

**MINUTES OF THE SEVENTY FOURTH (74<sup>th</sup>) ANNUAL GENERAL MEETING ("AGM") OF THE SHAREHOLDERS OF GAMMON PAKISTAN LIMITED ("THE COMPANY") HELD ON THURSDAY 28<sup>th</sup> OCTOBER 2021 AT 11:00 AM AT THE REGISTERED OFFICE OF THE COMPANY, GAMMON HOUSE, 400/2, PESHAWAR ROAD, RAWALPINDI**

**A:** The Seventy Fourth (74<sup>th</sup>) AGM of the shareholders of the company was held on Thursday 28<sup>th</sup> October 2021 at 11:00 A.M. at the registered office of the Company, Gammon House, 400/2, Peshawar Road, Rawalpindi.

**B:** The following members of the Board of Directors of the Company were present at the AGM:

1.	Lt Gen (Retd) Ali Kuli Khan Khattak	Chairman	Chairman
2.	Mr. Khalid Kuli Khan Khattak	CEO	CEO
3.	Mr. Kamal Abdullah Malik	Director	KAM
4.	Mr. Fazal ur Rehman Burki	Director	FRB

Leave of absence was granted to the following members of the Board of Directors of the Company:

1.	Mrs. Ayesha Alamzeb Durrani	Director	AAZ
2.	Mr. Mohammad Kuli Khan Khattak	Director	MKK
3.	Mr. Sikandar Kuli Khan Khattak	Director	SKK

**C:** The total number of shares at the AGM, in person and through proxy, as provided by the Share Registrar M/S Vision Consulting Limited was as follows:

Shareholders	Number of Shareholders	Representing (No. of Shares)
Member – in person	81958	
Member – through proxy		20,365,556
<b>Total</b>	<b>81,958</b>	<b>20,365,556</b>

**D: IN ATTENDANCE**

1.	Maj (Retd) Muhammad Shahbaz Anwer	Chief Operating officer	COO
2.	Mr. Ghulam Murtaza Khurshid	Chief Financial Officer	CFO

**E: BY INVITATION**

1.	Mr. Mian Shakeel	Representative External Auditors	EA
2.	Mr. Abdul Ghaffar Ghaffary	Representative Share Registrar	SR

**CHAIRMAN**

The Chairman observing that the quorum required under Section 135(1)(a) of the Companies Act, 2017 and Clause 40 of the Company's Articles of Associations was present and complete, and advised the Company Secretary (the Secretary) to proceed with the Agenda of the Annual General Meeting.

The proceedings of the meeting commenced with recitation from the Holy Quran.



## **NOTICE OF THE MEETING**

Notice of meeting was presented by the Secretary which was taken as read. CFO informed the shareholders that the notice of AGM was given through Newspapers (Roznama Ausaf Urdu newspaper and Observer Daily English newspaper) and PSX Portal twenty-one days before the meeting, in compliance of PSX Regulation No.5.6.9 & U/S 132 of Companies Act 2017.

## **AGENDA ITEM NO. 1**

### **MINUTES OF THE PREVIOUS MEETING**

Minutes of the Annual General Meeting held on 28th October 2020 were readout by the CFO. Further a shareholder of the Company Mr. Munir (Folio No.11452) proposed following ordinary resolution which was seconded by Mr. Umair (Folio No.11622) another shareholder of the Company.

**RESOLVED THAT** "The minutes of the Annual General Meeting of the shareholders of the Gammon Pakistan Limited held on 28<sup>th</sup> October 2020 be and hereby confirmed".

The resolution was unanimously adopted by the shareholders. Minutes were later on, signed by the Chairman as token of approval thereof.

## **AGENDA ITEM NO. 2**

### **TO CONSIDER, APPROVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021 ALONG WITH CHAIRMAN, DIRECTORS' AND AUDITORS' REPORTS THEREON**

The Annual Audited Financial Statements of the Company for the year ended 30<sup>th</sup> June 2021 along with Chairman, Directors' and Auditors' Reports thereon were placed before the shareholders for their approval and adoption. CFO of the Company briefed the shareholders regarding the salient features of the Profit & Loss Accounts, detailed as under: -

### **FINANCIAL RESULTS**

The contract Income for the year under review was Rs. 75,716,889 (in 2020 Rs. 184,639,178) whereas the contract expenditure was Rs. 98,997,215 (in 2020 Rs. 173,514,623), net contract Loss was Rs. 23,280,326 as compared to profit of Rs. 11,124,555 in 2020.

After adjustment of other income and charges the loss before taxation was amounting Rs. 1,904,841 as compared to profit of Rs. 45,946,075 in 2020. After provision of Rs. 6,197,904 (in 2019 Rs. 19,634,021) for tax, net loss after tax is amounting Rs. 8,102,745 as compared to profit of Rs. 26,312,054. The shareholders were further informed that loss per share of the Company for the year ended 30<sup>th</sup> June 2021 was Rs 0.29 as compared to profit per share Rs.0.93 of the last year.

