

BIBOJEE GROUP



Quarterly Accounts
March 31, 2021
(Un-Audited)



GAMMON PAKISTAN LIMITED

COMPANY INFORMATION

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

Board of Directors

Saad Waheed
Fazal-ur-Rehman Khan Burki
Kamal Abdullah
Khalid Kuli Khan Khattak
Mrs. Ayesha Alamzeb Durani
Muhammad Kuli Khan Khattak
Sikandar Kuli Khan Khattak

Chairman
Independent Director
Independent Director
Director
Director
Director
Director

Chief Executive Officer

Lt Gen (Retd) Ali Kuli Khan Khattak

Audit Committee

Kamal Abdullah
Muhammad Kuli Khan Khattak
Sikandar Kuli Khan Khattak

Chairman
Member
Member

HR Committee

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

Chairman
Member
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

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

www.gammonpakistan.com

DIRECTORS REPORT

The directors of your Company have pleasure in presenting the Financial Statements of the Company for the nine months ended March 31, 2021.

PERFORMANCE REVIEW

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

Particulars	July- March 2021	July- March 2020
	(Rupees)	(Rupees)
Contract Income	67,501,956	73,640,880
Contract Expenditure	(63,003,018)	(67,788,332)
Net contract profit	4,498,938	5,852,548
Profit before taxation	2,659,150	8,485,200
Taxation	(320,161)	(5,802,910)
(Loss) /Profit after tax	2,338,989	2,682,290

Although the revenue from contracts has declined during the period but it's encouraging to inform that your company has earned gross profit amounting Rs. 4.49 million and Profit after tax Rs. 2.338 million during the period. Overall revenue has been reduced by 8.3% due to comparatively slow pace of work at different projects.

I am pleased to inform that your company has successfully acquired a new Project of Construction of Border Crossing Facilities at Torkham, these are Infrastructure development works amounting Rs.1.5 billion that mainly consist of capacity building and paving works. We have been given a portion of this project and after successful completion, commitment for assigning us further portion of the project has been made by client.

Works at Old Bannu Road Project are progressing well after release of some funds from FWO and management is hopeful the project will be completed by the end of this year. Revenue booked from this project during the period under review is amounting Rs. 64.4 million

Finishing works of MTC project near Fateh Jang is in progress and we are expecting to close the site this year.

FUTURE PROSPECTS

As a result of overall economic slowdown Public Sector Development Program (PSDP) spending from the Govt. has been reduced, Despite of all these difficulties Company Management is striving hard to overcome this temporary slump. Further after acquiring the project of Border Crossing Facilities at Torkham we are very much hopeful to acquire another project at Kalabagh as JV with other Partners.

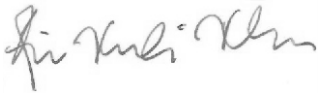
Furthermore, we have also participated in bidding for Karachi Shipyard Project and expecting some good news from there.

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 لیمنٹڈ

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز 31 مارچ 2021ء کو ختم ہونے والی مدت پر کمپنی کے آڈیٹر کے ذریعہ نظر ثانی شدہ مالیاتی رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

مالیاتی کارکردگی

کمپنی کی بنیادی سرگرمی تمام 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 ہے:-

جولائی۔ مارچ 2021	جولائی۔ مارچ 2020	
(روپے)	(روپے)	
67,501,956	73,640,880	پراجیکٹس سے آمدن
(63,003,018)	(67,788,332)	پراجیکٹس کا خرچ
4,498,938	5,852,548	مجموعی منافع
2,659,150	8,485,200	قبل از ٹیکس منافع
(320,161)	(5,802,910)	ٹیکس
2,338,989	2,682,290	منافع بعد از ٹیکس

اگرچہ اس نو ماہی کے دوران کمپنی کی آمدن میں کمی واقع ہوئی ہے لیکن یہ حوصلہ افزائی کی بات ہے کہ آپ کی کمپنی نے 44 لاکھ 90 ہزار روپے کا مجموعی منافع حاصل کیا ہے جبکہ بعد از ٹیکس منافع 23 لاکھ 38 ہزار روپے رہا۔ مختلف منصوبوں پر کام کی سست روی کی وجہ سے مجموعی طور پر آمدن میں 8.3 فیصد کمی واقع ہوئی۔

