

BIBOJEE GROUP



Quarterly Accounts

March 31, 2022

(Un-Audited)



GAMMON PAKISTAN LIMITED

COMPANY INFORMATION

Chairman

Lt Gen (Retd) Ali Kuli Khan Khattak Chairman

Board of Directors

Mr. Khalid Kuli Khan Khattak	Director
Mrs. Ayesha Alamzeb Durrani	Director
Mr. Muhammad Kuli Khan Khattak	Director
Mr. Sikandar Kuli Khan Khattak	Director
Mr. Kamal Abdullah Malik	Independent Director
Mr. Fazal-ur-Rehman Khan Burki	Independent Director

Chief Executive Officer

Mr. Khalid Kuli Khan Khattak

Audit Committee

Mr. Kamal Abdullah Malik	Chairman
Mr. Muhammad Kuli Khan Khattak	Member
Mr. Sikandar Kuli Khan Khattak	Member

HR Committee

Mr. Fazal-ur-Rehman Khan Burki
Mrs. Ayesha Alamzeb Durrani
Mr. Sikandar Kuli Khan Khattak

Company Secretary

Mr. Amin ur Rasheed

Chief Financial Officer

Mr. Ghulam Murtaza Khurshid

Internal Auditor

Mr. Salman Khan ACA

External Auditor

M/S Rizwan & Co.
Chartered Accountants
Islamabad

Legal Advisor

Chanda Law Associates Rawalpindi	Advocates
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Stock Exchange

The Gammon Pakistan Limited
is a listed Company and
It's 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: Info@gammonpakistan.com

Share Registrar

Vision Consulting Limited
3-C, LDA Flats, 1st Floor
Lawrence Road, Lahore
Tel: +92-42-36283096-97
Email: share@vcl.com.pk
Web: www.vcl.com.pk

Gammon Pakistan Limited

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 nine months ended March 31, 2022.

PERFORMANCE REVIEW

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

Particulars	July to March., 2022 (Rupees)	July to March., 2021 (Rupees)
Contract Income	19,797,572	67,501,956
Contract Expenditure	(21,860,777)	(63,003,018)
Net Contract (Loss)/Profit	(2,063,205)	4,498,938
(Loss)/Profit before taxation	(1,435,784)	2,659,150
Taxation	(4,422,933)	(320,161)
Net (Loss)/Profit	(5,858,717)	2,338,989

The revenue from the contracts has sharply reduced after handing over of MTC and Torkham Projects. We are striving hard to acquire some new projects but arranging the bonding facilities and running finance is the main difficulty in the way. Nonetheless, all our efforts are still being made to acquire new Projects as we continue to participate in the bidding process of feasible Projects. Gammon Pakistan Limited is also striving hard to acquire Projects through joint ventures with financially strong parties and hopefully we may have success in the near future.

The Project of Maritime Technologies Complex Project at Fateh Jang near Islamabad is Completed and Handed Over, we are in process of final bill with the client.

The Project of Old Bannu Road Structure Bridges is progressing well and we are very much hopeful that it may be completed before the end of this financial year.

The Project of FBR Facility Center at Torkham has also been Left and Handed Over to NLC, due to certain mis-commitments from client side, final settlement in this regard is in process.

FUTURE PROSPECTS

New Management of the Company is very much hopeful that despite financial constraints and cash flow problems we will succeed to uplift the company by resolving long outstanding matters. We are tendering for some Mega Projects as well, since Government policy for the Construction industry is supportive. It is expected that some new works will be awarded to your company 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 cooperation, support and trust reposed in the Company.

For and on behalf of Board of Directors



Khalid Kuli Khan Khattak
Chief Executive Officer

گیمن پاکستان لیمیٹڈ

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2022ء کو نو ماہی کے اختتام پر کمپنی کے غیر آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

کارکردگی کا جائزہ

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

جولائی - مارچ 2022	جولائی - مارچ 2021	
(روپے)	(روپے)	
19,797,572	67,501,956	پراجیکٹس سے آمدن
(21,860,777)	(63,003,018)	پراجیکٹس کا خرچ
(2,063,205)	4,498,938	مجموعی منافع
(1,435,784)	2,659,150	قبل از ٹیکس منافع
(4,422,933)	(320,161)	ٹیکس
(5,858,717)	2,338,989	بعد از ٹیکس منافع

