

BIBOJEE GROUP



Quarterly Accounts

March 31, 2023

(Un-Audited)



GAMMON PAKISTAN LIMITED

COMPANY INFORMATION

Chairman

Lt Gen Ali Kuli Khan Khattak (Retd) 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 Advocates
Rawalpindi

Stock Exchange

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

Bankers

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

Registered Office

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

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, 2023.

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, 2023 (Rupees)	July to March, 2022 (Rupees)
Contract Income	5,619,849	19,797,572
Contract Expenditure	(11,032,945)	(21,860,777)
Net Contract Profit/(Loss)	(5,413,096)	(2,063,205)
Profit/(Loss) before taxation	(1,686,415)	(1,435,784)
Taxation	(2,778,234)	(4,422,933)
Profit/(Loss) after taxation	(4,464,649)	(5,858,717)

The revenue from the contracts has sharply reduced after handing over of certain Projects. We are striving hard to acquire some new projects but arranging the BG 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 (GPL) 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 is in the process of final bill with the client. It is under arbitration due to difficulties in final bill and claim of retention money due to inconsistencies during the project execution from client side, design and location changes, risk and cost part of the work, as well as allied factors beyond control. In spite of the complications, Management is dealing with matter with concern and using all faculties to finalize it to a success. The Project of Old Bannu Road Structure Bridges is nearly on the same lines and being resolved with full capacity for the recovery of receivables, we are progressing well and expect to settle the matter amicably before the end of this financial year.

FUTURE PROSPECTS

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, in this connection efforts are being made to obtain BG and RF facilities from different Banks.

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 the Board of Directors



Khalid Kuli Khan Khattak
Chief Executive Officer

گیمن پاکستان لمیٹڈ

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 31 مارچ 2023ء کو نو ماہ کی ختم ہونے والی مدت پر غیر آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے 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 کے مالیاتی نتائج کی اہم جھلکیاں مندرجہ ذیل ہیں:-

جولائی۔ مارچ 2023	جولائی۔ مارچ 2022	
(روپے)	(روپے)	
5,619,849	19,797,572	پراجیکٹس سے آمدن
(11,032,945)	(21,860,777)	پراجیکٹس کا خرچ
(5,413,096)	(2,063,205)	مجموعی منافع / (نقصان)
(1,686,415)	(1,435,784)	قبل از ٹیکس منافع / (نقصان)
(2,778,234)	(4,422,933)	ٹیکس
(4,464,649)	(5,858,717)	بعد از ٹیکس منافع / (نقصان)

کچھ پروجیکٹس کے حوالے کرنے کے بعد معاہدوں سے حاصل ہونے والی آمدنی میں تیزی سے کمی آئی ہے۔ ہم کچھ نئے پراجیکٹس حاصل کرنے کی بھرپور کوشش کر رہے ہیں لیکن بنیادی مسئلہ فنانسنگ سہولیات کو حاصل کرنے میں دشواری ہے، جس نے کمپنی کی بحالی کو بری طرح متاثر کیا ہے۔ بحر حال ہماری تمام تر کوششیں نئے پراجیکٹس کے حصول کیلئے جاری ہیں، مزید یہ کہ ہم مناسب پراجیکٹس کی بڈنگ میں حصہ لینے کا عمل جاری رکھے ہوئے ہیں۔ گیمن پاکستان لمیٹڈ 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 کے قریب فتح جنگ میں میری ٹائم ٹیکنالوجیز کمپلیکس کا پروجیکٹ مکمل ہو چکا ہے اور کلائنٹ کے پاس حتمی بل کی تکمیل کے مراحل میں ہے۔ حتمی بل میں مشکلات اور کلائنٹ کی طرف سے پروجیکٹ کی تکمیل کے دوران عدم مطابقت، ڈیزائن اور مقام کی تبدیلیوں، کام کے خطرے اور لاگت کے حصے کے ساتھ ساتھ کنٹرول سے باہر منسلک عوامل کی وجہ سے ثالثی کے تحت روبہ عمل ہے۔ پیچیدگیوں کے باوجود، انتظامیہ معاملے سے ذمہ داری کے ساتھ نمٹ رہی ہے اور اسے کامیابی کے لیے حتمی شکل دینے کے لیے تمام فیصلوں کا استعمال کر رہی ہے۔ پرانا بنوں روڈ سٹرکچر پل کا منصوبہ تقریباً انہی مراحل میں ہے اور وصولیوں کی ریکوری کے لیے پوری صلاحیت کو بروئے کار لایا جا رہا ہے، ہم بہتر طور سے آگے بڑھ رہے ہیں اور امید کرتے ہیں کہ اس مالی سال کے اختتام تک معاملات خوش اسلوبی سے طے پا جائیں گے۔

