

FINANCIAL STATEMENTS

of

RAILWAY CONSTRUCTIONS PAKISTAN LIMITED

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2017



Crowe Horwath

Horwath Hussain Chaudhury & Co.

Chartered Accountants

Representing Crowe Horwath in Pakistan

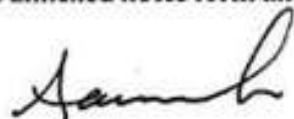
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2017

RAILWAY CONSTRUCTIONS PAKISTAN LIMITED
BALANCE SHEET
AS AT JUNE 30, 2017

| | NOTE | 2017 Rupees | 2016 Rupees |
|---|------|-----------------------------|-----------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 3 | 77,312,988 | 75,866,216 |
| Long term investment | 4 | - | 91,324,802 |
| Receivable from joint venture partners | 5 | 1,296,000 | 1,296,000 |
| Long term advances - considered good | 6 | 3,346,387 | 3,885,267 |
| | | <u>81,955,375</u> | <u>172,372,285</u> |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | 7 | 11,297,532 | 12,259,679 |
| Stock-in-trade | 8 | 318,662,162 | 250,087,947 |
| Work in Progress | | - | 1,789,610 |
| Contract receivables - unsecured | 9 | 516,172,630 | 300,650,107 |
| Due from customers for construction work | 10 | 122,231,790 | 130,946,063 |
| Advances - considered good | 11 | 66,091,489 | 34,388,935 |
| Security deposits, retention money and short term prepayments | 12 | 265,844,528 | 212,338,745 |
| Short term investments | 13 | 151,401,242 | 156,526,974 |
| Accrued interest | | 450,549 | 1,671,494 |
| Other receivables | 14 | 10,434,517 | 25,963,800 |
| Advance tax | | 408,249,257 | 267,036,473 |
| Cash and bank balances | 15 | 1,325,957,910 | 1,150,622,907 |
| | | <u>3,196,793,604</u> | <u>2,544,282,734</u> |
| TOTAL ASSETS | | <u><u>3,278,748,980</u></u> | <u><u>2,716,655,020</u></u> |

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR


RAILWAY CONSTRUCTIONS PAKISTAN LIMITED
BALANCE SHEET
AS AT JUNE 30, 2017

| | NOTE | 2017 Rupees | 2016 Rupees |
|--|------|----------------------|----------------------|
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital 24,000,000 (2016: 24,000,000) shares of Rupees 10 each | | <u>240,000,000</u> | <u>240,000,000</u> |
| Issued, subscribed and paid up share capital | 16 | 200,000,000 | 200,000,000 |
| Reserves | 17 | <u>2,327,882,960</u> | <u>1,878,565,262</u> |
| Total equity | | 2,527,882,960 | 2,078,565,262 |
| NON-CURRENT LIABILITIES | | | |
| Employee benefits | 18 | 41,812,668 | 36,742,690 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 19 | 171,718,068 | 280,138,314 |
| Retention money | | 67,401,992 | 10,696,679 |
| Mobilization advance | | 46,671,550 | 35,817,264 |
| Due to customers for construction work | 10 | - | - |
| Provision for taxation | | 423,261,741 | 274,694,810 |
| | | 709,053,352 | 601,347,067 |
| TOTAL LIABILITIES | | <u>750,866,019</u> | <u>638,089,757</u> |
| CONTINGENCIES AND COMMITMENTS | 20 | - | - |
| | | <u>3,278,748,980</u> | <u>2,716,655,020</u> |

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CHIEF EXECUTIVE



DIRECTOR

RAILWAY CONSTRUCTIONS PAKISTAN LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

| | NOTE | 2017 Rupees | 2016 Rupees |
|--|------|-----------------|-----------------|
| Revenue | 21 | 2,451,304,203 | 1,516,119,121 |
| Cost | 22 | (1,833,912,143) | (1,142,054,062) |
| Gross profit | | 617,392,060 | 374,065,059 |
| Administrative expenses | 23 | (38,477,325) | (39,842,161) |
| Profit from operating activities | | 578,914,735 | 334,222,898 |
| Finance cost | | (5,642,042) | (2,949,075) |
| | | 573,272,692 | 331,273,822 |
| Other income | 24 | 27,163,578 | 18,501,295 |
| Profit before taxation | | 600,436,271 | 349,775,118.12 |
| Taxation | 25 | (149,678,864) | (80,296,456) |
| Profit after taxation | | 450,757,406 | 269,478,662 |
| Earnings per share - basic and diluted | 26 | 22.54 | 13.47 |

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CHIEF EXECUTIVE

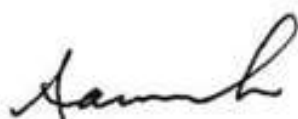


DIRECTOR

RAILWAY CONSTRUCTIONS PAKISTAN LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

| | NOTE | 2017 Rupees | 2016 Rupees |
|--|------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash used in operations | 27 | 254,470,551 | 424,516,850 |
| Income taxes paid | | (185,703,318) | (75,551,786) |
| Finance cost paid | | (5,642,042) | (2,949,075) |
| Interest received | | 23,890,195 | 21,352,788 |
| Accumulating compensated absences paid | | (1,002,525) | (1,508,920) |
| Gratuity paid | | (2,400,320) | (2,179,031) |
| Provident fund paid | | (147,203) | (2,230,932) |
| Net decrease in long term advances | | (538,880) | (197,810) |
| Net cash used in operations | | 82,926,459 | 361,252,085 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on purchase of property, plant and equipment | | (12,362,068) | (7,188,351) |
| Capital Work in Process | | 1,789,610 | (1,789,610) |
| Proceeds from sale of property, plant and equipment | | 7,970,178 | 6,340,000 |
| Investments made - net | | 96,450,534 | (202,009,179) |
| Net cash used in investing activities | | 93,848,255 | (204,647,140) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend Paid | | (2,000,000) | - |
| Net cash used in financing activities | | (2,000,000) | - |
| Net increase in cash and cash equivalents | | 174,774,713 | 156,604,943 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 1,150,622,906 | 989,958,812 |
| Effect of exchange gain on cash and cash equivalents | | 560,291 | 4,059,151 |
| | | 1,151,183,197 | 994,017,963 |
| CASH AND CASH EQUIVALENTS AT THE END OF YEAR | 28 | 1,325,957,910 | 1,150,622,906 |

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR