

BIBOJEE GROUP



Half-Yearly Accounts
December 31, 2020
(Un-Audited)



GAMMON PAKISTAN LIMITED

COMPANY INFORMATION

President of Gammon Pakistan Limited
Lt Gen (Retd) Ali Kuli Khan Khattak

Board of Directors

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

Chief Executive Officer

Lt Gen (Retd) Ali Kuli Khan Khattak

Audit Committee

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

HR Committee

Khalid Kuli Khan Khatak	Chairman
Lt Gen (Retd) Ali Kuli Khan Khattak	Member
Kamal Abdullah	Member
Sikandar Kuli Khan Khattak	Member

Company Secretary

Amin ur Rasheed

Chief Financial Officer

Ghulam Murtaza Khurshid

Internal Auditor

Nasir Ali Khan ACCA

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 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: Info@gammonpakistan.com

Share Registrar

Vision Consultant Limited
Share Registrar
3-CLDA Flats, 1st Floor
Lawrence Road, Lahore
Tel: +9242-36283096-97
Email: share@vcl.com.pl
Web: www.vcl.com.pk

www.gammonpakistan.com

DIRECTOR'S REPORT

The directors of your Company have pleasure in presenting their report, together with reviewed financial statements for the half year ended December 31, 2020.

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:

Particulars	July to Dec., 2020, (Rupees)	July to Dec., 2019 (Rupees)
Contract Income	63,867,370	64,238,607
Contract Expenditure	(56,339,238)	(60,467,763)
Net contract profit	7,528,132	3,770,844
Profit before taxation	6,399,093	5,274,897
Taxation	61,008	(5,011,042)
Net Profit	6,460,101	263,855

Although the work done from contracts has been slightly reduced as compared to same period last year (SPLY) however, we are pleased to inform that the net contract profit and bottom line is positive and comparatively better as compared to corresponding figures. The Board of Directors of your company are in process of some management level changes so as to ensure the Company's performance to be improved.

Project of structure bridges at Old Bannu Road is progressing well. Revenue booked from this project is amounting to Rs.54.7 million.

Finishing works at Fateh Jang Project are in process and completion of the project is expected during the year.

Project of some excavation works at Mohmand Dam has also been completed with final settlements and work done booked from this project during the period is Rs.7.7 million

FUTURE PROSPECTS

The new management of the Company is very 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 government policy for construction industry is supportive and it is expected that some new works will be awarded to your company in the near future.

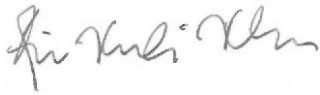
Efforts to get LG & RF facilities from different banks have also been initiated which will definitely help us to boost our working capacity to acquire new projects.

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 Directors



Lt. Gen (Retd) Ali Kuli Khan Khattak
Chief Executive Officer



Khalid Kuli Khan Khattak
Director

گیمن پاکستان لیمنٹ

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2020ء چھ ماہ کی ختم ہونے والی مدت پر کمپنی کے آڈیٹر کے ذریعہ نظر ثانی شدہ مالیاتی 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 شش ماہی کے مقابلے میں کمپنی کے مالیاتی نتائج کی اہم جھلکیاں مندرجہ ذیل ہیں :-

جولائی - دسمبر 2020	جولائی - دسمبر 2019	
(روپے)	(روپے)	
63,867,370	64,238,607	پراجیکٹس سے آمدن
(56,339,238)	(60,467,763)	پراجیکٹس کا خرچ
7,528,132	3,770,844	مجموعی منافع
6,399,093	5,274,897	قبل از ٹیکس منافع
61,008	(5,011,042)	ٹیکس
6,460,101	263,855	منافع بعد از ٹیکس

اگرچہ پچھلے سال کی شش ماہی کے مقابلے میں اس سال پراجیکٹس سے آمدن میں قدرے کمی واقع ہوئی ہے۔ تاہم ہم یہ بتاتے ہوئے خوشی محسوس کرتے ہیں کہ پراجیکٹس کے مجموعی منافع اور بعد از ٹیکس منافع میں پچھلے سال کی شش ماہی کے مقابلے میں بہتری واقع ہوئی ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز کچھ انتظامی تبدیلیوں میں مصروف عمل ہیں تاکہ کمپنی کی کارکردگی کو مزید بہتر کیا جاسکے۔

اولدینوں روڈ پراجیکٹ کا کام تیزی سے جاری ہے۔ اس مدت کے دوران اس منصوبے سے پراجیکٹ کی آمدن 5 کروڑ 47 لاکھ روپے رہی۔ فتح جنگ پراجیکٹ کا کام تکمیلی مراحل میں ہے اور توقع کی جاتی ہے کہ سال کے دوران کام مکمل کر لیا جائے گا۔ مہمندیم پر کمپنی کو دی گیا کھدائی کا کام فائل سٹلٹ کیساتھ مکمل کر لیا گیا ہے اور اس پراجیکٹ سے آمدن میں حصہ 77 لاکھ روپے ہے۔

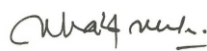
مستقبل کے امکانات

کمپنی کی نئی انتظامیہ بہت پرامید ہے کہ مالی رکاوٹوں اور رکیش کی ترسیل میں دشواریوں کے باوجود ہم طویل عرصے سے درپیش مشکلات کو حل کر کے کمپنی کی ترقی میں کامیاب ہوں گے۔ ہم کچھ دیگر 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۔ اس کے ساتھ ساتھ مختلف بینکوں سے RF اور LG کی سہولیات حاصل کرنے کیلئے کوششیں بھی شروع کر دی گئی ہیں جو یقینی طور پر نئے منصوبوں ک میں کامیابی کی صلاحیت کو بڑھانے میں مددگار ثابت ہوں گی۔

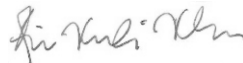
اعتراف

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

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے



نالدقی خان ننگ
ڈائریکٹر



لیفٹ جرنل (ر) علی قلی خان ننگ
چیف ایگزیکٹو آفیسر

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Gammon Pakistan Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Gammon Pakistan Limited as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flow together with the selected notes forming part thereof, for the six month period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of the interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures included in condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and 2019 and the notes forming part thereof have not been reviewed by us and we do not express a conclusion on them as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to note 13.2 (a) of these interim financial statements whereby the National Bank of Pakistan has filed an execution application for the decrees issued in its favor for amounts mentioned in the aforesaid note. The liability determined of the Company is contingent upon the judgment of the case.

Other Matter

The financial statements of the Company for the year ended June 30, 2020 and half year ended December 31, 2019 were audited and reviewed respectively by another auditor whose reports, dated October 5, 2020 and September 30, 2020, expressed unqualified opinion/conclusion on those statements.

The engagement partner on the review resulting in this independent auditor's report is **Rashid Iqbal FCA**.



Rizwan & Company
Chartered Accountants

Islamabad
Date: 08 March 2021

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020


		Un-audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
ASSETS			
NON CURRENT ASSETS			
	Note		
Property, plant and equipment			
Operating fixed assets	6	286,712,784	288,573,865
Investment property	7	445,280,200	445,280,201
Long term investments		1,300,413	1,300,413
Long term security deposits		1,861,203	1,861,203
		<u>735,154,600</u>	<u>737,015,682</u>
CURRENT ASSETS			
Stores, spares and loose tools		25,081,553	25,472,319
Contract receivables	8	84,845,879	83,383,124
Contract assets-net	9	91,989,509	108,056,317
Loans and advances		30,430,085	22,236,403
Other receivables		634,963	1,934,007
Short term prepayments		88,259	318,761
Tax refunds due from Government		89,613,821	84,706,316
Taxation - net		-	305,033
Cash and bank balances	10	34,461,866	1,204,501
		<u>357,145,935</u>	<u>327,616,781</u>
TOTAL ASSETS		<u><u>1,092,300,535</u></u>	<u><u>1,064,632,463</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	11	282,662,310	282,662,310
Capital reserves			
Share premium reserve		15,380,330	15,380,330
Revaluation surplus on property, plant and equipment		411,842,729	412,774,639
		427,223,059	428,154,969
Accumulated profit		82,352,055	74,960,044
		<u>792,237,424</u>	<u>785,777,323</u>
NON-CURRENT LIABILITIES			
Deferred liability		8,750,349	8,724,735
Deferred taxation		29,638,371	30,057,055
		<u>38,388,720</u>	<u>38,781,790</u>
CURRENT LIABILITIES			
Trade and other payables	12	230,172,619	208,571,578
Unclaimed dividends		1,442,230	1,442,230
Joint venture partner's advances		30,059,542	30,059,542
		261,674,391	240,073,350
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>1,092,300,535</u></u>	<u><u>1,064,632,463</u></u>