مستقبل کے امکانات

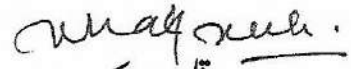
کمپنی کی انتظامیہ بہت پُر امید ہے کہ مالی رکاوٹوں اور کیش فلو میں دُشوار یوں کے باوجود ہم طویل عرصے سے درپیش مشکلات کو حل کر کے کمپنی کی ترقی میں کامیاب ہوں گے۔ ہم کچھ میرگاپراجیکٹس کیلئے ٹینڈرز میں حصہ لے رہے ہیں کیونکہ تعمیراتی صنعت کیلئے حکومتی پالیسی معاون ہے اور توقع ہے کہ مستقبل قریب میں کمپنی کچھ نئے کام حاصل کرنے میں کامیاب ہو جائے گی۔

اس کے ساتھ ساتھ مختلف بینکوں سے RF اور LG کی سہولیات حاصل کرنے کیلئے کوششیں بھی جاری ہیں جو یقینی طور پر نئے منصوبوں میں کامیابی کی صلاحیت کو بڑھانے میں مددگار ثابت ہوں گی۔

اظہار تشکر

ہم اس نو ماہی کے دوران کمپنی کی انتظامیہ، انجینئرز اور ملازمین کی محنت و لگن کی قدر کرتے ہیں، مزید برآں اپنے بینکرز، کلائنٹس، سپلائرز اور ذیلی کنٹریکٹرز کے تعاون، حمایت اور اعتماد کیلئے انکے تہہ دل سے مشکور ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے


 خالد علی خان خٹک
 چیف ایگزیکٹو آفیسر

GAMMON PAKISTAN LIMITED
UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
MARCH 31, 2023
(UN-AUDITED)

GAMMON PAKISTAN LIMITED
UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2023

		UN-AUDITED	AUDITED
		March 31, 2023	June 30, 2022
NOTE		Rupees	
ASSETS			
NON CURRENT ASSETS			
	Property, plant and equipment		
	Operating fixed assets	6 297,768,654	299,085,009
	Investment property	7 477,509,859	477,509,859
	Long term investments	8 1,800,413	1,800,413
	Long term security deposits	1,863,528	1,863,528
		<u>778,942,454</u>	<u>780,258,809</u>
CURRENT ASSETS			
	Stores, spares and loose tools	12,265,654	12,266,142
	Contract receivables	9 44,379,477	45,918,093
	Contract asset	10 68,806,168	65,049,779
	Loans and advances	39,187,320	56,340,235
	Other receivables	170,879	1,321,918
	Trade deposits and short term prepayments	35,058	325,701
	Tax refunds due from Government	86,977,414	85,272,052
	Cash and bank balances	11 9,045,394	1,206,292
		<u>260,867,364</u>	<u>267,700,212</u>
	TOTAL ASSETS	<u><u>1,039,809,818</u></u>	<u><u>1,047,959,021</u></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	427,654,402	426,804,439
		<u>443,034,732</u>	<u>442,184,769</u>
	Revenue reserve		
	Accumulated profit	63,707,962	69,022,574
		<u>789,405,004</u>	<u>793,869,653</u>
NON-CURRENT LIABILITIES			
	Deferred liability	7,553,040	8,132,065
	Deferred taxation	33,361,724	33,361,724
		<u>40,914,764</u>	<u>41,493,789</u>
CURRENT LIABILITIES			
	Trade and other payables	13 177,988,278	181,093,807
	Unclaimed dividends	1,442,230	1,442,230
	Joint venture partner's advances	30,059,542	30,059,542
		<u>209,490,050</u>	<u>212,595,579</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>1,039,809,818</u></u>	<u><u>1,047,959,021</u></u>
CONTINGENCIES AND COMMITMENTS			
		14 -	-

