

BIBOJEE GROUP



# Quarterly Accounts September 30, 2019 (Un-audited)



**GAMMON PAKISTAN LIMITED**



## **COMPANY INFORMATION**

### **President of Gammon Pakistan Limited**

Lt. Gen (Retd) Ali Kuli Khan Khattak

### **Board of Directors**

1. Saad Waheed
2. Fazal-ur-Rehman Khan Burki
3. Kamal Abdullah
4. Khalid Kuli Khan Khattak
5. A. Karim Khan
6. Muhammad Kuli Khan Khattak
7. Sikandar Kuli Khan Khattak

Chairman  
Independent Director  
Independent Director  
Director  
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**

Corporare Consultant (Pvt) Ltd.  
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](http://www.gammonpakistan.com)

## **DIRECTOR'S REPORT**

The directors of your Company have pleasure in presenting their report, together with un audited financial statements for the first quarter ended September 30, 2019.

## **PERFORMANCE REVIEW**

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

<b>Particulars</b>	<b>Sep 20-19 (Rupees)</b>	<b>Sep 19-18 (Rupees)</b>
Contract Income	32,158,540	22,148,655
Contract Expenditure	(31,931,467)	(19,406,878)
Net contract (Loss)/profit	227,073	2,741,773
Profit before taxation	1,185,382	(770,791)
Taxation	(1,494,235)	(995,741)
Loss after tax	(308,853)	(224,950)

Revenue from contracts has been increased as compare to same period last year mainly due to pace of work at Old Bannu Road project. Despite of severe financial crunch in almost all business sectors your company is striving hard to overcome the financial difficulties. We are trying hard to release bills of contracts in progress and retentions of completed projects, however we are not yet succeeded due to limited availability of cash flow with Govt . Departments.

Finishing work at Fateh Jang Project is progressing well and completion of the project is expected during the year. The work done on project during period is Rs.11.10 Million.

After successful mobilization on Bridge at Old Bannu Road dualization Project pace of work was in full swing but shortage of funds with FWO has interrupted the progress of work. The work done on this project is persistently accumulating

and we are expecting some payments in near future. Revenue granted from this project during the period is Rs.19.57 million.

### **FUTURE PROSPECTS**

Despite off financial constraint our vigorous efforts are in process to get further business. It is expected that some more work will be awarded to your company by some clients in the near future.

### **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



**Muhammad Salahuddin**  
Chief Executive Officer



**Khalid Kuli Khan Khattak**  
Director

## گیمن پاکستان لمیٹڈ

### ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹر کی جانب سے 30 ستمبر 2019ء کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

### مالیاتی کارکردگی

کمپنی کی اصل سرگرمی ہر طرح کے تعمیراتی کام بالخصوص عمارتیں اور پل ہیں۔ پچھلے سال کے مقابلے میں اس سال کے دوران کمپنی کی مالی کارکردگی ذیل ہے:-

**30 ستمبر 2018-19      30 ستمبر 2019-20**

	(روپے)	(روپے)	
پراجیکٹس سے آمدن	22,148,655	32,158,540	
پراجیکٹس کا خرچ	(19,406,878)	(31,931,467)	
مجموعی منافع	2,741,773	227,073	
قبل از ٹیکس منافع	(770,791)	1,185,382	
ٹیکس	(995,741)	(1,494,235)	
منافع بعد از ٹیکس	(224,950)	(308,853)	

پچھلے سال کی پہلی سہ ماہی کے مقابلے میں اس سال اولڈ بنوں روڈ پراجیکٹ پر کام کی رفتار میں تیزی کی وجہ سے آمدن میں اضافہ ہوا ہے۔ تقریباً تمام کاروباری شعبوں میں شدید مالی بحران کے باوجود آپ کی کمپنی مالی مشکلات پر قابو پانے کیلئے بھرپور کوشش کر رہی ہے۔ زیر تعمیر پراجیکٹس کے بلوں اور مکمل شدہ پراجیکٹس کی ریٹینشن کی رقم کو ریلیز کروانے کیلئے ہماری کوشش جاری ہے، تاہم سرکاری محکموں کے پاس محدود رقم کی وجہ سے ابھی تک کامیاب نہیں ہو سکے ہیں۔

فتح جنگ پراجیکٹ پر کام آخری مراحل میں تیزی سے جاری ہے۔ اور سال کے دوران اس منصوبے کی تکمیل متوقع ہے۔ اس پراجیکٹ سے سہ ماہی کی آمدن میں 1 کروڑ 11 لاکھ روپے کا حصہ ہے۔

اولڈ بنوں روڈ پراجیکٹ پر متحرک ہوتے ہی کام زور و شور سے جاری تھا لیکن ایف ڈبلیو او کے پاس فنڈز کی کمی نے کام کی رفتار میں خلل ڈال دیا ہے۔ اس پراجیکٹ پر کیا گیا کام ڈیپارٹمنٹ کے پاس باقاعدگی سے جمع ہو رہا ہے جس کی مستقبل قریب میں اچھی ادائیگی متوقع ہے۔ اس پراجیکٹ سے سہ ماہی کی آمدن میں 1 کروڑ 95 لاکھ روپے کا حصہ ہے۔