مجھے یہ بتاتے ہوئے خوش محسوس ہو رہی ہے کہ آپ کی کمپنی نے طورخم میں بارڈر کراسنگ سہولیات کی تعمیر کا ایک نیا کام کامیابی سے حاصل کر لیا ہے یہ انفراسٹرکچر ڈویلپمنٹ کا کام ہے جسکی لاگت 1.5 بلین روپے ہے جس میں بنیادی طور پر بلڈنگ کی تعمیر اور پیور کے کام شامل ہیں۔ ہمیں اس پراجیکٹ کا ایک حصہ دیا گیا ہے اور اس کام کی کامیابی سے تکمیل کے بعد محکمے نے مزید کام دینے کا وعدہ کیا ہے۔

اس نو ماہی کے دوران ایف۔ ڈبلیو۔ او سے فنڈز کے اجراء کی وجہ سے اولڈ بنوں روڈ کے کام میں بہتری آئی ہے اور مینجمنٹ پر امید ہے کہ اس سال کے اختتام سے پہلے اس کام کو مکمل کر لیا جائے گا۔ اس نو ماہی کے دوران اس پراجیکٹ سے آمدن 6 کروڑ 44 لاکھ روپے ہے۔

فتح جنگ پراجیکٹ کے کام تکمیلی مراحل میں ہیں اور امید کی جاتی ہے کہ اس سال کے اختتام سے پہلے اس کام کو مکمل کر لیا جائے گا۔

مستقبل کے امکانات

مجموعی اقتصادی سست روی کے نتیجے میں گورنمنٹ نے پبلک سیکٹر ڈویلپمنٹ پروگرام کے اخراجات میں کمی کی ہے۔ ان تمام مشکلات کے باوجود کمپنی انتظامیہ کی جانب سے اس عارضی بحران سے نکلنے کی پُر زور کوشش کی جارہی ہے۔ اس کے علاوہ طورخم میں بارڈر کراسنگ سہولیات کے

منصوبے کے حصول کے بعد، ہم بہت پر امید ہیں کہ آپ کی کمپنی کی مینجمنٹ کا لا باغ میں شراکت داری کیساتھ ایک اور بڑا پراجیکٹ حاصل کرنے میں کامیاب ہو جائے گی۔ مزید یہ کہ ہم آپ کی کمپنی نے کراچی شپ یارڈ کے ٹینڈر میں حصہ لیا ہے اور وہاں سے خوشخبری کی امید ہے۔


اعتراف

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

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے



نادر علی خان تنک
ڈائریکٹر

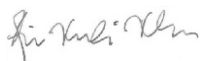


لیفٹنٹ جنرل (ر) علی قلی خان تنک
چیف ایگزیکٹو آفیسر

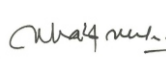
GAMMON PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Un-audited March 31, 2020 Rupees	Audited June 30, 2020 Rupees
ASSETS		
NON CURRENT ASSETS		
	Note	
Property, plant and equipment		
Operating fixed assets	285,794,817	288,573,865
Investment property	445,280,200	445,280,201
Long term investments	1,300,413	1,300,413
Long term security deposits	27,950,203	1,861,203
	<u>760,325,633</u>	<u>737,015,682</u>
CURRENT ASSETS		
Stores, spares and loose tools	25,008,713	25,472,319
Contract receivables	76,190,399	83,383,124
Contract assets	95,624,095	108,056,317
Loans and advances	33,580,810	22,236,403
Other receivables	1,397,763	1,934,007
Short term prepayments	542,136	318,761
Tax refunds due from Government	85,011,349	84,706,316
Taxation - net	5,137,758	305,033
Cash and bank balances	1,264,782	1,204,501
	<u>323,757,805</u>	<u>327,616,781</u>
TOTAL ASSETS	<u>1,084,083,438</u>	<u>1,064,632,463</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	282,662,310	282,662,310
Capital reserves		
Share premium reserve	15,380,330	15,380,330
Revaluation surplus on property, plant and equipment	411,492,690	412,774,639
	<u>426,873,020</u>	<u>428,154,969</u>
Accumulated profit	78,580,982	74,960,044
	<u>788,116,312</u>	<u>785,777,323</u>
NON-CURRENT LIABILITIES		
Deferred liability	7,743,284	8,724,735
Deferred taxation	29,533,442	30,057,055
	<u>37,276,726</u>	<u>38,781,790</u>
CURRENT LIABILITIES		
Trade and other payables	227,188,628	208,571,578
Unclaimed dividends	1,442,230	1,442,230
Joint venture partner's advances	30,059,542	30,059,542
Mobilization Advance	-	-
	<u>258,690,400</u>	<u>240,073,350</u>
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	<u>1,084,083,438</u>	<u>1,064,632,463</u>

