

BIBOJEE GROUP



**Half-Yearly Accounts
December 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
Brig Humayun Malik (Retd)	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

Brig Humayun Malik (Retd)
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

DIRECTORS REPORT

The Directors of your Company have pleasure in presenting their report, together with Un-Audited Financial Statements for Half Yearly ended December 31, 2023.

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 period are as follows:

Particulars	July – Dec 2023 (Rupees)	July – Dec 2022 (Rupees)
Contract Income	-	5,619,649
Contract Expenditure	(531,754)	(7,801,901)
Net contract Loss	(531,754)	(2,182,252)
Loss before taxation	315,621	(4,736,899)
Taxation	(9,567)	(2,778,234)
Profit after tax	306,053	(7,515,133)

Unfortunately, no improvement seen in Company's contract revenue as the work flow status of preceding quarter continues, after closure of the existing projects and having sustained losses in the projects of MTC and OBR. Therefore, no contract revenue earned during the period ended December 31, 2023. Further to it, Company is not getting any new projects because of a continuous recession and stalemate in the market. Political instability is seen at rise in the country during the period under consideration, which is having substantial impact on the business in the country and particularly the Government financed projects at large. Increase in the different taxes by Rawalpindi cantonment board, particularly the property tax and Sky charges will have a negative impact on the financials in future. Admin expenses, utility bills and other miscellaneous expenses are also increasing with time, causing imbalance in income versus expenses.

We are in the process of final bill for MTC and OBR projects. Our efforts continue to recover any outstanding bills and retentions with various clients but not yet succeeded. The arbitration process is likely to start in near future for recovery of the dues from Maritime technologies Complex (MTC) project, as was explained in the last quarter report. We are hopeful to receive our claims but it may take certain period of time, that cannot be forecasted with precision.

FUTURE PROSPECTS

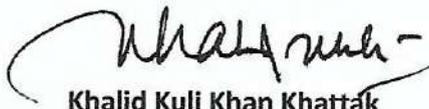
The management is focused to earn some good projects at profitable rates and by the Grace of Allah Almighty we are hopeful for success. Company is continuously engaged in the bidding process of all the upcoming projects, which are within the work capacity of the Company. Private as well as Government sectors are being explored with equal effort. The cash flow problems are still persisting. Company is also making progress in resolving long outstanding matters.

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



Khalid Kuli Khan Khattak
(Chief Executive Officer)



Director

گیمن پاکستان لمیٹڈ

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر 2023ء کی چھ ماہ کے اختتام پر کمپنی کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

کارکردگی کا جائزہ

کمپنی کی بنیادی سرگرمی تمام قسم کے تعمیراتی کام بالخصوص عمارتوں اور پلوں کی تعمیر ہے۔ پچھلے سال کے مقابلے میں کمپنی کے مالیاتی نتائج کی اہم جھلکیاں مندرجہ ذیل ہے:-

جولائی تا دسمبر 2022ء	جولائی تا دسمبر 2023ء	
(روپے)	(روپے)	
5,619,649	-	پراجیکٹس سے آمدن
(7,801,901)	(531,754)	پراجیکٹس کا خرچ
(2,182,252)	(531,754)	مجموعی منافع/(نقصان)
(4,736,899)	315,621	قبل از ٹیکس منافع/(نقصان)
(2,778,234)	(9,567)	ٹیکس
(7,515,133)	306,053	بعد از ٹیکس منافع/(نقصان)

موجودہ پراجیکٹس MTC اور OBR کے منصوبوں کی تکمیل اور ان میں نقصان برداشت کرنے کے بعد، کمپنی کی مالیاتی پوزیشن گزشتہ سہ ماہی کی طرح ہی ہے۔ بد قسمتی سے، کمپنی کے کنٹریکٹ ریونیو میں کوئی بہتری نہیں دیکھی گئی۔ لہذا، 31 دسمبر 2023 کو ختم ہونے والی مدت کے دوران کوئی آمدنی نہیں ہوئی۔ اس کے علاوہ، مارکیٹ میں مسلسل کساد بازاری اور تعطل کی وجہ سے کمپنی کو کوئی نیا پروجیکٹ نہیں مل رہا ہے۔ زیرِ غور مدت کے دوران ملک میں سیاسی عدم استحکام میں اضافہ دیکھا گیا ہے، جس کا ملک میں کاروبار اور خاص طور پر حکومت کی جانب سے بڑے پیمانے پر مالی اعانت سے چلنے والے منصوبوں پر کافی اثر پڑا ہے۔ راولپنڈی کنٹونمنٹ بورڈ کی جانب سے مختلف ٹیکسز بالخصوص پراپرٹی ٹیکس اور اسکائی چارجز میں اضافہ مستقبل میں کمپنی کی مالیاتی صحت پر اثر انداز ہوگا۔ انتظامی اخراجات، یوٹیلیٹی بلز اور دیگر متفرق اخراجات بھی وقت کے ساتھ بڑھ رہے ہیں، جس کی وجہ سے اخراجات اور آمدنی میں عدم توازن پیدا ہو رہا ہے۔

