BIBOJEE GROUP

77th ANNUAL REPORT 2024

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)	Chairman
Mrs. Ayesha Alamzeb Durrani	Member
Mr. Sikandar Kuli Khan Khattak	Member

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 Accounants 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
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
5-C, 2nd Floor, LDA Flats,
Lawrence Road, Lahore
Tel: +92-42-36283096-97
Email: shares@vcl.com.pk
Web: www.vcl.com.pk

GAMMON PAKISTAN LIMITED
77th ANNUAL REPORT
JUNE 30, 2024

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MISSION STATEMENT

Regain for Gammon Pakistan Limited its position in the Construction Industry of Pakistan /abroad through as aggressive but prudent construction strategy

VISION STATEMENT

To be a Construction Company of international standard of repute which executes works confirming to the latest Engineering Practices and innovations. Employ most modern instrumentation/mechanization to provide technical services with the highest degree of Quality Control and Customer Satisfaction. The Management also promises complete Financial Transparency to all its shareholders and customers so that it is able to turn around and bring Gammon Pakistan Limited back to its original glory.

GAMMON PAKISTAN LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 77th Annual General Meeting of Gammon Pakistan Limited (the Company) will be held at Gammon House, 400/2, Peshawar Road, Rawalpindi on Monday 28th October, 2024 at 11:00 A.M. to transact the following business.

ORDINARY BUSINESS

1. To confirm minutes of the Extra Ordinary General Meeting held on 30 December, 2023.

2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended, June 30, 2024 together with the Director's and Auditor's reports thereon.

3. To appoint Auditors of the Company for the year to be ending on June 30, 2025 and to fix their remunerations.

To consider any other business with the permission of the Chair.

BY ORDER OF THE BOARD

Ghulam Murtaza Khurshid
For COMPANY SECRETARY

October 04, 2024

NOTES:

BOOK CLOSURE:

The share transfer books of the Company will be closed from October 22, 2024 to October 28, 2024, both days inclusive. Transfer of shares received at our Share Registration office i.e., Vision Consulting Limited, Business Share Registrar, 5-C, LDA flats, Lawrence Road, Lahore at the close of business on October 20, 2024 will be treated in time for the purpose of entitlement.

CHANGE IN ADDRESSES AND CONSOLIDATION OF FOLIOS:

Members of the Company are requested to immediately notify the change of address, if any, and ask for consolidation of their folio nos. provided any member holds more than one folio numbers.

PARTICIPATION IN ANNUAL GENERAL MEETING:

Any member entitled to attend this meeting shall be entitled to appoint any other member as his/her proxy to attend in respect of him/her and the proxy instrument shall be received by the Company not later than 48 hours before the meeting.

INSTRUCTION FOR CDC ACCOUNT HOLDERS:

CDC account holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

For attending the meeting:

i. In case of individuals, the account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his valid, original Computerized National Identity Card (CNIC) or Original Passport at the time of attending the Meeting.

ii. In case of corporate entity, the Board of Director's Resolution/Power of Attorney with certified specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

For appointing proxies:

i. In case of individuals the account holder and/or person whose securities are in group account and their registration details are uploaded as per the regulations shall submit the proxy form as per the above requirements.
ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the Form.
iii. Attested copies of the valid, CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
iv. The proxy shall produce his valid, original CNIC or original Passport at the time of the meeting.
v. In case of corporate entity, the Board of Director's Resolution/ Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Any shareholder who is not feeling well or have symptoms such as cough, flu and/or fever is encouraged to attend the AGM via electronic means through video link. Members can download the app/software through https://zoom.us/download and login via video link to participate in the AGM proceedings. Shareholders are requested to get themselves registered at least ten (10) working days before the AGM by email at gammon1@dsl.net.pk by providing the following details:

Name of Shareholder	CNIC Number	Folio Number	Cell Number	Email address

Video-link for the meeting will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time. Login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process.