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



CHIEF EXECUTIVE



DIRECTOR

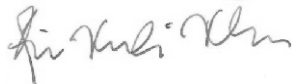


CHIEF FINANCIAL OFFICER

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS ENDED MARCH 31, 2021

	Note	Nine month ended March 31,		Quarter ended March 31,	
		2021	2020	2021	2020
		-----Rupees-----			
Contract income from:					
Own projects	14	67,501,956	73,640,880	3,634,586	9,402,273
Contract expenditure from:					
Own projects		(63,003,018)	(67,788,332)	(6,663,780)	(7,320,569)
Net contract profit		4,498,938	5,852,548	(3,029,194)	2,081,704
Operating expenses					
Depreciation		(1,557,376)	(1,486,166)	(521,331)	(510,794)
Administrative expenses		(18,137,327)	(11,295,537)	(5,862,409)	(2,704,635)
Operating (loss)/profit		(15,195,765)	(6,929,155)	(9,412,934)	(1,133,725)
Other income		17,854,915	15,414,355	5,672,991	4,344,028
Profit before taxation		2,659,150	8,485,200	(3,739,943)	3,210,303
Taxation:					
Current		(843,774)	(2,143,715)	(486,098)	(791,868)
Prior			(284,776)		-
Deferred		523,613	(3,374,419)	104,929	-
Profit after taxation		(320,161)	(5,802,910)	(381,169)	(791,868)
Earning per share - -basic and diluted	15	0.08	0.09	(0.15)	0.09

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS ENDED MARCH 31, 2021

	Reserves		Revenue	Total	
	Share capital	Capital			
	Issued, subscribed and paid-up capital	Share premium reserve	Revaluation surplus on property, plant and equipment	Accumulated profits	
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	-	-	-	2,682,290	2,682,290
Profit for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	2,682,290	2,682,290
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation-net of deferred tax	-	-	(1,385,271)	1,385,271	-
Balance as at March 31, 2020	282,662,310	15,380,330	387,392,436	49,867,374	735,302,450
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	-	-	-	2,338,989	2,338,989
Profit for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	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	282,662,310	15,380,330	411,492,690	78,580,982	788,116,312

-----Rupees-----

Balance as at July 01, 2019
 Total comprehensive income for the period
 Profit for the period
 Other comprehensive income for the period

Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation-net of deferred tax
 Balance as at March 31, 2020

Balance as at July 01, 2020
 Total comprehensive income for the period
 Profit for the period
 Other comprehensive income for the period

Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation-net of deferred tax
 Balance as at March 31, 2021

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

Signature
 CHIEF EXECUTIVE


Signature
 DIRECTOR

Signature
 CHIEF FINANCIAL OFFICER

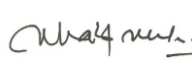
GAMMON PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine months ended	
	March 31,	
	2021	2020
	Rupees	Rupees
Profit / (loss) before taxation	2,659,150	8,485,200
CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustment for non cash charges and other items :		
Depreciation	2,960,990	2,926,797
Staff retirement benefits - gratuity (net)	(981,451)	(350,732)
Finance cost	-	18,135
	<u>1,979,539</u>	<u>2,594,200</u>
Profit / (Loss) before working capital changes	4,638,689	11,079,400
Effect on cash flow due to working capital changes:		
Stock of materials, stores and spares	463,606	511,247
Contract receivables	7,192,725	6,486,829
Contract assets	12,432,222	(37,820,355)
Loans and advances	(11,344,407)	2,194,848
Long term security deposits	(26,089,000)	-
Short term prepayments	(223,375)	(165,211)
Other receivables	536,244	2,087,567
Net Change in Current Assets	<u>(17,031,985)</u>	<u>(26,705,075)</u>
Increase / (decrease) in current liabilities		
Material received from customers / secured advances	-	2,957,016
Contract liability	-	-
Trade and other payables	18,617,050	18,758,877
Net Change in Current Liabilities	<u>18,617,050</u>	<u>21,715,893</u>
Net cash inflow/(outflow)from operating activities:	6,223,754	6,090,218
Income tax paid	(5,981,532)	(4,164,639)
Net cash inflow/(outflow) after tax from operating activities	<u>242,222</u>	<u>1,925,579</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(181,940)	-
Proceeds from sale of fixed assets	-	-
Net cash inflow/(outflow) from investing activities	<u>(181,940)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Financial charges paid	-	(17,000)
Net cash inflow/(outflow) from financing activities	<u>-</u>	<u>(17,000)</u>
Net (decrease) / increase in cash and cash equivalents	60,282	1,908,579
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	<u>1,264,783</u>	<u>3,794,415</u>

