	<u>569,905,081</u>
NON-CURRENT LIABILITIES			
Deferred liability		8,870,242	8,777,786
Deferred taxation		10,096,191	10,293,023
		<u>18,966,433</u>	<u>19,070,809</u>
CURRENT LIABILITIES			
Trade and other payables	9	174,361,773	176,251,941
Unclaimed dividends		1,442,230	1,442,230
Joint venture partner's advances		30,059,542	30,059,542
		<u>205,863,545</u>	<u>207,753,713</u>
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		<u><u>794,510,109</u></u>	<u><u>796,729,603</u></u>

The annexed notes form integral part of these condensed interim financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM PROFIT OR LOSS STATEMENT
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	July - Sept, 2018-19 Rupees	July - Sept, 2017-18 Rupees
Contract Income	22,148,655	113,699,379
Contracts Expenditure	19,406,878	106,144,214
Net contract (loss)/profit	2,741,777	7,555,165
Operating expenses		
General and administrative expenses	7,036,672	8,858,317
Other income	5,067,752	7,869,092
	(1,968,920)	(989,225)
Operating Profit	772,857	6,565,940
Finance cost	2,066	29,496
Allocation of loss to joint venture partners - net	-	-
(Loss) /profit before taxation	770,791	6,536,444
Taxation	(995,741)	(2,888,819)
(Loss)/profit after tax	(224,950)	3,647,625
Total Comprehensive Income	-	-
Total Comprehensive (Loss) / Income	(224,950)	3,647,625
Earning per share - basic and diluted (Rupees)	(0.01)	0.13

The annexed notes form integral part of these condensed interim financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Three months ended	
	September 30,	
	2018	2017
	Rupees	Rupees
Profit/ (Loss) for the period-before taxation	770,791	6,536,444
CASH FLOWS FROM OPERATING ACTIVITIES:		
Adjustment for non-cash charges and other items:		
Depreciation	808,846	776,725
Staff retirement benefits-gratuity	92,456	92,456
Finance cost	2,066	29,496
Allocation of loss to joint venture partners	-	-
Staff retirement benefits-gratuity(paid)	-	(237,229)
	<u>903,368</u>	<u>661,448</u>
Profit/(Loss) before working capital changes	1,674,159	7,197,892
Effect on cash flow due to working capital changes:		
Stocks of materials,stores and spares	563,992	5,019,407
Contract Receivables	73,316	1,345,740
Cost and estimated earnings in excess of billings	99,145	(8,185,104)
Loans and advances	938,451	185,737
Other Receivables	(1,295,533)	(4,892,846)
Trade Deposits and short term prepayments	114,376	3,258,000
	<u>493,747</u>	<u>(3,269,066)</u>
Net Change in Current Assets		
Trade and other payables	(1,890,168)	4,249,404
Billing in excess of cost and estimated earnings	-	-
Mobilisation Advance	-	-
Materials Received from customers/secured advances	-	(6,202,765)
Net Change in Current Liabilities	<u>(1,890,168)</u>	<u>(1,953,361)</u>
Net cash inflow/(outflow)from operating activities	<u>277,738</u>	<u>1,975,465</u>
Income tax paid	(286,217)	(4,498,580)
Net cash inflow/(outflow) after tax from operating activities	<u>(8,474)</u>	<u>(2,523,115)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Addition of fixed assets	-	(122,300)
Net cash inflow/(outflow) from investing activities	<u>-</u>	<u>(122,300)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(2,066)	(29,496)
Net cash inflow/(outflow) from finance activities	<u>(2,066)</u>	<u>(29,496)</u>
Net increase/decrease in cash and cash equivalent	<u>(10,545)</u>	<u>(2,674,911)</u>
Cash and Cash Equivalent -At the beginning of the period	4,150,577	7,138,016
Cash and Cash Equivalent -At the end of the period	<u>4,140,032</u>	<u>4,463,105</u>

The annexed notes form integral part of these condensed interim financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

GAMMON PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

Balance as at July 01, 2017 (restated)

Total comprehensive income for the year ended September 30, 2017

Profit for the period
- on account of incremental depreciation-net of deferred tax
- upon disposal of revalued property, plant and equipment

Transfer from revaluation surplus on property, plant and equipment:
- on account of incremental depreciation-net of deferred tax
- upon disposal of revalued property, plant and equipment
Balance as at September 30, 2017

Balance as at July 01, 2018

Total comprehensive income for the period ended September 30, 2018

Profit for the year
- on account of incremental depreciation-net of deferred tax
- upon disposal of revalued property, plant and equipment

Transfer from revaluation surplus on property, plant and equipment:
- on account of incremental depreciation-net of deferred tax
- upon disposal of revalued property, plant and equipment
Balance as at September 30, 2018