### مستقبل کے امکانات

مالی بحران کے باوجود مزید کاروبار کیلئے ہماری بھرپور کوششیں جاری ہے۔ توقع کی جارہی ہے کہ مستقبل قریب میں کچھ ڈیپارٹمنٹس کی جانب سے آپ کی کمپنی کو مزید کاموں سے نوازا جائے گا۔

### 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



خالد قلی خان خٹک  
ڈائریکٹر



محمد صلاح الدین  
چیف ایگزیکٹو آفیسر

**GAMMON PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2019 (UN-AUDITED)**

	Un-audited September 30, 2019 Rupees	Audited June 30, 2019 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>	<b>Note</b>	
Property, plant and equipment		
Operating fixed assets	265,304,358	266,279,731
Investment property	392,937,135	392,937,135
Long term investments	1,300,413	1,300,413
Long term security deposits	1,861,203	1,861,203
	661,403,109	662,378,482
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	27,556,187	28,580,718
Contract receivables	87,370,183	90,733,413
Contract assets	116,124,055	93,047,642
Loans and advances	18,928,859	22,440,793
Other receivables	5,354,760	3,270,046
Short term prepayments	204,757	319,723
Tax refunds due from Government	87,751,028	87,751,028
Cash and bank balances	2,168,945	1,885,836
	345,458,774	328,029,199
<b>TOTAL ASSETS</b>	1,006,861,883	990,407,681
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Share capital	5 282,662,310	282,662,310
Capital reserves		
Share premium reserve	15,380,330	15,380,330
Revaluation surplus on property, plant and equipment	388,108,494	388,777,707
	403,488,824	404,158,037
Accumulated profit	46,160,175	45,799,813
	732,311,309	732,620,160
<b>NON-CURRENT LIABILITIES</b>		
Deferred liability	9,269,332	9,208,876
Deferred taxation	18,028,869	18,236,325
	27,298,201	27,445,201
<b>CURRENT LIABILITIES</b>		
Trade and other payables	9 196,256,749	180,795,836
Unclaimed dividends	1,442,230	1,442,230
Taxation-Net	3,933,852	3,044,712
Joint venture partner's advances	30,059,542	30,059,542
Mobilization Advance	7 15,560,000	15,000,000
	247,252,373	230,342,320
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	1,006,861,883	990,407,681

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**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	July - Sept, 2019-20 Rupees	July - Sept, 2018-19 Rupees
Contract Income	32,158,540	22,148,655
Contracts Expenditure	31,931,467	19,406,878
Net contract (loss)/profit	227,073	2,741,777
Operating expenses		
General and administrative expenses	4,611,341	7,036,672
Other income	5,572,123	5,067,752
	960,782	(1,968,920)
Operating Profit	1,187,855	772,857
Finance cost	2,471	2,066
(Loss) /profit before taxation	1,185,384	770,791
Taxation	(1,494,235)	(995,741)
(Loss)/profit after tax	(308,851)	(224,950)
Total Comprehensive Income	-	-
Total Comprehensive (Loss) / Income	(308,851)	(224,950)
Earning per share - basic and diluted (Rupees)	(0.01)	(0.01)

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, 2019**

	Three months ended September 30,	
	2019	2018
	Rupees	Rupees
Profit/ (Loss) for the period-before taxation	1,185,384	770,791
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Adjustment for non-cash charges and other items:</b>		
Depreciation	975,375	808,846
Staff retirement benefits-gratuity	80,306	92,456
Finance cost	2,471	2,066
Allocation of loss to joint venture partners	-	-
Staff retirement benefits-gratuity(paid)	(19,850)	-
	<u>1,038,302</u>	<u>903,368</u>
Profit/(Loss) before working capital changes	2,223,686	1,674,159
<b>Effect on cash flow due to working capital changes:</b>		
Stocks of materials,stores and spares	1,024,531	563,992
Contract Receivables	3,363,230	73,316
Cost and estimated earnings in excess of billings	(23,076,413)	99,145
Loans and advances	3,511,934	938,451
Other Receivables	(2,084,714)	(1,295,533)
Trade Deposits and short term prepayments	114,966	114,376
	<u>(17,146,466)</u>	<u>493,747</u>
<b>Net Change in Current Assets</b>		
Trade and other payables	15,460,913	(1,890,168)
Billing in excess of cost and estimated earnings	-	-
Mobilisation Advance	560,000	-
Materials Received from customers/secured advances	-	-
<b>Net Change in Current Liabilities</b>	<u>16,020,913</u>	<u>(1,890,168)</u>
<b>Net cash inflow/(outflow)from operating activities</b>	1,098,133	277,738
Income tax paid	(812,553)	(286,212)
<b>Net cash inflow/(outflow) after tax from operating activities</b>	<u>285,580</u>	<u>(8,474)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition of fixed assets	-	-
<b>Net cash inflow/(outflow) from investing activities</b>	<u>-</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost paid	(2,471)	(2,066)
<b>Net cash inflow/(outflow) from finance activities</b>	<u>(2,471)</u>	<u>(2,066)</u>
<b>Net increase/decrease in cash and cash equivalent</b>	283,109	(10,540)
Cash and Cash Equivalent -At the beginning of the period	1,885,836	4,150,577
Cash and Cash Equivalent -At the end of the period	<u><b>2,168,945</b></u>	<u><b>4,140,037</b></u>