The annexed notes from 1 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER MONTHS ENDED MARCH 31, 2023

		UN-AUDITED				
		NINE MONTHS ENDED		QUARTER ENDED		
		March 31,		March 31,		
		2023	2022	2023	2022	
NOTE		Rupees				
	Contract income	15	5,619,849	19,797,572	200	4,297,225
	Contract expenditure		(11,032,945)	(21,860,777)	(3,231,044)	(4,576,876)
	Net contract profit/(loss)		(5,413,096)	(2,063,205)	(3,230,844)	(279,651)
	Operating expenses					
	Depreciation	6	(1,526,355)	(1,502,294)	(508,786)	(513,551)
	Administrative expenses		(21,525,811)	(19,790,279)	(7,997,648)	(6,537,243)
	Operating profit/(loss)		(28,465,262)	(23,355,778)	(11,737,278)	(7,330,445)
	Other income		26,781,535	21,919,994	14,790,449	8,442,359
	Finance cost		(2,688)	-	(2,688)	-
	Profit/(loss) before taxation		(1,686,415)	(1,435,784)	3,050,483	1,111,914
	Taxation-current		(2,778,234)	(4,422,933)	-	(1,905,447)
	Profit/(loss) after taxation		(4,464,649)	(5,858,717)	3,050,483	(793,533)
	Earnings per share:					
	Earnings per share - basic and diluted	16	(0.16)	(0.21)	0.11	(0.03)

The annexed notes from 1 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED**UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER MONTHS ENDED MARCH 31, 2023**

	UN-AUDITED			
	NINE MONTHS ENDED		QUARTER ENDED	
	MARCH 31,		MARCH 31,	
	2023	2022	2023	2022
NOTE	-----Rupees-----			
(Loss) / profit after taxation	(4,464,649)	(5,858,717)	3,050,483	(793,533)
Other comprehensive income	-	-	-	-
Total other comprehensive (loss) / income for the year	<u>(4,464,649)</u>	<u>(5,858,717)</u>	<u>3,050,483</u>	<u>(793,533)</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

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, 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)
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
Balance as at June 30, 2022 (Audited)	282,662,310	15,380,330	426,804,439	69,022,574	793,869,653
Total comprehensive income for the period					
Loss for the period	-	-	-	(4,464,649)	(4,464,649)
Transfer from revaluation surplus on property, plant and equipment:					
- on account of incremental depreciation-net of deferred tax	-	-	849,963	(849,963)	-
Balance as at March 31, 2023 (Un-audited)	282,662,310	15,380,330	427,654,402	63,707,962	789,405,004

The annexed notes from 1 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

UN-AUDITED	
HALF YEAR ENDED	
March 31, 2023	March 31, 2022
NOTE	Rupees

CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) before working capital changes	20	(736,397)	(59,461)
Changes in working capital:			
Decrease / (increase) in current assets			
Stores, spares and loose tools		488	1,871,252
Contract receivables		1,538,616	3,492,123
Contract asset		(3,756,389)	11,968,343
Loans and advances		17,152,915	(28,072,270)
Prepayments		290,643	(171,993)
Other receivables		1,151,039	610,241
Increase/(Decrease) in current liabilities			
Trade & other payable		(3,105,529)	23,262,751
Contract liabilities		-	(12,476,031)
		13,271,783	484,416
Net cash generated operating activities		12,535,386	424,955
Financial cost paid		(2,688)	-
Income tax paid		(4,483,596)	(3,170,426)
		(4,486,284)	(3,170,426)
Net cash generated/(used in) operating activities		8,049,102	(2,745,471)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	6	(210,000)	(366,400)
Long term security deposits		-	(288,000)
Long term investments made during the period		-	(500,000)
Net cash (used in) investing activities		(210,000)	(1,154,400)
Net increase/(decrease) in cash and cash equivalents		7,839,102	(3,899,871)
Cash and cash equivalents at the beginning of the period		1,206,292	5,643,697
Cash and cash equivalents at the end of the period	11	9,045,394	1,743,826

The annexed notes from 1 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023

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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated condensed interim financial statements of the Company for the nine months ended March 31, 2023 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 or directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim 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, 2022. Comparative unconsolidated condensed interim statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2022 and comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows are extracted from unaudited interim financial statements for the nine months period ended March 31, 2022.

These unconsolidated condensed interim financial statements are unaudited but subject to the limited scope review by auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These condensed interim 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 unconsolidated condensed interim financial statements are same as those applied in the preparation of financial statements for the year ended June 30, 2022 except as explained in note
- 3.2 The preparation of these condensed interim 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 financial statements as at and for the year ended June 30, 2022.
- 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, 2022. 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 unconsolidated condensed interim 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, 2022.
- 3.6 The accounting policies applied in these unconsolidated condensed interim 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, 2022.

4 TAXATION

The provision for taxation for the nine months and quarter ended March 31, 2023 has been made using the estimated effective tax rate applicable to expected total annual earnings.

5 ESTIMATES

The preparation of unconsolidated condensed interim 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, 2022.

		Unaudited	Audited
		March 31, 2023	June 30, 2022
NOTE		Rupees	
6	OPERATING FIXED ASSETS		
	Opening written down value	299,085,009	293,153,336
	Add: Additions during the period / year	210,000	460,950
	Add: Revaluation Surplus	-	7,482,293
	Less: Disposals - net book value (NBV)	-	(4,347)
		210,000	7,938,896
	Less: Depreciation charged during the period / year	(1,526,355)	(2,007,223)
		<u>297,768,654</u>	<u>299,085,009</u>

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

		Unaudited	Audited
		March 31, 2023	June 30, 2022
NOTE		Rupees	
	Plant and machinery	-	30,000
	Furniture and fixtures	-	15,500
	Computers and accessories	210,000	190,450
	Motor Vehicles	-	50,000
	Construction Equipments	-	175,000
		<u>210,000</u>	<u>460,950</u>

7 INVESTMENT PROPERTY

	Rural land	7.2	120,577,299	120,577,299
	Gammon House - land and building	7.3	356,932,560	356,932,560
			<u>477,509,859</u>	<u>477,509,859</u>

7.1 The movement in this account is as follows:

	Opening balance		477,509,859	468,511,297
	Net fair value gain on revaluation shown in "profit and loss account"	7.4	-	8,998,562
			<u>477,509,859</u>	<u>477,509,859</u>

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. The shareholders in the AGM has approved the resolution of the company that the Gammon House be demolished and a multi-storey high rise building be constructed at its place.

7.4 As at June 30, 2022, 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, 2022, and the revaluation resulted in Rs.8.998 million net adjustment to fair value.

		Unaudited	Audited
		March 31, 2023	June 30, 2022
		Rupees	
8	LONG TERM INVESTMENTS		
	Unquoted Subsidiaries		
	Gammon Pakistan Precast (Private) Limited (96.2% Holding)	500,000	500,000
	50,000 ordinary shares (June 30, 2022: 50,000) of Rs. 10 each		
	Others		
	Defense Saving Certificate	1,300,413	1,300,413
		1,800,413	1,800,413

NOTE

8.1 It represents the shareholding of the Company in Gammon Pakistan Precast (Private) Limited making it a subsidiary effective from November 16, 2021.

		Unaudited	Audited
		March 31, 2023	June 30, 2022
		Rupees	
9	CONTRACT RECEIVABLES		
	Unsecured - considered good		
	Against billings		
	- work-in-progress	2,629,466	2,629,467
	- completed contracts	73,188,099	73,478,098
		75,817,565	76,107,565
	Provision for expected credit loss	(75,150,387)	(75,150,387)
		667,178	957,178
	Against retention money		
	- work-in-progress	34,756,979	34,756,979
	- completed contracts	46,659,809	47,908,425
		81,416,788	82,665,404
	Provision for expected credit loss	(37,704,489)	(37,704,489)
		43,712,299	44,960,915
	Joint venture		
	- against billings	17,054,553	17,054,553
	- against retention money	12,936,380	12,936,380
		29,990,933	29,990,933
	Provision for expected credit loss	(29,990,933)	(29,990,933)
		-	-
		44,379,477	45,918,093

NOTE

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. There is no change in the management's assessment of expected credit loss of Rs.142.845 million and accordingly, during the half year ended December 31, 2022, no further provision has been made (June 30, 2022: Nil).