CHIEF EXECUTIVE



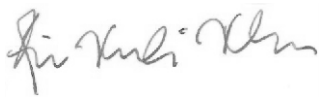
DIRECTOR



CHIEF FINANCIAL OFFICER

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS ENDED DECEMBER 31, 2020

		Half year ended December 31,		Quarter ended December 31,	
		2020	2019	2020	2019
Note		-----Rupees-----			
Contract income from:					
Own projects	14	63,867,370	64,238,607	12,975,226	47,602,334
Contract expenditure from:					
Own projects		(56,339,238)	(60,467,763)	(8,063,903)	(41,704,025)
Net contract profit		7,528,132	3,770,844	4,911,323	5,898,309
Operating expenses					
Depreciation		(1,036,045)	(975,372)	(1,035,660)	(975,375)
Administrative expenses		(12,264,566)	(8,581,592)	(6,221,332)	(4,945,626)
Operating loss		(5,772,479)	(5,786,120)	(2,345,669)	(22,692)
Other income		12,181,924	11,070,327	7,476,910	5,498,206
Finance cost		(10,352)	(9,310)	(6,383)	(6,839)
Profit before taxation		6,399,093	5,274,897	5,124,858	5,468,675
Taxation:					
Current		(357,676)	(1,351,847)	(943,759)	(194,622)
Prior		-	(284,776)	-	-
Deferred		418,684	(3,374,419)	209,342	(3,166,963)
		61,008	(5,011,042)	(734,417)	(3,361,585)
Profit after taxation		6,460,101	263,855	4,390,441	2,107,090
Earning per share - -basic and diluted	15	0.23	0.01	0.16	0.07



CHIEF EXECUTIVE



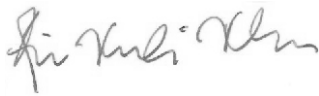
DIRECTOR



CHIEF FINANCIAL OFFICER

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS ENDED DECEMBER 31, 2020

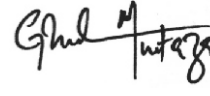
	Half year ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	-----Rupees-----			
Profit for the period	6,460,101	263,855	4,390,441	2,107,090
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>6,460,101</u>	<u>263,855</u>	<u>4,390,441</u>	<u>2,107,090</u>



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

	Reserves				Total
	Share capital	Capital	Revenue	Revenue	
	Issued, subscribed and paid-up capital	Share premium reserve	Revaluation surplus on property, plant and equipment	Accumulated profits	
	----- Rupees -----				
Balance as at July 01, 2019	282,662,310	15,380,330	388,777,707	45,799,813	732,620,160
Total comprehensive income for the period	-	-	-	263,855	263,855
Profit for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	263,855	263,855
Transfer from revaluation surplus on property, plant and equipment: - on account of incremental depreciation-net of deferred tax	-	-	(1,338,426)	1,338,426	-
Balance as at December 31, 2019	282,662,310	15,380,330	387,439,281	47,402,094	732,884,015
Balance as at July 01, 2020	282,662,310	15,380,330	412,774,639	74,960,044	785,777,323
Total comprehensive income for the period	-	-	-	6,460,101	6,460,101
Profit for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	6,460,101	6,460,101
Transfer from revaluation surplus on property, plant and equipment: on account of incremental depreciation-net of deferred tax	-	-	(931,910)	931,910	-
Balance as at December 31, 2020	282,662,310	15,380,330	411,842,729	82,352,055	792,237,424