ایم ٹی سی اور طورخم پراجیکٹس کی حوالگی کے بعد سے آمدن میں تیزی سے کمی واقع ہوئی ہے۔ اگرچہ ہم نئے پراجیکٹس کے حصول کیلئے بھرپور کوشش کر رہے ہیں لیکن ہمیں اس سلسلے میں بانڈنگ کی سہولیات اور رنگ فنانس کے حصول میں شدید دشواری کا سامنا ہے۔ بحر حال نئے پراجیکٹس کے حصول کیلئے ہماری تمام تر کوششیں جاری ہیں اور اس سلسلے میں ہم مناسب پراجیکٹس کے ٹینڈرز میں حصہ لے رہے ہیں۔ گیمن پاکستان لیمیٹڈ مالی طور پر مضبوط پارٹیوں کے ساتھ مشترکہ منصوبوں کے ذریعے پراجیکٹس حاصل کرنے کی بھرپور کوشش کر رہی ہے اور امید ہے کہ ہمیں کامیابی حاصل ہوگی۔

اسلام آباد میں فتح جنگ کے قریب واقع ایم ٹی سی کا پراجیکٹ مکمل کر کے حوالے کر دیا گیا ہے اور ہم کلائنٹ کے ساتھ حتمی بل کے عمل میں ہیں۔ اولڈ بنوں روڈ پلوں کا کام تیزی سے جاری ہے اور امید ہے کہ رواں سال کے اختتام سے پہلے کام مکمل کر لیا جائے گا۔ طورخم بارڈر پر کراسنگ کی سہولت سینٹر کا کام کلائنٹ کی طرف سے وعدہ خلافی کی وجہ سے چھوڑ دیا گیا ہے اور کلائنٹ کے حوالے کر دیا گیا ہے اسکی فائنل سیٹلمنٹ زیر تکمیل ہے۔

مستقبل کے امکانات


کمپنی کی نئی انتظامیہ بہت پُر امید ہے کہ مالی رکاوٹوں اور کیش فلو میں دشواریوں کے باوجود ہم طویل عرصے سے درپیش مشکلات کو حل کر کے کمپنی کی

ترقی میں کامیاب ہوں گے۔ ہم کچھ میگا پراجیکٹس کیلئے ٹینڈرز میں حصہ لے رہے ہیں کیونکہ تعمیراتی صنعت کیلئے حکومتی پالیسی معاون ہے اور توقع ہے کہ مستقبل قریب میں کمپنی کچھ نئے کام حاصل کرنے میں کامیاب ہو جائے گی۔

اعتراف

اس نو ماہی کے دوران کمپنی کی انتظامیہ، انجینئرز اور ملازمین کی محنت اور لگن قابلِ تعریف ہے اور ہم تعاون، حمایت اور اعتماد کیلئے اپنے مینکٹرز، کسٹمرز، سپلائرز اور ذیلی کنٹریکٹرز کے تہہ دل سے مشکور ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے


خالد علی خان خانگل

چیف ایگزیکٹو آفیسر

**GAMMON PAKISTAN LIMITED
CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED
31 MARCH 2022
(UN-AUDITED)**

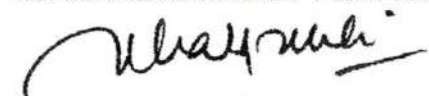
GAMMON PAKISTAN LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022 (UN-AUDITED)

		Un-audited March 31, 2022	Audited June 30, 2021
	NOTE	Rupees	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	292,014,865	293,153,336
Investment property	7	468,511,297	468,511,297
Long term investments	8	1,800,413	1,300,413
Long term security deposits		1,859,328	1,571,328
		<u>764,185,903</u>	<u>764,536,374</u>
CURRENT ASSETS			
Stores, spares and loose tools		13,175,882	15,047,134
Contract receivables	9	45,918,094	49,410,217
Contract asset	10	101,121,108	113,089,451
Loans and advances		48,720,373	20,648,103
Other receivables		1,085,969	1,696,210
Trade deposits and short term prepayments		490,299	318,306
Tax refunds due from Government		85,339,006	86,337,108
Cash and bank balances	11	1,743,825	5,643,697
		<u>297,594,556</u>	<u>292,190,226</u>
TOTAL ASSETS		<u>1,061,780,459</u>	<u>1,056,726,600</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	282,662,310	282,662,310
Capital reserves			
Share premium reserve		15,380,330	15,380,330
Revaluation surplus on property, plant and equipment		419,150,066	420,072,719
		<u>434,530,396</u>	<u>435,453,049</u>
Revenue reserve			
Accumulated profit		69,303,444	74,239,623
		<u>786,496,150</u>	<u>792,354,982</u>
NON-CURRENT LIABILITIES			
Deferred liability		8,126,674	8,000,703
Deferred taxation		31,352,476	31,352,476
		<u>39,479,150</u>	<u>39,353,179</u>
CURRENT LIABILITIES			
Trade and other payables	13	204,303,387	181,040,636
Unclaimed dividends		1,442,230	1,442,230
Contract liability		-	12,476,031
Taxation			-
Joint venture partner's advances		30,059,542	30,059,542
		<u>235,805,159</u>	<u>225,018,439</u>
TOTAL EQUITY AND LIABILITIES		<u>1,061,780,459</u>	<u>1,056,726,600</u>

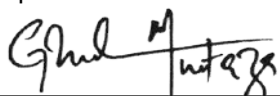
CONTINGENCIES AND COMMITMENTS

14

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

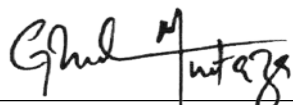
GAMMON PAKISTAN LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022 (UN-AUDITED)

		Nine months ended March 31,		Quarter ended March 31,	
		2022	2021	2022	2021
NOTE		-----Rupees-----			
	15	19,797,572	67,501,956	4,297,225	3,634,586
		(21,860,777)	(63,003,018)	(4,576,876)	(6,663,780)
		(2,063,205)	4,498,938	(279,651)	(3,029,194)
		(1,502,294)	(1,557,376)	(513,551)	(521,331)
		(19,790,279)	(18,137,327)	(6,537,243)	(5,862,409)
		(23,355,778)	(15,195,765)	(7,330,445)	(9,412,934)
		21,919,994	17,854,915	8,442,359	5,672,991
		(1,435,784)	2,659,150	1,111,913	(3,739,943)
		(4,422,933)	(843,774)	(1,905,447)	(486,098)
		-	523,613		104,929
		(4,422,933)	(320,161)	(1,905,447)	(381,169)
		(5,858,717)	2,338,989	(793,534)	(4,121,112)
	16	(0.21)	0.08	(0.03)	(0.15)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022 (UN-AUDITED)

	Nine month ended March 31,		Quarter ended March 31,	
	2022	2021	2022	2021
NOTE	-----Rupees-----			

(Loss) / profit after taxation	(5,858,717)	2,338,989	(793,534)	(4,121,112)
Other comprehensive income	-	-	-	-
Total other comprehensive (loss) / income for the period	<u>(5,858,717)</u>	<u>2,338,989</u>	<u>(793,534)</u>	<u>(4,121,112)</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

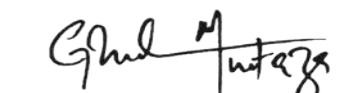
GAMMON PAKISTAN LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2022 (UN-AUDITED)

OR THE NINE MONTHS ENDED MARCH 31, 2022 (UN-AUDITED)

	Share capital	Reserves			Total
		Capital		Revenue	
	Issued, subscribed and paid-up capital	Share premium	Revaluation surplus on property, plant and equipment	Accumulated Profits	
	Rupees				
Balance as at June 30, 2020 (audited)	282,662,310	15,380,330	412,774,639	74,960,044	785,777,323
Total comprehensive income for the period					
Profit for the period	-	-	-	2,338,989	2,338,989
Revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-
	-	-	-	2,338,989	2,338,989
Transfer from revaluation surplus on property, plant and equipment:					
- on account of incremental depreciation-net of deferred tax	-	-	(1,281,949)	(1,281,949)	-
Balance as at March 31, 2021 (un-audited)	282,662,310	15,380,330	411,492,690	76,017,084	788,116,312
Balance as at June 30, 2021 (audited)	282,662,310	15,380,330	420,072,719	74,239,623	792,354,982
Total comprehensive income for the period					
Loss for the period	-	-	-	(5,858,717)	(5,858,717)
Revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-
	-	-	-	(5,858,717)	(5,858,717)
Transfer from revaluation surplus on property, plant and equipment:					
- on account of incremental depreciation-net of deferred tax	-	-	(919,404)	919,404	-
- upon disposal of revalued property, plant and equipment	-	-	(3,134)	3,134	-
Balance as at March 31, 2022 (un-audited)	282,662,310	15,380,330	419,150,181	69,303,444	786,496,265