ہم MTC اور OBR کے منصوبوں کے لیے حتمی بل کے عمل میں ہیں۔ ہماری کوششیں مختلف کلائنٹس کے ساتھ کسی بھی بقایا بل اور ریٹینشن کی وصولی کے لیے جاری ہیں لیکن ابھی تک کامیابی نہیں ہوئی۔ جیسا کہ پچھلی سہ ماہی کی رپورٹ میں وضاحت کی گئی تھی، میری ٹائم ٹیکنالوجیز کمپلیکس (MTC) پروجیکٹ سے واجبات کی وصولی کے لیے مستقبل قریب میں ثالثی کا عمل شروع ہونے کا امکان ہے۔ ہمیں پراجیکٹس کے ضمن میں اپنے مالیاتی دعوے موصول ہونے کی پوری امید ہے لیکن اس میں کچھ وقت لگ سکتا ہے، جس کی درستگی کے ساتھ پیش گوئی نہیں کی جا سکتی۔

مستقبل کا نقطہ نظر

انتظامیہ کی توجہ اچھے پراجیکٹس کو منافع بخش نرخوں پر حاصل کرنے پر مرکوز ہے اور اللہ تعالیٰ کے فضل و کرم سے ہم کامیابی کے لیے پرامید ہیں۔ کمپنی تمام ایسے منصوبوں کی بڈنگ کے عمل میں مسلسل مصروف ہے، جو کام کمپنی کی عملی استعداد کے مطابق ہیں۔ پرائیویٹ کے ساتھ ساتھ سرکاری شعبوں کو بھی یکساں کوششوں کے ساتھ تلاش کیا جا رہا ہے۔ کیش فلو کے مسائل اب بھی برقرار ہیں۔ کمپنی طویل عرصے سے زیر التواء معاملات کو حل کرنے میں بھی پیش رفت کر رہی ہے۔

اعتراف

کمپنی کی انتظامیہ، انجینئرز اور ملازمین کی محنت اور لگن قابلِ تعریف ہے اور ہم تعاون، حمایت اور اعتماد کیلئے اپنے گاہکوں، سپلائرز اور چھوٹے ٹھیکیداروں کے تہہ دل سے مشکور ہیں۔ کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

ڈائریکٹر

خالد قلی خان خٹک

چیف ایگزیکٹو آفیسر

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Gammon Pakistan Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Gammon Pakistan Limited** as at December 31, 2023 and the related 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 together with the notes to the unconsolidated condensed interim financial statements for the six month period then ended (hereinafter referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of the unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures included in unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and 2022 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, 2023.

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.

Basis for Qualified Conclusion

We believe that the procedures we have performed are sufficient and appropriate to provide a basis for our qualified conclusion and we report that:

- a) Contract receivables amounting to Rupees 45.066 million, allowance of expected credit loss amounting to Rupees 141.570 million, net contract assets amounting to Rupees 65.049 million, as disclosed in notes 9, 9.1, 10 to the unconsolidated condensed interim financial statements and joint venture partner's advances amounting to Rupees 30.059 million as disclosed in the unconsolidated condensed interim statement of financial position respectively could not be verified in absence of direct confirmations from the involved parties. Further, there are no written efforts available to recover/settle these old balances. The consequential cumulative effect of this matter has neither been determined nor adjusted in these unconsolidated condensed interim



financial statements.