S.K. Durrani
CHIEF EXECUTIVE

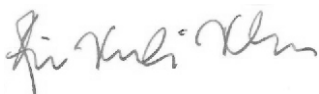
S.K. Durrani
DIRECTOR

S.K. Durrani
CHIEF FINANCIAL OFFICER

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

	Note	Half year ended December 31,	
		2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before working capital changes	19	8,406,082	6,968,915
Changes in working capital:			
(Increase) / decrease in current assets			
Stores, spares and loose tools		390,766	(1,539,188)
Contract receivables		(1,462,755)	12,250,642
Cost and estimated earnings in excess of billings		16,066,808	(45,698,824)
Loans and advances		(8,193,682)	1,612,441
Other receivables		1,299,044	931,246
Prepayments		116,850	229,932
		8,217,031	(32,213,751)
Increase / (decrease) in current liabilities			
Material received from customers / secured advances		-	3,950,000
Trade and other payables		21,601,041	22,996,649
		21,601,041	26,946,649
Cash generated from operations		38,224,154	1,701,813
Financial charges paid		(10,352)	(9,310)
Income tax paid		(4,846,497)	(2,487,028)
		(4,856,849)	(2,496,338)
Net cash (used in) / generated from operating activities		33,367,305	(794,525)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(109,940)	(17,000)
Long term security deposits		-	-
Net cash used in investing activities		(109,940)	(17,000)
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	-
Net (decrease) / increase in cash and cash equivalents		33,257,365	(811,525)
Cash and cash equivalents at the beginning of the period		1,204,501	1,885,836
Cash and cash equivalents at the end of the period		34,461,866	1,074,311

The annexed notes form 1 to 22 integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

GAMMON PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

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 interim financial statements of the Company for the half year ended December 31, 2020 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 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, 2020. Comparative condensed interim statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2020 and comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from unaudited interim financial statements for the six months ended December 31, 2019.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These 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 condensed interim financial statements are same as those applied in the preparation of financial statements for the year ended June 30, 2020 except as explained in note 3.6 below.
- 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, 2020.
- 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, 2020. 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 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, 2020.
- 3.6 The accounting policies applied in these 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, 2020.

4 TAXATION

The provision for taxation for the half year and quarter ended December 31, 2020 has been made using the estimated effective tax rate applicable to expected total annual earnings.

5 ESTIMATES

The preparation of 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, 2020.

		December 31, 2020 Rupees Unaudited	June 30, 2020 Rupees Audited
6 OPERATING FIXED ASSETS			
Opening written down value		288,573,865	266,279,731
Add: Additions during the period / year	6.1	109,942	17,000
Add: Revaluation Surplus		-	26,179,815
Less: Disposals - net book value (NBV)		-	-
		109,942	26,196,815
Less: Depreciation charged during the period / year		(1,971,023)	(3,902,681)
Closing written down value		<u>286,712,784</u>	<u>288,573,865</u>

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

		December 31, 2020 Rupees Unaudited	June 30, 2020 Rupees Audited
Plant and machinery		10,202	-
Furniture and fixtures		-	17,000
Computers and accessories		99,740	-
		<u>109,942</u>	<u>17,000</u>

7 INVESTMENT PROPERTY

Rural land	7.2	110,092,701	110,092,701
Gammon House - land and building	7.3	335,187,500	335,187,500
		<u>445,280,201</u>	<u>445,280,201</u>

7.1 The movement in this account is as follows:

Opening balance		445,280,200	392,937,135
Net fair value gain on revaluation shown in "profit and loss account"	7.4	-	52,343,065
		<u>445,280,200</u>	<u>445,280,200</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.

7.4 As at June 30, 2020, 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, 2020, and the revaluation resulted in Rs.52.343 million net adjustment to fair value.

		December 31, 2020 Rupees Unaudited	June 30, 2020 Rupees Audited
8	CONTRACT RECEIVABLES		
	Unsecured - considered good		
	Against billings		
	- work-in-progress	40,356,152	44,108,286
	- completed contracts	<u>56,089,248</u>	<u>56,123,425</u>
		96,445,400	100,231,711
	Provision for expected credit loss	8.1 <u>(75,150,387)</u>	<u>(75,150,387)</u>
		21,295,013	25,081,324
	Against retention money		
	- work-in-progress	64,584,779	60,212,492
	- completed contracts	<u>36,670,576</u>	<u>35,793,797</u>
		101,255,355	96,006,289
	Provision for expected credit loss	8.1 <u>(37,704,489)</u>	<u>(37,704,489)</u>
		63,550,866	58,301,800
	Joint venture		
	- against billings	17,054,553	17,054,553
	- against retention money	<u>12,936,380</u>	<u>12,936,380</u>
		29,990,933	29,990,933
	Provision for expected credit loss	8.1 <u>(29,990,933)</u>	<u>(29,990,933)</u>
		<u>-</u>	<u>-</u>
		<u>84,845,879</u>	<u>83,383,124</u>
8.1	Management, during the previous year, carried out an expected credit loss assessment to identify long outstanding receivable balances comprising of progress billings and retention monies which are not likely to be received due to various reasons and made provision for expected credit loss in the annual financial statements. There is no change in the management's assessment of expected credit loss and accordingly no further provision has been made during the period (June 30, 2020: 19.026 million).		
		December 31, 2020 Rupees Unaudited	June 30, 2020 Rupees Audited
9	CONTRACT ASSETS		
	Net construction contracts	<u>91,989,509</u>	<u>108,056,317</u>
	Analyzed as:		
	Current	9.1 <u>91,989,509</u>	<u>108,056,317</u>
9.1	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.		