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED MARCH 31, 2022 (UN-AUDITED)

	Nine months ended March 31,	
	2022 Rupees	2021 Rupees
Profit / (loss) before taxation	(1,435,784)	2,659,150
CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustment for non cash charges and other items :		
Depreciation	1,502,294	2,960,990
Staff retirement benefits - gratuity (net)	(125,971)	(981,451)
Finance cost	-	-
	<u>1,376,323</u>	<u>1,979,539</u>
Profit / (Loss) before working capital changes	(59,461)	4,638,689
Effect on cash flow due to working capital changes:		
Stock of materials, stores and spares	1,871,252	463,606
Contract receivables	3,492,123	7,192,725
Contract assets	11,968,343	12,432,222
Loans and advances	(28,072,270)	(11,344,407)
Long term Investment	(500,000)	-
Long term security deposits	(288,000)	(26,089,000)
Short term prepayments	(171,993)	(223,375)
Other receivables	610,241	536,244
Net Change in Current Assets	(11,090,304)	(17,031,985)
Increase / (decrease) in current liabilities		
Material received from customers / secured advances	-	-
Contract liability	(12,476,031)	-
Trade and other payables	23,262,751	18,617,050
Net Change in Current Liabilities	<u>10,786,720</u>	<u>18,617,050</u>
Net cash inflow /(outflow)from operating activities:	(363,045)	6,223,754
Income tax paid	(3,170,426)	(5,981,532)
Net cash inflow/(outflow) after tax from operating activities	<u>(3,533,472)</u>	<u>242,222</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(366,400)	(181,940)
Proceeds from sale of fixed assets	-	-
Net cash inflow/(outflow) from investing activities	<u>(366,400)</u>	<u>(181,940)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Financial charges paid	-	-
Net cash inflow/(outflow) from financing activities	<u>-</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents	(3,899,872)	60,282
Cash and cash equivalents -At the beginning of the period	5,643,697	1,204,501
Cash and cash equivalents -At the end of the period	<u>1,743,825</u>	<u>1,264,783</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

GAMMON PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated under the repealed 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 (Formerly Karachi Stock Exchange Limited in which Lahore and Islamabad stock exchanges have merged). It 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.

These are the separate condensed interim unconsolidated financial statements of the Company in which investment in subsidiaries and associate is stated at cost less impairment losses, if any.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated financial statements of the Company for the nine months period ended March 31, 2022 have been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2021. Comparative condensed interim unconsolidated statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2021 and comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows are extracted from unaudited interim financial statements for the nine months ended March 31, 2021.

These condensed interim unconsolidated financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

2.2 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except for certain fixed assets which have been stated at revalued amount and staff retirement benefit at present value.

These condensed interim unconsolidated financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

These condensed interim unconsolidated financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

- 3.1 The accounting policies adopted and methods of computation followed in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the preparation of financial statements for the year ended June 30, 2021 except as explained in note
- 3.2 The preparation of these condensed interim unconsolidated financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, 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 recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited unconsolidated financial statements as at and for the year ended June 30, 2021.
- 3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on or after July 01, 2021. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on these condensed interim unconsolidated financial statements except as explained in note 3.6 below.
- 3.5 The Company's significant risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Company for the year ended June 30, 2021.
- 3.6 The accounting policies applied in these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2021.

4 TAXATION

The provision for taxation for the nine months period and quarter ended March 31, 2022 has been made using the estimated effective tax rate applicable to expected total annual earnings.

5 ESTIMATES

The preparation of condensed interim unconsolidated financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2021.

	NOTE	Unaudited March 31, 2022	Audited June 30, 2021
		Rupees	
6 OPERATING FIXED ASSETS			
Opening written down value		293,153,336	288,573,865
Add: Additions during the period / year	6.1	366,400	716,301
Add: Revaluation Surplus		-	14,994,978
Less: Disposals - net book value (NBV)		(4,347)	(7,708,059)
		362,053	8,003,220
Less: Depreciation charged during the period / year		(1,500,524)	(3,423,749)
Closing written down value		292,014,865	293,153,336

6.1 Detail of additions (at cost) during the period / year are as follows:

	NOTE	Unaudited March 31, 2022	Audited June 30, 2021
		Rupees	
Plant and machinery		30,000	338,452
Furniture and fixtures		-	143,309
Computers and accessories		161,400	186,340
Motor Vehicles		-	38,000
Construction Equipments		175,000	10,200
		366,400	716,301

7 INVESTMENT PROPERTY

Rural land	7.2	115,334,599	115,334,599
Gammon House - land and building	7.3	353,176,698	353,176,698
		468,511,297	468,511,297

7.1 The movement in this account is as follows:

Opening balance		445,280,201	445,280,201
Net fair value gain on revaluation shown in "profit and loss account"	7.4	23,231,096	23,231,096
		468,511,297	468,511,297

7.2 This represents investment in 209.70 kanals open land located at Mouza Haraka, Rawalpindi. This investment, effective from the financial year ended June 30, 2007, is being classified as "investment property" as the Company decided to hold this property for capital appreciation. The Company has adopted fair value model for valuation.

7.3 This represents Gammon House (head office of the Company) which is held to earn rentals and for capital appreciation and shown under the head "Investment property". The Company has adopted fair value model for valuation.

7.4 As at June 30, 2021, this represents adjustment to fair value as a result of revaluation by the Company. The revaluation exercise was carried out by Impulse (Private) Limited as at June 30, 2021, and the revaluation resulted in Rs.23.231 million net adjustment to fair value.

		Unaudited March 31, 2022	Audited June 30, 2021
		NOTE	Rupees
8	LONG TERM INVESTMENTS		
	Unquoted Subsidiaries		
	Gammon Pakistan Precast (Private) Limited (96% Holding)	8.1	500,000 -
	50,000 ordinary shares (June 30, 2021: Nil) of Rs. 10 each		
	Others		
	Defense Saving Certificate		1,300,413
			1,800,413
8.1	It represents the shareholding of the Company in Gammon Pakistan Precast (Private) Limited making it a subsidiary effective from November 16, 2021 and it has not commenced its commercial activity till March 31, 2022.		
9	CONTRACT RECEIVABLES		
	Unsecured - considered good		
	Against billings		
	- work-in-progress		20,018,318
	- completed contracts		55,913,928
			75,932,246
	written off during the year		-
	Provision for doubtful receivables	9.1	(75,150,387)
			781,859
	Against retention money		
	- work-in-progress		45,055,769
	- completed contracts		37,784,955
			82,840,724
	Provision for doubtful receivables	9.1	(37,704,489)
			45,136,235
	Joint venture		
	- against billings		17,054,553
	- against retention money		12,936,380
			29,990,933
	Provision for doubtful receivables	9.1	(29,990,933)
			-
			45,918,094
9.1	Management, in the previous years, carried out an exercise to identify long outstanding receivable balances comprising of progress billings and retention monies which are not likely to be received due to various reasons. Accordingly, during the nine month ended March 31, 2022, no further provision was charged (June 30, 2021: Nil).		49,410,217

		Unaudited March 31, 2022	Audited June 30, 2021
	NOTE	Rupees	
10 CONTRACT ASSETS			
Construction contracts		101,121,108	113,089,451
Analyzed as:			
Current	10.1	101,121,108	113,089,451
10.1 The Company receive payments from customers based on a billing schedule, as established in the contracts. Contract assets relate to the conditional right to consideration for completed performance obligations under the contract. Contract receivables are recognised when the right to consideration becomes unconditional. In addition, contract assets have been recognized in line with the initial application of IFRS -15.			

		Unaudited March 31, 2022	Audited June 30, 2021
	NOTE	Rupees	
11 CASH AND BANK BALANCES			
Cash in hand		309,354	146,144
Cash at bank - local currency			
Current accounts		534,816	3,958,672
PLS accounts	11.1	10,212	649,438
Deposit accounts	11.2	889,443	889,443
		1,434,471	5,497,553
		1,743,825	5,643,697

11.1 PLS accounts, during the current financial period, carried markup ranging from 5.5% to 11.25% (June 30, 2021 : 5.5% to 11.25%) per annum.