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

  
**CHIEF FINANCIAL OFFICER**

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**GAMMON PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	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				
		Rupees			
	282,662,310	15,380,330	268,108,095	3,754,346	569,905,081
<b>Total comprehensive income for the period ended September 30, 2018</b>					
Profit for the year	-	-	-	(224,950)	(224,950)
- on account of incremental depreciation-net of deferred tax	-	-	(438,110)	438,110	-
- upon disposal of revalued property, plant and equipment	-	-	-	-	-
Transfer from revaluation surplus on property, plant and equipment:	-	-	(438,110)	213,160	(224,950)
- on account of incremental depreciation-net of deferred tax	-	-	-	-	-
- upon disposal of revalued property, plant and equipment	-	-	-	-	-
Balance as at September 30, 2018	<b>282,662,310</b>	<b>15,380,330</b>	<b>267,669,985</b>	<b>3,967,506</b>	<b>569,680,131</b>
	282,662,310	15,380,330	388,777,707	45,799,813	732,620,160
<b>Total comprehensive income for the period ended September 30, 2019</b>					
Profit for the year	-	-	-	(308,851)	(308,851)
- on account of incremental depreciation-net of deferred tax	-	-	(669,213)	669,213	-
- upon disposal of revalued property, plant and equipment	-	-	-	-	-
Transfer from revaluation surplus on property, plant and equipment:	-	-	(669,213)	360,362	(308,851)
- on account of incremental depreciation-net of deferred tax	-	-	-	-	-
- upon disposal of revalued property, plant and equipment	-	-	-	-	-
Balance as at September 30, 2019	<b>282,662,310</b>	<b>15,380,330</b>	<b>388,108,494</b>	<b>46,160,175</b>	<b>732,311,309</b>

Note

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

Balance as at July 01, 2019

**Total comprehensive income for the period ended September 30, 2019**

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, 2019



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2019 (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 statements 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, 2019.
- 2.3. These condensed interim financial information has been submitted to the shareholders 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, 2019.

**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, 2019.

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, 2019.

<b>5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	<b>Un-audited 30 Sept, 2019 Rupees</b>	<b>Audited 30 June, 2019 Rupees</b>
<b>22,627,320</b> (30 June, 2019: 22,627,320) ordinary shares of Rs.10 each fully paid in cash	<b>226,273,200</b>	<b>226,273,200</b>
<b>2,562,845</b> (30 June, 2019: 2,562,845) ordinary shares of Rs.10 each issued as fully paid bonus shares	<b>25,628,450</b>	<b>25,628,450</b>
<b>3,076,066</b> (30 June, 2019: 3,076,066) ordinary shares of Rs.10 each issued by conversion of the directors' loans	<b>30,760,660</b>	<b>30,760,660</b>
<b><u>28,266,231</u></b>	<b><u>282,662,310</u></b>	<b><u>282,662,310</u></b>

**6. TAXATION**

- 6.1** The Provision for taxation for the quarter ended September 30, 2019 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, 2019.

**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, 2019.

**8. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES**

Rentals received during the current period from the associated companies include Rs. Rs750,000/- from Ghandhara Nissan Limited and Rs.250,000 from Ghandhara Industries Limited and Rs.150,000 from Janana De Malucho Textile Mills Limited. Whereas an amount of Rs.4,250,000-is receivable from Bannu Woollen Mills Limited.

<b>9. TRADE AND OTHER PAYABLES</b>	<b>(Un-Audited) 30 Sep., 2019 Rupees</b>	<b>(Audited) 30 June, 2019 Rupees</b>
Sundry creditors	68,184,064	67,796,863
Advance rent	2,125,616	2,366,207
Due to sub-contractors	30,093,927	30,546,579
Accrued expenses	49,450,765	33,763,682
Due to employees and others	8,729,298	8,729,298
Taxes payable	929,864	849,992
Joint venture partners' share of profit	1,620,715	1,620,715
Other provisions <b>9.1</b>	<b>35,122,500</b>	<b>35,122,500</b>
	<b><u>196,256,749</u></b>	<b><u>180,795,836</u></b>

- 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 26th June, 2020

**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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- Risk profiler\*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



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