		Unaudited March 31, 2023	Audited June 30, 2022
10 CONTRACT ASSETS	NOTE	Rupees	
Net Construction contracts-analyzed as current	10.1	68,806,168	65,049,779

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, 2023	Audited June 30, 2022
11 CASH AND BANK BALANCES	NOTE	Rupees	
Cash in hand		594,777	252,574
Cash at bank - local currency			
Current accounts		7,555,879	53,958
PLS accounts	11.1	5,295	10,317
Deposit accounts	11.2	889,443	889,443
		8,450,617	953,718
		9,045,394	1,206,292

11.1 PLS accounts, during the current financial period, carried markup ranging from 5.5% to 11.25% (June 30, 2022 : 5.5% to 12.5%) per annum.

11.2 As at March 31, 2023 and June 30, 2022 the entire balance was under bank's lien against guarantees issued.

		Unaudited March 31, 2023	Audited June 30, 2022
Rupees			

12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

12.1 Issued, subscribed and paid up capital

22,627,320 (June 30, 2022: 22,627,320) ordinary shares of Rs.10/- each fully paid in cash		226,273,200	226,273,200
2,562,845 (June 30, 2022: 2,562,845) bonus shares of Rs.10/- each fully paid in cash		25,628,450	25,628,450
3,076,066 (June 30, 2022: 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, 2022: 30,000,000) ordinary shares of Rs. 10 each amounting to Rs.300,000,000 (June 30, 2022: Rs. 300,000,000).

12.3 Bibojee Services (Private) Limited (the holding company) holds 20,369,056 (June 30, 2022: 20,369,056) shares, i.e. 72.06% of the Company's issued, subscribed and paid-up capital.

		Unaudited		Audited
		March 31,		June
		2023		30, 2022
	NOTE	Rupees		
13	TRADE AND OTHER PAYABLES			
	Sundry creditors	13.1	51,585,991	56,727,498
	Advance rent		4,104,082	2,058,626
	Due to sub-contractors		35,021,504	37,086,273
	Accrued expenses		40,129,070	37,150,652
	Due to employees and others	13.2	9,004,092	9,865,033
	Taxes payables		1,400,323	1,462,510
	Joint venture partner's share of profit		1,620,715	1,620,715
	Other provisions	13.3	35,122,500	35,122,500
			177,988,278	181,093,807

13.1 This includes amount payable to directors for payments made to pay the creditors of the company and is interest free and repayable on demand.

13.2 This balance includes amounts aggregating Rs. 1.563 million (June 30, 2022: 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.

13.3 These represent provisions made for the potential liability, in respect of borrowings of Saudi Riyals 2.5 million and Saudi Riyals 5 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 14.2 (a) of these unconsolidated 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, 2022: 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) The NBP vide its letter number NBP/CORP/2022/107 has categorically confirmed that the company does not owe any amount in this regard and e-CIB portal has not reported any overdue amount. Therefore, outcome of the case before Sindh High Court cannot be determined at this stage being pending since 2000.

In view of the above and since the company has made provision in the accounts to meet any contingency, there is no further requirement for any provision, therefore, there will be no adverse effect expected. The same has been endorsed by the Company Board of directors (BOD) and Lawyer in his opinion. Furthermore, Company BOD has agreed to settle any resulting contingency raised therein.

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, 2022: Rs. 50.062 million).

14.3 Commitments

There were no commitment for capital expenditures as at the unconsolidated condensed interim statement of financial position date (June 30, 2022: Nil).

Unaudited	
March 31, 2023	March 31, 2022
Rupees	

NOTE

15 CONTRACT INCOME

Continuing operations:

Construction contracts	5,619,849	15,500,347
------------------------	------------------	------------

Timing of revenue recognition

Over time:

Construction contracts	5,619,849	15,500,347
------------------------	------------------	------------

- 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.