11.2 As at December 31, 2021 and June 30, 2021 the entire balance was under bank's lien.

		Unaudited March 31, 2022	Audited June 30, 2021
		Rupees	
12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
12.1 Issued, subscribed and paid up capital			
22,627,320 (June 30, 2021: 22,627,320) ordinary shares of Rs.10/- each fully paid in cash		226,273,200	226,273,200
2,562,845 (June 30, 2021: 2,562,845) bonus shares of Rs.10/- each fully paid in cash		25,628,450	25,628,450
3,076,066 (June 30, 2021: 3,076,066) ordinary shares of Rs.10/- each fully paid in cash (against conversion of loans)		30,760,660	30,760,660
		282,662,310	282,662,310

12.2 Authorized share capital

This represents 30,000,000 (June 30, 2021 : 30,000,000) ordinary shares of Rs. 10 each amounting to Rs.300,000,000 (June 30, 2021 : Rs. 300,000,000).

- 12.3 Bibojee Services (Private) Limited (the holding company) holds 20,369,056 (June 30, 2021: 20,369,056) shares, i.e. 72.06% of the Company's issued, subscribed and paid-up capital.

		Unaudited March 31, 2022	Audited June 30, 2021
	NOTE	Rupees	
13 TRADE AND OTHER PAYABLES			
Sundry creditors		63,055,104	59,870,039
Advance rent		2,025,920	14,576
Due to sub-contractors		37,086,273	37,869,698
Accrued expenses		35,345,597	34,862,184
Due to employees and others	13.1	28,706,765	9,165,299
Taxes payables		1,340,512	2,515,625
Joint venture partner's share of profit		1,620,715	1,620,715
Other provisions	13.2	35,122,500	35,122,500
		204,303,387	181,040,636

- 13.1 This balance includes amounts aggregating Rs. 1.563 million (June 30, 2021: Rs. 1.563 million) payable in respect of the loans obtained from the Company's Employees' Provident Fund (the Fund) during the period from 1995 to 1999. The SECP, during May 2008, had issued show-cause notices to some of the existing directors as well as ex-directors under various sections of the repealed Companies Ordinance, 1984 (the Ordinance), repealed with the enactment of Companies Act, 2017. The SECP, vide its three orders dated 25 June, 2009, had imposed penalties aggregating Rs. 1.005 million under various sections of the Ordinance on some of the existing directors and ex-directors in their personal capacity.

The SECP has also directed the Company's Chief Executive to distribute the amount of Rs. 9.153 million to members of the provident fund trust including the employees/directors/ex-directors of the Company at the time of closure of the Fund in the year 1987 as per their entitlement and to submit an Auditor's certificate confirming that all outstanding money of the fund has been paid to members in accordance with provisions of the section 227 of the Ordinance. The Company opened a separate bank account and transferred the entire amount into it. Furthermore, an amount of Rs. 7.589 million were paid to members up to December 31, 2019.

- 13.2 These represent provisions 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, that the Company may have to incur as a result of 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 (for further detail please refer note 13.2 (a) of these condensed interim financial statements).

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingent assets

The Company had lodged a claim with National Highway Authority amounting to Rs. 201.177 million (June 30, 2021: 201.177 million) against M/s Bayinder for recovery of losses suffered by the Company attributable to cessation of the work at Islamabad - Peshawar Motorway Project.

14.2 Contingent liabilities

- a) Recovery proceedings of two overseas borrowings from National Bank of Pakistan (NBP) led Consortium amounting Saudi Riyals (SR) 5 million and SR 2.5 million totaling SR 7.5 million (equivalent to Pak Rs. 276.714 million at the rate of Rs. 36.9/ SR) with the interest thereon of SR 21.65 million (equivalent to Rs. 798.78 million at the rate of Rs. 36.9.5/ SR) are being contested in the Sindh High Court.

The Honorable Sindh High Court, vide its order dated September 17, 2003, had decided for SR 5 million that "proceedings will remain suspended till disposal of the matter by the Ministry of Finance (MoF), Govt. of Pakistan" and directed both NBP and the MoF to follow BPRD Circular No. 19 dated 05 June, 1997 issued by the State Bank of Pakistan announcing an Incentive Scheme in this respect. NBP had filed an application during the year 2000 for execution of the decrees issued in its favor in both the above cases; however, the Company is contesting both the cases on legal grounds.