The CFO Briefing about running projects and queries raised by the different shareholders with their replies from Management are as under:



Sr. No.	Questions asked by Shareholders	Management Briefing & Replies of the Shareholder's Questions
1		<p>CFO informed the shareholders that it's about ten months that we have acquired new Management of the Company. There are a lot of difficulties we are facing after take over and it may take two years to come out from inherited baggage. He said works are in progress on different field sites located in different areas and it is very important to have a grip and control on Project sites in construction industry which was lacking in past.</p> <p>He further added that he is controlling the undue expenses and in process of retraction of company assets from sites.</p>
2	Mr. Munir Inquired about the Current status of MTC Project.	<p><b>a. CW0108 MTC (Maritime Technologies Complex) Project.</b></p> <p>The CFO responded that the Project was acquired in 2012 and now after nine years the new management is closing the site after completion of Project.</p>
3	Mr. Munir further asked as the work is fully completed or still there is some left over works.	<p>The CFO said Alhamdulillah the Project is fully completed and we are in process of finalizing the works that have been assigned to GPL through final punch list.</p>
4		<p><b>b. Bridge at Old Bannu Road (OBR-Project).</b></p> <p>The CFO informed the shareholders that the Bridge Construction work at Old Bannu Road (OBR-Project) was stopped for five months as the execution method of Project was not beneficial for the Company So we have to restructure the execution methodology and now we have taken the Project Manager as Partner in project's Profit or Loss. He will be entitled for 15% of Projects profit and 10% loss in case of loss.</p> <p>In this way we have enhanced the pace and consequently profitability of the project by reducing execution time to avoid monthly overheads. -</p>
5		<p><b>c. Project of Boarder Crossing Facility Center at Torkham.</b></p> <p>The CFO informed the shareholders that we have acquired a project of a Bridge Construction located at border Crossing Facility center Torkham on labour rates. Work at this project is progressing well and may be completed till the end of new financial year.</p>



6	Mr. Umair asked about audit qualification regarding Contract assets in audit report.	<p><b>d. Receivables from Projects.</b></p> <p>The CFO informed the shareholders that External Auditors have dispatched confirmations to some clients directly for verification of balances. Unfortunately, they have not received the said confirmations from all the Government departments and consequently External Auditors reflected it as qualifications in their report.</p>
7	Mr. Munir asked about Multan Development Authority case status.	The COO responded that we have won the case from MDA and pursuing for recovery through our lawyer but not yet succeeded.
8	Mr. Umair asked about reason for decline in revenue for the year.	The CFO informed the shareholders that revenue from project has been reduced mainly due to comparatively low quantum of work carried out during the year. He added the main project with us was MTC CW0108 and it completed much beyond the required time span due for the project, resultantly causing negative financial effect.
9	Mr. Umair then asked about the increase in cost as compared to last year.	The CFO informed that we have made provision for irrecoverable stores from the Projects, as in case of CPEC, due to floods at CPEC Bridges during course of work. Further the recovery of steel from FWO is also adjusted in cost during the year.
10	Mr. Umair also asked about the increase in operating expenses during the year.	The CFO informed the shareholders that operational expenses contain provision of old receivables from closed Projects on account of bills receivable, retention money, loan and advances and security deposits etc.
11.		<p><b>d. Fixed Assets disposal.</b></p> <p>The CFO after discussion on Projects also presented the list of Assets disposed off during the year and informed the shareholders about payment of old liabilities.</p> <p>The shareholders after discussion unanimously approved the disposal of Assets as disclosed in note 6 of financial statements.</p>

The shareholders after having discussed the Audited Accounts of the Company for the year ended 30<sup>th</sup> June 2021 in detail, resolved and passed the following resolutions.

- i. **RESOLVED THAT** "The Annual Audited Financial Statements of Gammon Pakistan Limited along with Chairman, Directors' and Auditors' Reports thereon for the year ended 30<sup>th</sup> June 2021 be and are hereby adopted and approved".



- ii. **FURTHER RESOLVED THAT** "The Secretary of the Company be directed to file 3 copies each of the printed Annual Audited Financial Statements for the year ended 30<sup>th</sup> June 2021 with the Joint Registrar of Companies, Securities & Exchange Commission of Pakistan, Islamabad in compliance to Companies Act 2017".

**AGENDA ITEM NO. 3**

**APPOINTMENT OF AUDITORS OF THE COMPANY**

The Auditors M/S DFK Rizwan & Co. Chartered Accountants, Islamabad, have retired and being eligible offered themselves for reappointment for next year to be ending on June 30, 2022. The firm had consented to act as auditors and would hold the office till conclusion of the next AGM to be held in 2022. The Board Audit Committee and Board of Directors have recommended re-appointment of M/S DFK Rizwan & Co. Chartered Accountants, Islamabad as Auditors of the Company for the next year ending 30<sup>th</sup> June 2022.

Shareholders present unanimously approved and proposed the following ordinary resolution:

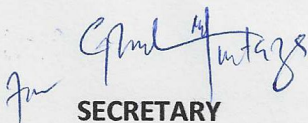
**RESOLVED THAT** "M/S DFK Rizwan & Co. Chartered Accountants being eligible and willing to act as the auditor for the year ending June 30, 2022 be and are hereby appointed as auditors of the Company.

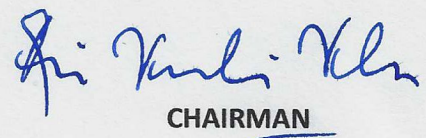
**FURTHER RESOLVED THAT** "Mr. Khalid Kuli Khan Khattak, CEO of the Company, be and is hereby authorized to fix their remuneration".

The resolutions were unanimously adopted by the members.

**VOTE OF THANKS**

As there was no other business to be conducted, the shareholders along with the Chairman prayed to Allah Karim for the progress and prosperity of the Company and the meeting concluded at TIME with the vote of thanks to the Chair.

  
**SECRETARY**

  
**CHAIRMAN**