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

Share capital		Reserves			Total
		Capital	Revaluation surplus on property, plant and equipment	Revenue Accumulated (loss)/profit	
Issued, subscribed and paid-up capital	Share premium reserve				
282,662,310	15,380,330	269,547,945	(50,408,941)	517,181,644	

Note

-	-	-	3,647,625	3,647,625	
-	-	(438,110)	438,110	-	
-	-	-	-	-	
-	-	(438,110)	4,085,735	3,647,625	
-	-	-	-	-	
-	-	-	-	-	
282,662,310	15,380,330	269,109,835	(46,325,126)	520,829,269	
282,662,310	15,380,330	268,108,095	3,754,346	569,905,081	

-	-	-	(224,950)	(224,950)	
-	-	(438,110)	438,110	-	
-	-	-	-	-	
-	-	(438,110)	213,160	(224,950)	
-	-	-	-	-	
282,662,310	15,380,330	267,669,985	3,967,506	569,680,131	

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2018(UN-AUDITED)**

1. Legal status and nature of business

Gammon Pakistan Limited (the Company) was incorporated under the Companies Act, 1913 (now the Companies Act, 2017) on August 12, 1947 as a Public Company Limited by shares. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the execution of civil construction works. The registered office of the Company is situated at Gammon House, 400/2 Peshawar Road, Rawalpindi. The Company is a subsidiary of Bibojee Services (Private) Limited.

2. Basis of Preparation

2.1. These condensed interim financial statement have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of :

- international Accounting Standard (IAS) 34, interim Financial Reporting, issued by the international Accounting standard Board (IASB) as notified under the Companies Act 2017; and
- Provision of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2. These condensed interim financial statements do not include all the information required for complete financial statements and should be read in conjunction with the audited annual financial statements of the company for the year ended 30 June, 2018.

2.3. These condensed interim financial information is been submitted to the share holders as required by section 237 of the companies Act 2017

3. Significant Accounting Policies

The accounting policies and methods of computation adopted in preparation of these condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30,2018.

4. Accounting Estimates, Judgments and Financial Risk Management

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2018

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	Un-audited 30 Sept, 2018 Rupees	Audited 30 June, 2018 Rupees
22,627,320 (30 June, 2018: 22,627,320) ordinary shares of Rs.10 each fully paid in cash	226,273,200	226,273,200
2,562,845 (30 June, 2018: 2,562,845) ordinary shares of Rs.10 each issued as fully paid bonus shares	25,628,450	25,628,450
3,076,066 (30 June, 2018: 3,076,066) ordinary shares of Rs.10 each issued by conversion of the directors' loans	30,760,660	30,760,660
28,266,231	282,662,310	282,662,310

6. TAXATION

- 6.1 The Provision for taxation for the quarter ended September 30, 2018 represents minimum tax due under section 113 of the income Tax Ordinance,2001.
- 6.2 There has been no significant change in the status of tax litigations as reported in the preceding annual financial statements of the Company for the year ended June 30, 2018.

7. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies and commitments since the date of preceding published financial statements of the Company for the year ended 30 June,2018.

8. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Rentals received during the current period from the Associated Companies are amounting to Rs750,000/- from Ghandhara Industries Limited and Ghandhara Nissan Limited each. Whereas an amount of Rs.1,260,000/- and Rs.100,000/- is receivable from Bannu Woollen Mills and Janana De Malucho Textile Mills Limited respectively against rent.

9. TRADE AND OTHER PAYABLES	(Un-Audited) 30 Sep., 2018 Rupees	(Audited) 30 June, 2018 Rupees
Sundry creditors	67,054,106	70,411,110
Advance rent	6,343,103	4,704,676
Due to sub-contractors	27,237,949	27,992,949
Accrued expenses	27,269,685	26,662,269
Due to employees and others	8,914,298	8,985,108
Taxes payable	799,417	752,614
Joint venture partners' share of profit	1,620,715	1,620,715
Other provisions	9.1 35,122,500	35,122,500
	174,361,773	176,251,941

- 9.1 This represent provision made for the potential liability, in respect of borrowings of Saudi Riyals 2.500 million and Saudi Riyals 5.000 million during the year 1986 for the Saudi Operations of the Company. The Company may have to bear this amount as a result for settlement of overseas dues of National Bank of Pakistan in accordance with the incentive Scheme under the State Bank of Pakistan's Circular No.19 of 05 June,1997 .

10. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in its Meeting held on **October 30, 2018**

11. GENERAL

Figures in the financial statements have been rounded-off to the nearest Rupee except when stated otherwise.

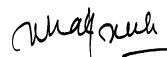
Corresponding figures have been re-arranged or re-classified wherever necessary in these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

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