The Company's Board of Directors are of the opinion that it falls within the ambit of SBP "Incentive Scheme" for the Recovery of Loan Defaults vide BPRD Circular no.19 and, as such, liable to pay only Rs. 35.122 million in full and final settlement of its outstanding liability.

- b) Regarding tax year 2015 Best judgment assessment was made against the company under section 121 of the Income Tax Ordinance, 2001 determining tax chargeable at Rupees 46,282,156/- and tax payable of Rupees. 22,636,470/- The Commissioner Inland Revenue (Appeals) who upheld the assessment order of Deputy Commission Inland Revenue. Later on, the Appellate Tribunal Inland Revenue remanded back the case to the assessing officers which is yet to set for hearing. Legal counsel of the company is confident to have a favorable decision in due course of time.

Punjab Revenue Authority completed its proceedings against the company for nonpayment of Rupees 68,290,380/- as provincial tax during the tax periods from June 2013 to March 2018. The case is pending before the Appellate Tribunal Punjab Revenue Authority. Legal counsel of the company is confident to have a favorable decision in due course of time.

Proceedings under section 161/205 of the Income Tax Ordinance, 2001 were initiated and completed against the company for the tax year 2016 and 2018 by determining tax payable of Rupees 1,677,422/- and Rupees 16,764,436/- respectively. The cases have been heard by the Commissioner Inland Revenue (Appeals) whose decision is awaited. Legal counsel of the company is confident to have a favorable decision in due course of time

- c) In the ordinary course of business various parties have filed legal cases against the Company, which have not been admitted as liabilities, accordingly, no provision has been considered necessary against these claims till their final outcome. The legal advisor of the Company is of the opinion that these cases are expected to be decided in favor of the Company and therefore no provision has been made in these financial statements for any liability that may arise consequent upon the result of above law suits.
- d) Guarantees issued by a commercial bank and insurance companies in respect of financial and operational obligations of the Company to various institutions and corporate bodies, aggregate Rs. 50.062 million (June 30, 2021: Rs. 50.062 million).

14.3 Commitments

There were no commitment for capital expenditures as at the statement of financial position date (June 30, 2021: Nil).

NOTE		Unaudited March 31, 2022	Unaudited March 31, 2021
		Rupees	
15	CONTRACT INCOME		
	Continuing operations:		
	Construction contracts	<u>19,797,572</u>	<u>67,501,956</u>
		<u>19,797,572</u>	<u>67,501,956</u>
	Timing of revenue recognition		
	Over time:		
	Construction contracts	<u>19,797,572</u>	<u>67,501,956</u>
		<u>19,797,572</u>	<u>67,501,956</u>

- 15.1 As the Company was already following cost to cost method of revenue recognition so there is no substantial effect on financial statement line items by the application of IFRS-15 as compared to IAS-11 and IAS-8.
- 15.2 The following is the breakup of aggregate amount of the transaction price allocated to performance obligation that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

**March 31,
2022
Rupees**

Continuing operations:

Construction contracts

502,788,761

- 15.3 As permitted under para C5(d) of IFRS-15, the transaction price allocated to (partially) unsatisfied performance obligation as of June 30, 2021 is not disclosed, using the transaction provisions of IFRS-15.

16 EARNING PER SHARE- BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	Nine Months Ended March 31,		Quarter Ended March 31,	
	2022	2021	2022	2021
Earning after taxation-(Rupees)	(5,858,717)	2,338,989	(793,534)	(4,121,112)
Weighted average number of ordinary shares	28,266,231	28,266,231	28,266,231	28,266,231
Earning per share - (Rupees)	(0.21)	0.08	(0.03)	(0.15)

17 TRANSACTIONS WITH RELATED PARTIES

- 17.1 The related parties, subsidiary and associated undertakings of the Company comprise of group companies, other associate companies, subsidiary companies, directors and key management personnel. Transactions with related parties, subsidiary and associated undertakings during the period are as follows:

Nine Months Ended March 31,		Quarter Ended March 31,	
2022	2021	2022	2021
-----Rupees-----			