		December 31, 2020 Rupees Unaudited	June 30, 2020 Rupees Audited
10 CASH AND BANK BALANCES			
Cash in hand		53,101	45,633
Cash at bank - local currency			
Current accounts		33,514,759	13,171
PLS accounts	10.1	4,563	256,254
Deposit accounts	10.2	889,443	889,443
		<u>34,408,765</u>	<u>1,158,868</u>
		<u>34,461,866</u>	<u>1,204,501</u>

10.1 PLS accounts, during the current financial period, carried markup ranging from 5.5% to 11.25% (June 30, 2020 : 6.5% to 11.25%) per annum.

10.2 As at December 31, 2020 and June 30, 2020 the entire balance was under bank's lien.

		December 31, 2020 Rupees Unaudited	June 30, 2020 Rupees Audited
11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
11.1 Issued, subscribed and paid up capital			
22,627,320 (June 30, 2020: 22,627,320) ordinary shares of Rs.10/- each fully paid in cash		226,273,200	226,273,200
2,562,845 (June 30, 2020: 2,562,845) bonus shares of Rs.10/- each fully paid in cash		25,628,450	25,628,450
3,076,066 (June 30, 2020: 3,076,066) ordinary shares of Rs.10/- each fully paid in cash (against conversion of loans)		30,760,660	30,760,660
		<u>282,662,310</u>	<u>282,662,310</u>

11.2 Authorized share capital

This represents 30,000,000 (June 30, 2020 : 30,000,000) ordinary shares of Rs. 10 each amounting to Rs.300,000,000 (June 30, 2020 : Rs. 300,000,000).

11.3 Bibojee Services (Private) Limited (the holding company) holds 20,369,056 (June 30, 2020: 20,369,056) shares, i.e. 72.06% of the Company's issued, subscribed and paid-up capital.

		December 31, 2020	June 30, 2020
		Rupees	Rupees
	Note	Unaudited	Audited
12 TRADE AND OTHER PAYABLES			
Sundry creditors		110,073,152	70,641,342
Advance rent		889,086	14,374
Due to sub-contractors		37,159,931	36,170,091
Accrued expenses		23,992,642	54,866,860
Due to employees and others	12.1	19,983,868	8,966,299
Taxes payables		1,330,725	1,169,397
Joint venture partner's share of profit		1,620,715	1,620,715
Other provisions	12.2	35,122,500	35,122,500
		<u>230,172,619</u>	<u>208,571,578</u>

12.1 This balance includes amounts aggregating Rs. 1.563 million (June 30, 2020: 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 (now 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 section 227 of the Ordinance. The Company opened a separate bank account and transferred the entire amount into it. An amount of Rs. 7.589 million was paid to members in the previous years and no further amount has been paid till date.

12.2 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).

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingent assets

The Company had lodged a claim with National Highway Authority amounting to Rs. 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.

13.2 Contingent liabilities

- a) Recovery proceedings of two overseas borrowings from National Bank of Pakistan (NBP) led Consortium amounting to Saudi Riyals SR 5.000 million and SR 2.500 million totaling SR 7.500 million (equivalent to Pak Rs. 207.750 million at the rate of Rs. 27.7/ SR) with the interest thereon of SR 21.650 million (equivalent to Rs. 599.705 million at the rate of Rs. 27.7/ 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 5.000 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 is 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) 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.
- c) 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, 2020: Rs. 50.062 million).

13.3 Commitments

There were no commitment for capital expenditures as at the condensed interim statement of financial position date (June 30, 2020: Nil).

	December 31, 2020 Rupees Unaudited	December 31, 2019 Rupees Unaudited
14 CONTRACT INCOME		
Continuing operations:		
Construction contracts	63,867,370	64,238,607
	<u>63,867,370</u>	<u>64,238,607</u>
Timing of revenue recognition		
Over time:		
Construction contracts	63,867,370	64,238,607
	<u>63,867,370</u>	<u>64,238,607</u>

- 14.1 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.
- 14.2 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.