- b) As fully explained in note 13.2 to the unconsolidated condensed interim financial statements, after lapse of considerable time the company could not make the arrangement to pay the provident fund amounting to Rupees 1.563 million to the relevant employees as instructed by the Securities and exchange Commission of Pakistan, and unclaimed dividend as disclosed in the unconsolidated condensed interim statement of financial position amounting to Rupees 1,442,230 has not been kept in unpaid dividend account under Section 244 of the Companies Act, 2017. The effect of these matters has not been adjusted appropriately in these unconsolidated condensed interim financial statements.

Qualified Conclusion

Based on our review, except for the effect of matters discussed in paragraphs (a) & (b) of Basis for Qualified Conclusion above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

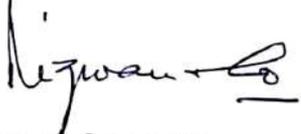
Without further qualifying our conclusion:

- a) we also draw attention to the Note 21.3 to the unconsolidated condensed interim financial statements which explains that certain financial transactions pertaining to the ex CFO of the Company are under investigation internally as well as by external agency and the impact of such investigation, if any, will be accounted for in the period during which such investigation is completed.

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

Islamabad
Date:

28 FEB 2024


Rizwan & Company
Chartered Accountants

UDIN: RR202310101O6WeNn1zg

GAMMON PAKISTAN LIMITED
UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2023
(UN-AUDITED)

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

	NOTE	UN-AUDITED	AUDITED
		December 31, 2023	June 30, 2023
		Rupees	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	299,268,517	300,176,778
Investment property	8	479,831,160	479,831,160
Long term investments	9	1,800,413	1,800,413
Long term security deposits		1,200,600	1,200,600
		<u>782,100,690</u>	<u>783,008,951</u>
CURRENT ASSETS			
Stores, spares and loose tools		12,283,604	12,270,654
Contract receivables	10	45,065,957	45,065,957
Contract asset	11	65,049,779	65,049,779
Loans and advances		39,136,575	37,792,983
Other receivables		4,451,642	796,800
Tax refunds due from Government		92,162,058	90,496,383
Cash and bank balances	12	955,950	2,120,883
		<u>259,105,565</u>	<u>253,593,439</u>
TOTAL ASSETS		<u><u>1,041,206,255</u></u>	<u><u>1,036,602,390</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	13	282,662,310	282,662,310
Capital reserves			
Share premium reserve		15,380,330	15,380,330
Revaluation surplus on property, plant and equipment		428,346,559	428,814,751
		<u>443,726,889</u>	<u>444,195,081</u>
Revenue reserve			
Accumulated profit		78,272,923	77,498,678
		<u>804,662,122</u>	<u>804,356,069</u>
NON-CURRENT LIABILITIES			
Deferred liability		7,129,434	7,552,434
Deferred taxation		29,282,037	29,326,126
		<u>36,411,471</u>	<u>36,878,560</u>
CURRENT LIABILITIES			
Trade and other payables	14	168,630,890	163,865,989
Unclaimed dividends		1,442,230	1,442,230
Joint venture partner's advances		30,059,542	30,059,542
		<u>200,132,662</u>	<u>195,367,761</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,041,206,255</u></u>	<u><u>1,036,602,390</u></u>
CONTINGENCIES AND COMMITMENTS	15	-	-

The annexed notes from 1 to 25 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
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2023 (UN-AUDITED)

					UN-AUDITED			
					HALF YEAR ENDED		QUARTER ENDED	
					December 31,		December 31,	
					2023	2022	2023	2022
NOTE					-----Rupees-----			
Contract income	16	-	5,619,649	-	4,149,591			
Contract expenditure		(531,754)	(7,801,901)	(54,227)	(1,046,442)			
Net contract profit/(loss)		(531,754)	(2,182,252)	(54,227)	3,103,149			
Operating expenses								
Depreciation	7	(515,889)	(1,017,569)	(12,915)	(501,284)			
Administrative expenses		(15,825,803)	(13,528,163)	(7,386,753)	(7,712,008)			
Operating (loss)		(16,873,445)	(16,727,984)	(7,453,894)	(5,110,143)			
Other income		17,190,806	11,991,086	8,010,595	5,998,941			
Finance cost		(1,740)	-	(1,740)	-			
Profit/(loss) before taxation		315,621	(4,736,899)	554,961	888,797			
Taxation-current		(9,567)	(2,778,234)	699,517	(1,389,117)			
Profit/(loss) after taxation		306,053	(7,515,133)	1,254,477	(500,320)			
Earnings per share:								
Earnings per share - basic and diluted	17	0.01	(0.27)	0.04	(0.02)			