Relation with the Company
Nature of transaction

Subsidiary Company

Gammon Pakistan Precast
(Private) Limited

Loan provided

21,740,767

-

4,777,450

-

Associated Companies

Gandhara Nissan Limited				
Rental income	2,722,500	2,475,000	907,500	825,000
Payment received	(2,722,500)	(2,475,000)	(907,500)	(825,000)
Gandhara Industries Limited				
Rental income	2,475,000	2,250,000	825,000	750,000
Payment received	(2,475,000)	(2,250,000)	(825,000)	(750,000)
Janana De Malucho Textile Mills Limited				
Rental income	165,000	150,000	-	-
Payment received	(220,000)	(150,000)	-	-
Rehman Cotton Mills Limited				
Rental income	220,000	150,000	-	50,000
Payment received	(220,000)	(150,000)	-	-
Bannu Wollen Mill Limited				
Rental income	2,131,976	1,888,160	783,992	612,720
Payment received	(2,359,856)	(3,223,600)	(669,328)	(612,720)
Bibojee Services (Pvt) Ltd				
Purchases	30,000	-	-	-
Babri Cotton Mills Limited				
Rental income		50,000		50,000
Payment received		-		-
Chief Executive				
Salaries and other benefits	-	1,200,000	-	600,000

17.2 Balances receivable / payable with related parties are disclosed in respective notes.

18 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the unconsolidated financial statements for the year ended June 30, 2021.

19 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are traded in an open market are revalued at the market prices prevailing at the close of trading on the reporting date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from book values as the items are either short-term in nature or periodically repriced.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The management assessed that the carrying value of cash and short term deposits, trade debts, other receivables trade and other payables and other current liabilities approximate their fair values largely due to the short term maturities of these instruments. Fair value is determined on the basis of objective evidence at each reporting date.

Transfers during the period

During the nine month period to March 31, 2022, there were no transfers into or out of Level 3 fair value measurements.

As at March 31, 2022 and June 30, 2021 the Company held financial instruments carried at fair value which comprising investment property and operating fixed assets are measured at fair value.

- 19.1 The investment property was valued on June 30, 2021 carried out by external independent valuers M/s Impulse (Private) Limited. The fair value of investment property is categorized as level 2 recurring fair value measurement due to significant observable inputs used in the valuation. A reconciliation of the opening and closing balance is provided below:

	NOTE	Unaudited March 31, 2022	Audited June 30, 2021
		Rupees	
Opening balance (level 2 recurring fair value)		468,511,297	445,280,201
Fair value gain recognized in profit and loss		-	23,231,096
Closing balance (level 2 recurring fair value)		<u>468,511,297</u>	<u>468,511,297</u>

- 19.2 The Company has revalued its freehold land, buildings, plant and machinery and other fixed assets on June 30, 2021 by independent valuers M/s Impulse (Private) Limited on the basis of market value of similar properties. Fair value of land and building are based on assumptions considered to be level 2 in the fair value hierarchy due to significant observable inputs used in the valuation, while fair value of plant and machinery are considered to be level 3 in the fair value hierarchy due to significant unobservable inputs used in the valuation.

Valuation techniques used to derive level 2 fair values - Land and building

Fair value of land and building has been derived using a sales comparison approach. Sale prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location and size of the property. Moreover value of building also depends upon the type of construction, age and quality. The most significant input in this valuation approach is price / rate per square foot in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

Valuation techniques used to derive level 3 fair values-Plant and machinery and other fixed assets

In the absence of current prices in an active market, the fair value is determined by taking into account the following factors:

- Make, model, country of origin and etc.;
- Operational capacity;
- Present physical condition;
- Resale prospects; and
- Obsolescence.

The valuation is considered to be level 3 in the fair value hierarchy due to the above unobservable inputs used in the valuation. Most significant input in this valuation is the current replacement cost which is adjusted for factors above.

Had there been no revaluation, the net book value of the specific classes of operating assets would have been as follows:

	Unaudited March 31, 2022	Audited June 30, 2021
	Rupees	
Freehold land	120,988	120,988
Buildings on freehold land	3,022,495	3,022,495
Plant and machinery	1,328,991	1,298,991
Furniture and fixture	957,105	957,105
Computers and accessories	741,056	579,656
Motor vehicles, cycles and boats	13,454	13,454
Construction equipments	273,403	98,403

20 CORRESPONDING FIGURES


Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the period.

21 DATE OF AUTHORIZATION

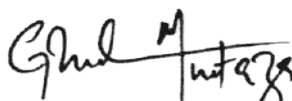
This condensed interim financial information was authorized for issue on **April 21, 2022** by the Board of Directors of the Company.

22 GENERAL

Figures have been rounded off to the nearest rupee.



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DIRECTOR

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