**December 31,
2020
Rupees**

Continuing operations:
Construction contracts

602,238,335

- 14.3 As permitted under para C5(d) of IFRS-15, the transaction price allocated to (partially) unsatisfied performance obligation as of June 30, 2020 is not disclosed, using the transaction provisions of IFRS-15.

15 EARNING PER SHARE- BASIC AND DILUTED

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

	Half Year Ended		Quarter Ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Earning after taxation-(Rupees)	<u>6,460,101</u>	<u>263,855</u>	<u>4,390,441</u>	<u>2,107,090</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>0.23</u>	<u>0.01</u>	<u>0.16</u>	<u>0.07</u>

16 TRANSACTIONS WITH RELATED PARTIES

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

	Half Year Ended		Quarter Ended	
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
Relation with the Company				
Nature of transaction				
Associated Company				
Gandhara Nissan Limited				
Rental income	1,650,000	1,500,000	900,000	750,000
Payment received	(1,650,000)	(1,500,000)	(900,000)	(750,000)
Gandhara Industries Limited				
Rental income	1,500,000	1,500,000	750,000	750,000
Payment received	(1,500,000)	(1,500,000)	(750,000)	(750,000)
Janana De Malucho Textile Mills Limited				
Rental income	150,000	150,000	50,000	50,000
Payment received	(150,000)	(150,000)	-	-
Rehman Cotton Mills Limited				
Rental income	100,000	100,000	100,000	100,000
Payment received	(150,000)	(150,000)	(150,000)	(150,000)
Bannu Wollen Mill Limited				
Rental income	1,275,440	2,570,000	613,170	1,260,000
Payment received	(2,460,880)	(4,500,000)	(2,160,880)	(4,500,000)
Chief Executive				
Salaries and other benefits	1,200,000	1,200,000	600,000	600,000

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

17 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2020.

18 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 six month period to December 31, 2020, there were no transfers into or out of Level 3 fair value measurements.

As at December 31, 2020 and June 30, 2020 the Company held financial instruments carried at fair value which comprising investment property and operating fixed assets are measured at fair value.

18.1 The investment property was valued on June 30, 2020 carried out by external independent valuer 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:

	December 31, 2020 Rupees Unaudited	June 30, 2020 Rupees Audited
Opening balance (level 2 recurring fair value)	445,280,200	392,937,135
Fair value gain recognized in profit and loss	-	52,343,065
Closing balance (level 2 recurring fair value)	<u>445,280,200</u>	<u>445,280,200</u>

18.2 The Company has revalued its freehold land, buildings, plant and machinery and other fixed assets on June 30, 2020 by independent valuer 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:

	December 31, 2020 Unaudited	June 30, 2020 Audited
Freehold land	<u>120,988</u>	<u>120,988</u>
Buildings on freehold land	<u>3,365,351</u>	<u>3,365,351</u>
Plant and machinery	<u>2,163,704</u>	<u>2,153,502</u>
Furniture and fixture	<u>1,023,662</u>	<u>1,023,662</u>
Computers and accessories	<u>633,826</u>	<u>534,086</u>
Motor vehicles, cycles and boats	<u>959,706</u>	<u>959,706</u>
Construction equipments	<u>184,016</u>	<u>184,016</u>

	Half year ended December 31,	
	2020 Rupees	2019 Rupees
19 PROFIT BEFORE WORKING CAPITAL CHANGES		
Profit before taxation	6,399,093	5,274,897
Adjustment for:		
Depreciation	<u>1,971,023</u>	<u>1,950,746</u>
Staff retirement benefits - gratuity (net)	<u>25,614</u>	<u>(266,038)</u>
Finance cost	<u>10,352</u>	<u>9,310</u>
	<u>2,006,989</u>	<u>1,694,018</u>
Profit before working capital changes	<u>8,406,082</u>	<u>6,968,915</u>

20 CORRESPONDING FIGURES

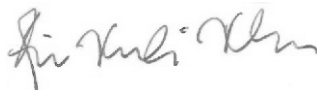
Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the period.

21 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on 08 March 2021 by the Board of Directors of the Company.

22 GENERAL

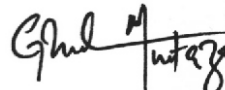
Figures have been rounded off to the nearest rupee.



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