The annexed notes from 1 to 25 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
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2023 (UN-AUDITED)

	UN-AUDITED			
	HALF YEAR ENDED		QUARTER ENDED	
	December 31,		December 31,	
	2023	2022	2023	2022
NOTE	-----Rupees-----			
Profit/(loss) after taxation	306,053	(7,515,133)	1,254,477	(500,320)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	<u>306,053</u>	<u>(7,515,133)</u>	<u>1,254,477</u>	<u>(500,320)</u>

The annexed notes from 1 to 25 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
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023 (UN-AUDITED)

		UN-AUDITED	
		HALF YEAR ENDED	
		December 31, 2023	December 31, 2022
NOTE		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
	21	802,621	(3,898,355)
Profit/(Loss) before working capital changes			
Changes in working capital:			
Decrease / (increase) in current assets			
Stores, spares and loose tools		(12,950)	6,288
Contract receivables		-	(393,402)
Contract asset		-	(3,756,389)
Loans and advances		(1,343,592)	1,026,881
Other receivables		(3,654,842)	891,288
Prepayments		-	115,754
Increase/(Decrease) in current liabilities			
Trade & other payable		4,764,901	10,564,746
		(246,483)	8,455,166
Net cash generated from operations		556,138	4,556,811
Financial cost paid		(1,740)	-
Income tax paid		(1,719,331)	(2,305,291)
		(1,721,071)	(2,305,291)
Net cash (used in) / generated from operating activities		(1,164,933)	2,251,520
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
CASH FLOW FROM FINANCING ACTIVITIES			
		-	-
Net (decrease)/increase in cash and cash equivalents		(1,164,933)	2,251,520
Cash and cash equivalents at the beginning of the period		2,120,883	1,206,292
Cash and cash equivalents at the end of the period	12	955,950	3,457,812

The annexed notes from 1 to 25 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

FOR THE SIX MONTHS ENDED DECEMBER 31, 2023 (UN-AUDITED)

Share capital	Reserves			Total	
	Capital		Revenue		
Issued, subscribed and paid-up capital	Share premium	Revaluation surplus on property, plant and equipment	Accumulated Profits		
Rupees					
Balance as at July 1, 2022	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	-	-	-	(7,515,133)	(7,515,133)
Transfer from revaluation surplus on property, plant and equipment:					
- on account of incremental depreciation-net of deferred tax	-	-	(566,648)	566,648	-
Balance as at December 31, 2022	282,662,310	15,380,330	426,237,791	62,074,089	786,354,520
Balance as at July 1, 2023	282,662,310	15,380,330	428,814,751	77,498,678	804,356,069
Total comprehensive income for the period					
Profit for the period	-	-	-	306,053	306,053
Transfer from revaluation surplus on property, plant and equipment:					
- on account of incremental depreciation-net of deferred tax	-	-	(468,192)	468,192	-
Balance as at December 31, 2023	282,662,310	15,380,330	428,346,559	78,272,923	804,662,122

The annexed notes from 1 to 25 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 SIX MONTHS ENDED DECEMBER 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 half year ended December 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 of 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 audited financial statements of the Company for the year ended June 30, 2023. Comparative unconsolidated condensed interim statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2023 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 condensed interim financial statements for the six months ended December 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. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2023 and 31 December 2022 are neither audited nor reviewed.

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

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

- 3.1 The material 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, 2023.
- 3.2 The preparation of these unconsolidated 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. Actual results may differ from these estimates. 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, 2023.
- 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, 2023. 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.
- 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, 2023.

4 TAXATION

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

5 ESTIMATES

The preparation of condensed interim financial statements in conformity with the accounting and reporting standards for interim financial reporting applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's material accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements, are the same as those that were applied to the financial statements for the year ended June 30, 2023.

6 RELATED PARTY TRANSACTIONS

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions.