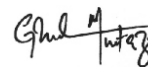
The annexed notes form an integral part of these condensed interim financial information.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

GAMMON PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS ENDED MARCH 31, 2021

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 nine month ended March 31, 2021 have been prepared in accordance with the requirements of the International Accounting Standard - 34: Financial 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 un audited interim financial statements for the nine months ended March 31, 2020

These 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 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 3.5 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 judgments 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 disclosed 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 March 31, 2021 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.

		March 31, 2021 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	181,940	17,000
Add: Revaluation Surplus		-	26,179,815
Less: Disposals - net book value (NBV)		-	-
		181,940	26,196,815
Less: Depreciation charged during the period / year		(2,960,990)	(3,902,681)
Closing written down value		<u>285,794,815</u>	<u>288,573,865</u>

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

		March 31, 2021 Rupees Unaudited	June 30, 2020 Rupees Audited
Plant and machinery		-	-
Vehicles		38,000	-
Furniture & Fixtures		-	17,000
Construction Equipments		10,200	-
Computers and accessories		133,740	-
		<u>181,940</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 or 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.

		March 31, 2021 Rupees Unaudited	June 30, 2020 Rupees Audited
8	CONTRACT RECEIVABLES		
	Unsecured - considered good		
	Against billings		
	- work-in-progress	31,700,672	44,108,286
	- completed contracts	56,089,247	56,123,425
		<u>87,789,919</u>	<u>100,231,711</u>
	Provision for doubtful receivables	8.1 (75,150,387)	(75,150,387)
		<u>12,639,532</u>	<u>25,081,324</u>
	Against retention money		
	- work-in-progress	64,584,779	60,212,492
	- completed contracts	36,670,576	35,793,797
		<u>101,255,355</u>	<u>96,006,289</u>
	Provision for doubtful receivables	8.1 (37,704,489)	(37,704,489)
		<u>63,550,866</u>	<u>58,301,800</u>
	Joint venture		
	- against billings	17,054,553	17,054,553
	- against retention money	12,936,380	12,936,380
		<u>29,990,933</u>	<u>29,990,933</u>
	Provision for doubtful receivables	8.1 (29,990,933)	(29,990,933)
		-	-
		<u>76,190,398</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).

	March 31, 2021 Rupees Unaudited	June 30, 2020 Rupees Audited
9 CONTRACT ASSETS		
Net construction contracts	95,624,095	108,056,317
Analyed as:	-	-
Current	<u>95,624,095</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.

	Note	March 31, 2021 Rupees Unaudited	June 30, 2020 Rupees Audited
10 CASH AND BANK BALANCES			
Cash in hand		97,283	45,633
Cash at bank - local currency			
Current accounts		11,682	13,171
PLS accounts	10.1	266,374	256,254
Deposit accounts	10.2	889,443	889,443
		<u>1,167,499</u>	<u>1,158,868</u>
		<u>1,264,782</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 March 31, 2021 and June 30, 2020 the entire balance was under bank's lien.

	March 31, 2021 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.

		March 31, 2021 Rupees Unaudited	June 30, 2020 Rupees Audited
12 TRADE AND OTHER PAYABLES			
Sundry creditors		109,230,152	70,641,342
Advance rent		2,630,566	14,374
Due to sub-contractors		37,515,981	36,170,091
Accrued expenses		20,826,089	54,866,860
Due to employees and others	12.1	18,871,067	8,966,299
Taxes payables		1,371,558	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>227,188,628</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 Saudi Riyals (SR) 5.000 million and SR 2.500 million totaling SR 7.500 million (equivalent to Pak Rs. 276.714 million at the rate of Rs. 36.9/ SR) with the interest thereon of SR 21.650 million (equivalent to Rs. 798.780 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 5.000 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.