Unaudited	
March	31,
2023	
Rupees	

Continuing operations:

Construction contracts 245,555,611

- 15.3 As permitted under para C5(d) of IFRS-15, the transaction price allocated to (partially) unsatisfied performance obligation as of June 30, 2022 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:

	UN-AUDITED			
	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Earning after taxation-(Rupees)	<u>(4,464,649)</u>	<u>(5,858,717)</u>	<u>3,050,483</u>	<u>(793,533)</u>
Weighted average number of ordinary shares	<u>28,266,231</u>	<u>28,266,231</u>	<u>28,266,231</u>	<u>28,266,231</u>
Earning per share - (Rupees)	<u>(0.16)</u>	<u>(0.21)</u>	<u>0.11</u>	<u>(0.03)</u>

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:

UN-AUDITED			
NINE MONTHS ENDED		QUARTER ENDED	
March 31,		March 31,	
2023	2022	2023	2022
-----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

Ghandhara Nissan Limited

Rental income **4,991,250** 2,722,500 **2,994,750** 907,500
 Payment received **(4,991,250)** (2,722,500) **(2,994,750)** (907,500)

Gandhara Industries Limited

Rental income **4,991,250** 2,475,000 **2,994,750** 825,000
 Payment received **(5,324,000)** (2,475,000) **(3,327,500)** (825,000)

Janana De Malucho Textile
Mills Limited

Rental income **363,000** 165,000 **181,500** -
 Payment received **(484,000)** (220,000) **(242,000)** -

Rehman Cotton Mills Limited

Rental income **423,500** 220,000 **242,000** -
 Payment received **(484,000)** (220,000) **(242,000)** -

Bannu Wollen Mill Limited

Rental income **11,436,281** 2,131,976 **9,953,501** 783,992
 Payment received **(13,491,356)** (2,359,856) **(11,177,788)** (669,328)

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, 2022.

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 following levels:

- 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, 2023, there were no transfers into or out of Level 3 fair value measurements.

As at March 31, 2023 and June 30, 2022 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, 2022 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:

Unaudited	Audited
March 31, 2023	June 30, 2022
Rupees	

NOTE

Opening balance (level 2 recurring fair value)	477,509,859	468,511,297
Fair value gain recognized in profit and loss	-	8,998,562
Closing balance (level 2 recurring fair value)	<u>477,509,859</u>	<u>477,509,859</u>

- 19.2 The Company has revalued its freehold land, buildings, plant and machinery and other fixed assets on June 30, 2022 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	Audited
	March 31, 2023	June 30, 2022
	Rupees	
Freehold land	120,988	120,988
Buildings on freehold land	3,022,495	3,022,495
Plant and machinery	1,324,644	1,324,644
Furniture and fixture	972,605	972,605
Computers and accessories	980,106	770,106
Motor vehicles, cycles and boats	63,454	63,454
Construction equipments	273,403	273,403

Unaudited Nine Months Ended March 31,	
2023	2022
Rupees	

NOTES

20 PROFIT BEFORE WORKING CAPITAL CHANGES

(Loss) before taxation (1,686,415) (1,435,784)

Adjustment for:

Depreciation	6	1,526,355	1,502,294
Staff retirement benefits - gratuity (net)		(579,025)	(125,971)
Finance cost		2,688	-
		950,018	1,376,323

(Loss) before working capital changes (736,397) (59,461)

21 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS**21.1 Investment in Subsidiary**

The company during the period ended December 31, 2021 incorporated a new company named Gammon Pakistan Precast (Private) Limited. The company acquired 96.2% shareholding with subscriber share capital of Rs.500,000 comprising of 50,000 subscriber shares of Rs.10/- each. The investment in Gammon Pakistan Precast (Private) Limited has been accounted for in these condensed interim financial statements on equity basis.

21.2 Management Assessment of Going Concern

Although the company has suffered operational loss of Rupees 4.464 million due to non-availability of profitable contracts/projects during the period, it has managed to meet the day to day working capital requirements and to repay all the administrative cost through the rental income earned from investment properties. However, the management is confident of the Company's ability to continue as a going concern based on its concentrated effort to re-profile the operational activities and utilization of improved liquidity in cost efficient operational levels of machinery and related projects. The Company undertook significant operational measures in order to generate liquidity and profitable projects/ventures which are amply disclosed in note 46.1 to the audited financial statements.

21.3 Investigation against EX-CFO

Based on in-house internal audit report the EX-CFO of the company during the period from 01 January 2018 to 29 December 2020 was involved in certain financial transactions, which are being investigated internally. FIR was lodged against the ex-cfo during previous financial year. The transactions were mainly made out of books and the impact of such investigation/FIR, if any, will be accounted for in the period during which such case is completed.

22 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.

23 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on 17 April 2023 by the Board of Directors of the Company.

24 GENERAL

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

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






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