NOTE	Unaudited	Audited	
	December 31, 2023	June 2023	30, 2023
	Rupees		

7 OPERATING FIXED ASSETS

Opening written down value		300,176,778	299,085,009
Add: Additions during the period / year	7.1	-	210,000
Add: Revaluation Surplus		-	2,913,485
		-	3,123,485
Less: Depreciation charged during the period / year		(908,261)	(2,031,717)
		299,268,517	300,176,778

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

NOTE	Unaudited	Audited	
	December 31, 2023	June 2023	30, 2023
	Rupees		

Computers and accessories		-	210,000
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8 INVESTMENT PROPERTY

Rural land	8.2	121,626,000	121,626,000
Gammon House - land and building	8.3	358,205,160	358,205,160
		479,831,160	479,831,160

8.1 The movement in this account is as follows:

Opening balance		479,831,160	477,509,859
Net fair value gain on revaluation shown in "statement of profit or loss"	8.4	-	2,321,301
		479,831,160	479,831,160

8.2 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.

8.3 This represents part of Gammon House 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.

8.4 The Company as at June 30, 2023 revalued all of its investment property. The revaluation exercise was carried out by an independent valuer, Impulse (Private) Limited, and the revaluation resulted in Rs.2,321,301/- (2022: Rs. 8,998,562) net adjustment to fair value.

	NOTE	Unaudited	Audited
		December 31, 2023	June 30, 2023
Rupees			
9 LONG TERM INVESTMENTS			
Unquoted Subsidiaries			
Gammon Pakistan Precast (Private) Limited (96.2% Holding) 50,000 ordinary shares (June 30, 2023: 50,000) of Rs. 10 each	9.1	500,000	500,000
Others			
Defense Saving Certificate		1,300,413	1,300,413
		1,800,413	1,800,413

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

	NOTE	Unaudited	Audited
		December 31, 2023	June 30, 2023
Rupees			
10 CONTRACT RECEIVABLES			
Unsecured - considered good			
Against billings			
- completed contracts		76,107,565	76,107,565
Provision for expected credit loss	10.1	(73,512,276)	(73,512,276)
		2,595,289	2,595,289
Against retention money			
- completed contracts		80,537,519	80,537,519
Provision for expected credit loss	10.1	(38,066,851)	(38,066,851)
		42,470,668	42,470,668
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	10.1	(29,990,933)	(29,990,933)
		-	-
		45,065,957	45,065,957

10.1 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.141.570 million and accordingly, during the half year ended December 31, 2023, no further provision has been made (June 30, 2023: Nil).

Unaudited	Audited	
December 31, 2023	June	30, 2023
Rupees		

NOTE

11 CONTRACT ASSETS

Net Construction contracts-analyzed as current	11.1	<u>65,049,779</u>	<u>65,049,779</u>
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11.1 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	Audited	
December 31, 2023	June	30, 2023
Rupees		

NOTE

12 CASH AND BANK BALANCES

Cash in hand		35,675	51,825
Cash at bank - local currency			
Current accounts		<u>20,902</u>	1,170,219
PLS accounts	12.1	9,930	9,396
Deposit accounts	12.2	<u>889,443</u>	889,443
		<u>920,275</u>	2,069,058
		<u>955,950</u>	<u>2,120,883</u>

12.1 PLS accounts, during the current financial period, carried profit at the rates ranging from 19.5% to 20.50% (2023: 12.25% to 19.5%) per annum.

12.2 The entire balance as at December 31, 2023 and June 30, 2023 is under a bank's lien against guarantees issued by the bank.

Unaudited	Audited	
December 31, 2023	June	30, 2023
Rupees		

13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

13.1 Issued, subscribed and paid up capital

22,627,320 (June 30, 2023: 22,627,320) ordinary shares of Rs.10/- each fully paid in cash		226,273,200	226,273,200
2,562,845 (June 30, 2023: 2,562,845) bonus shares of Rs.10/- each fully paid in cash		25,628,450	25,628,450
3,076,066 (June 30, 2023: 3,076,066) ordinary shares of Rs.10/- each fully paid in cash (against conversion of loans)		<u>30,760,660</u>	30,760,660
		<u>282,662,310</u>	<u>282,662,310</u>

13.2 Authorized share capital

This represents 30,000,000 (June 30, 2023: 30,000,000) ordinary shares of Rs. 10 each amounting to Rs.300,000,000 (June 30, 2023: Rs. 300,000,000).

13.3 Bibojee Services (Private) Limited (the holding company) holds 20,369,056 (June 30, 2023: 20,369,056) shares, i.e. 72.06% of the Company's issued, subscribed and paid-up capital.