On December 15, 2008, the Banking Judge of the Sindh High Court, Karachi held that execution application was within time. Arguments on the execution application have been submitted on 28 January, 2011 and the Sindh High Court has reserved its judgment.

The Company's Board of Directors, elected on October 31, 2005, are of the considered opinion that subsequent to March 17, 2004, repayment of loan to NBP had become time barred. The management is also of the view that the second loan amounting SR 2.500 million will legally meet the same fate.

- 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 statement of financial position date

	March 31, 2021 Rupees Unaudited	March 31, 2020 Rupees Audited
14 CONTRACT INCOME		
Continuing operations:		
Construction contracts	<u>67,501,956</u>	<u>73,640,880</u>
	<u>67,501,956</u>	<u>73,640,880</u>
Timing of revenue recognition		
Over time:		
Construction contracts	<u>67,501,956</u>	<u>73,640,880</u>
	<u>67,501,956</u>	<u>73,640,880</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.	
		March 31, 2021 Rupees
Continuing operations:		
Construction contracts		598,867,459
Sale of goods		-
		<u>598,867,459</u>
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:

	Nine Months Ended March 31,		Quarter Ended March 31,	
	2021	2020	2021	2020
Earning after taxation-(Rupees)	<u>2,338,989</u>	<u>2,682,290</u>	<u>(4,121,112)</u>	<u>2,418,435</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>0.08</u>	<u>0.09</u>	<u>- 0.15</u>	<u>0.09</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:

Relation with the Company Nature of transaction	Nine Months Ended March 31,		Quarter Ended March 31,	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
Associated Company				
Gandhara Nissan 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)
Gandhara Industries Limited				
Rental income	2,250,000	2,250,000	750,000	750,000
Payment received	(2,250,000)	(2,250,000)	(750,000)	(1,250,000)
Janana De Malucho Textile Mills Limited				
Rental income	150,000	150,000	-	-
Payment received	(150,000)	(150,000)	-	-
Rehman Cotton Mills Limited				
Rental income	150,000	150,000	50,000	50,000
Payment received	(150,000)	(150,000)	-	-
Bannu Wollen Mill Limited				
Rental income	1,888,160	3,182,720	612,720	612,720
Payment received	(3,223,600)	(5,500,000)	(612,720)	(1,000,000)
Babri Cotton Mill Limited				
Rental income	50,000	50,000	50,000	50,000
Payment received	-	(150,000)	-	(150,000)
Chief Executive				
Salaries and other benefits	-	1,800,000	-	-

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

- 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, 2020, there were no transfers into or out of Level 3 fair value measurements.

As at March 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:

	March 31, 2021 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, 2018 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:

	March 31, 2021 Unaudited	June 30, 2020 Audited
Freehold land	120,988	120,988
Buildings on freehold land	<u>3,365,351</u>	<u>3,365,351</u>
Plant and machinery	<u>2,153,502</u>	<u>2,153,502</u>
Furniture and fixture	<u>1,023,662</u>	<u>1,023,662</u>
Computers and accessories	<u>667,826</u>	<u>534,086</u>
Motor vehicles, cycles and boats	<u>921,706</u>	<u>959,706</u>
Construction equipments	<u>194,216</u>	<u>184,016</u>

19 CORRESPONDING FIGURES

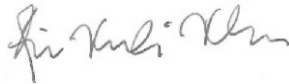
Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the period except as stated in note 3.6 (a).

20 DATE OF AUTHORIZATION

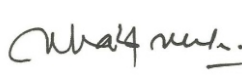
This condensed interim financial information was authorized for issue on April 23, 2021 by the Board of Directors of the Company.

21 GENERAL

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

www.jamapunji.pk

Jama Punji
سرمایہ کاری سمجھداری کے ساتھ

**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk

Key features:

- 📄 Licensed Entities Verification
- 📊 Scam meter*
- 🎮 Jamapunji games*
- 📄 Tax credit calculator*
- 🔍 Company Verification
- 📄 Insurance & Investment Checklist
- 🔍 FAQs Answered
- 📈 Stock trading simulator (based on live feed from KSE)
- 📄 Knowledge center
- 📊 Risk profiler*
- 📄 Financial calculator
- 📄 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📄 Online Quizzes

Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

SAY NO TO CORRUPTION

Address

BY BOOK POST
under postal certificate

if undelivered please return to,