Unaudited	Audited
December 31, 2023	June 30, 2023
Rupees	

NOTE

14 TRADE AND OTHER PAYABLES

Sundry creditors		31,043,027	31,392,997
Directors Current account	14.1	17,061,614	17,061,614
Advance rent		2,197,662	2,197,662
Due to sub-contractors		24,543,700	25,543,699
Accrued expenses		44,447,267	40,993,395
Due to employees and others	14.2	9,009,261	9,009,261
Taxes payables		3,501,219	840,221
Joint venture partner's share of profit		1,620,715	1,620,715
Other provisions	14.3	35,122,500	35,122,500
Workers welfare fund payable		83,925	83,925
		<u>168,630,890</u>	<u>163,865,989</u>

14.1 This includes advances paid by directors in order to meet day to day expenses from Chairman Lt Gen Ali Kuli Khan (Retd) and Director Khalid Kuli Khan amounting to Rs 13,038,300/- (2023 : Rs 13,038,300) and Rs 4,023,314/- (2023: Rs 4,023,314) respectively which are interest free and reimbursable on demand.

14.2 This balance includes amounts aggregating Rs. 1.563 million (2023: 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). 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 provident fund trust in the year 1987 as per their entitlement and to submit an Auditors' certificate confirming that all outstanding money of the fund has been paid to the members in accordance with the provisions of section 227 of the repealed 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.

14.3 These represent provisions made for the potential liability, in respect of borrowings of Saudi Riyals 2.50 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 financial statements).

15 CONTINGENCIES AND COMMITMENTS**15.1 Contingent assets**

The Company had lodged a claim with National Highway Authority amounting Rs. 201.177 million (2023: Rs. 201.177 million) against M/s Bayinder for recovery of losses suffered by the Company attributable to the cessation of work at Islamabad - Peshawar Motorway Project.

15.2 Contingent liabilities

- a) The National Bank of Pakistan (NBP) vide its letter number NBP/CORP/2022/107 has categorically confirmed that the company does not owe any amount in respect of overseas dues of NBP and the e-CIB portal of the State Bank of Pakistan has also not reported any overdue amount. Therefore, outcome of the case pending before the Sindh High Court since 2000 cannot be determined at this stage. However the legal advisor is confident of a favourable outcome.

In view of the above and since the company has made provision for the contingent liability (note 13.3 above) in the financial statements in accordance with the Incentive Scheme under the State Bank of Pakistan's Circular No. 19 of 05 June, 1997, the management is of the opinion that there is no further requirement for any provision on this account as no adverse effect is expected. The same has been endorsed by the Company's Board of Directors (BOD) and the legal advisor in his opinion. Furthermore, the BOD has agreed to settle any liability that may arise consequent upon the outcome of the above matter.

- 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 of 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 of 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 of 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

15.3 Commitments

The Company's commitments as at balance sheet date are as follows:

- (a) 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 (2023: Rs. 50.062 million).
- (b) There were no commitments for capital expenditures as at the balance sheet date (2023: Nil).

Unaudited	
December 31, 2023	December 31, 2022
Rupees	

NOTE

16 CONTRACT INCOME

Continuing operations:

Construction contracts	-	5,619,649
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Timing of revenue recognition

Over time:

Construction contracts	-	5,619,649
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16.1 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.

16.2 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
December 31, 2023
Rupees

Continuing operations:

Construction contracts		244,580,193
------------------------	--	--------------------

16.3 As permitted under para C5(d) of IFRS-15, the transaction price allocated to (partially) unsatisfied performance obligation as of June 30, 2023 is not disclosed, using the transaction provisions of IFRS-

17 EARNINGS 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			
	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Earnings after taxation-(Rupees)	306,053	(7,515,133)	1,254,477	(500,320)
Weighted average number of ordinary shares	28,266,231	28,266,231	28,266,231	28,266,231
Earnings per share - (Rupees)	0.01	(0.27)	0.04	(0.02)

18 TRANSACTIONS WITH RELATED PARTIES

18.1 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			
HALF YEAR ENDED		QUARTER ENDED	
December 31,		December 31,	
2023	2022	2023	2022
-----Rupees-----			

Relation with the Company**Nature of transaction****Subsidiary Company**

Gammon Pakistan Precast (Private) Limited

Expenses settled	1,354,424	1,166,729	1,354,424	734,906
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Associated Companies

Gandhara Nissan Limited

Rental income	2,196,150	1,996,500	1,098,075	998,250
Payment received	-	(1,996,500)	-	(998,250)

Gandhara Industries Limited

Rental income	2,196,150	1,996,500	1,098,075	998,250
Payment received	(2,262,700)	(1,996,500)	(1,098,075)	(1,331,000)

Janana De Malucho Textile Mills Limited

Rental income	73,205	181,500	-	181,500
Payment received	-	(242,000)	-	(242,000)

Rehman Cotton Mills Limited

Rental income	-	181,500	-	-
Payment received	-	(242,000)	-	-

Bannu Wollen Mill Limited

Rental income	3,045,174	1,482,780	1,522,587	741,390
Payment received	(1,522,587)	(2,313,568)	-	-

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

19 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, 2023.

20 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)

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

As at December 31, 2023 and June 30, 2023 the Company held financial instruments carried at fair value which comprising, investment property and operating fixed assets, are measured at fair value.

20.1 The investment property was valued on June 30, 2023 carried out by external independent valuers M/s Impulse (Private) Limited. The fair value of investment property is categorized as level 3 recurring fair value measurement due to significant unobservable inputs used in the valuation. A reconciliation of the opening and closing balance is provided below:

	Unaudited	Audited
	December 31, 2023	June 30, 2023
NOTE	Rupees	
Opening balance (level 3 recurring fair value)	479,831,160	477,509,859
Fair value gain recognized in profit and loss	-	2,321,301
Closing balance (level 3 recurring fair value)	<u>479,831,160</u>	<u>479,831,160</u>

20.2 The Company has revalued its freehold land, buildings on June 30, 2023 and plant and machinery on June 30, 2019 by independent valuer M/s Impulse (Private) Limited on the basis of market values of similar properties. The fair value of free hold land, buildings and plant and machinery is a level 3

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 3 in fair value hierarchy due to significant unobservable inputs used in the valuation.

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

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

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

	Unaudited	Audited
	December 31, 2023	June 30, 2023
	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	980,106
Motor vehicles, cycles and boats	63,454	63,454
Construction equipments	273,403	273,403

Unaudited	
Half year ended	
December 31,	
2023	2022
Rupees	

NOTES

21 PROFIT BEFORE WORKING CAPITAL CHANGES

Profit/(Loss) before taxation 315,621 (4,736,899)

Adjustment for:

Depreciation	7	908,261	1,017,569
Staff retirement benefits - gratuity (net)		(423,000)	(179,025)
Finance cost		1,740	-
		487,001	838,544

Profit/(Loss) before working capital changes **802,621 (3,898,355)**

22 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

22.1 Post Balance Sheet Event

The Board of Directors (BOD) in their meeting held on December 1, 2023 resolved to transfer freehold land situated at Chak Beli Road Dist. Rawalpindi measuring 260.6 kanals valued by an independent valuer at Rs.160,873,000 to its subsidiary Gammon Pakistan Precast (Pvt) Limited (GPPL) and also decided to convert receivable from GPPL appearing in the company's books to the extent of Rs 27.967 million, against the issue of 18,884,000 shares of Rs.10/- each of its subsidiary company GPPL. The arrangement has been approved by the shareholders at an extra-ordinary general meeting held on December 30, 2023.

This event has been considered as non-adjusting event under IAS 10 and has not been recognized in these condensed interim financial statements as legal formalities have not started till the date of these condensed interim financial statements.

22.2 Management Assessment of Going Concern

Although the company has earned an operational loss of Rs 16.87 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.

22.3 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 amounting to Rs 26.804 million, which is being investigated internally. Moreover, FIR has also been lodged against the EX-CFO subsequent to June 30, 2021. The transactions were mainly carried out of books and the impact of such investigation/FIR, if any, will be accounted for in the period during which such investigation is completed.

23 CORRESPONDING FIGURES

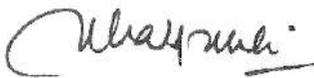
Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the period.

24 DATE OF AUTHORIZATION

These condensed interim financial information was authorized for issue on 28 Feb 2024 by the Board of Directors of the Company.

25 GENERAL

Figures have been rounded off to the nearest rupee.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

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