گیمن پاکستان لمیٹڈ

نوٹس برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ گیمن پاکستان لمیٹڈ (کمپنی) کا 77واں سالانہ اجلاس عام، کمپنی کے رجسٹرڈ آفس گیمن ہاؤس 400/2، پشاور روڈ راولپنڈی میں بروز سوموار 28 اکتوبر 2024ء کو صبح 11 بجے مندرجہ ذیل کاروبار کے لین دین کیلئے منعقد ہوگا۔

عام کاروبار

1۔ 30 دسمبر 2023ء کو منعقدہ غیر معمولی اجلاس عام کی کاروائی کی توثیق کرنا۔

2۔ ڈائریکٹر اور آڈیٹر کی رپوٹس کے ساتھ سالانہ آڈیٹڈ مالیاتی تفصیلات 30 جون 2024ء پر غور کرنا، اس کو اپنانا اور منظوری۔

3۔ مالی سال 25-2024 کیلئے آڈیٹر کا تقرر اور اس کا معاوضہ طے کرنا۔

صاحب صدر کی اجازت سے کسی دیگر امور پر غور وخوص۔

بحکم بورڈ

غلام مرتضیٰ خورشید

برائے کمپنی سیکرٹری

راولپنڈی

مورخہ: 04 کتوبر 2024ء

نوٹس:

کتابچہ:

کمپنی کے حصص منتقلی کی کتابیں 22 اکتوبر 2024ء تا 28 اکتوبر 2024ء (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے حصص کی منتقلی بذریعہ شیئر رجسٹرار میسرز ویژن کنسلٹنگ لمیٹڈ، 5-C، ایل ڈی اے فلیٹس، فرسٹ فلور، لارنس روڈ، لاہور ہوگی۔ جس میں 20 اکتوبر 2024ء کو شام 5 بجے کاروبار بند ہونے تک وصول ہونے والے تبادلوں کو اندراج کیلئے بروقت تصور کیا جائے گا جو کہ سالانہ اجلاس عام میں شرکت اور ووٹنگ کیلئے اہل ہوں گے۔

ایڈریسز میں تبدیلی اور فولیوز کا یکجا کرنا:

ممبران سے درخواست ہے کہ اپنے پتوں میں تبدیلی اگر کوئی ہو تو کمپنی کو فی الفور مطلع کریں اور ایک سے زیادہ فولیو نمبرز ہونے کی صورت میں فولیو نمبرز کو یکجا کرنے کی بابت کمپنی کو کہیں۔

سالانہ اجلاس میں شرکت:

اجلاس میں شرکت اور ووٹ دینے کا مستحق کوئی رکن اپنی بجائے شرکت اور ووٹ دینے کیلئے دیگر کسی رکن کو اپنا/اپنی پراکسی مقرر کر سکتا/سکتی ہے۔ پراکسی کی تقرری اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کو لازماً وصول ہو جانی چاہئے۔

سی ڈی سی اکاؤنٹ ہولڈرز کیلئے ہدایات:

سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے جاری کردہ سرکلر نمبر 1 مورخہ 26 جنوری 2000ء میں دی گئی ہدایات پر عمل کرنا ہوگا۔

الف۔ اجلاس میں شرکت کیلئے:

i۔ ایسے افراد جو گروپ کی صورت میں اکاؤنٹ ہولڈر ہیں یا وہ شخص جو سیکورٹیز گروپ اکاؤنٹ میں ہے اور انکی رجسٹریشن کی تفصیلات ضابطوں کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت ثابت کرے گا۔

ii۔ بصورت کارپوریٹ اداروں کے نمائندے اس مقصد کیلئے درکار، نمونوں کے دستخط، بمع بورڈ کی قرارداد / پاور آف اٹارنی ساتھ لائیں۔

ب۔ پراکسی مقرر کرنے کیلئے:

i۔ ایسے افراد جو گروپ کی صورت میں اکاؤنٹ ہولڈر ہیں یا وہ شخص جو سیکورٹیز گروپ اکاؤنٹ میں ہے انکی رجسٹریشن کی تفصیلات ضابطوں کے مطابق اپ لوڈ کی گئی ہیں وہ مندرجہ بالا ضروریات کے مطابق پراکسی فارم جمع کرائیں گے۔

ii۔ پراکسی فارم کے گواہ دو افراد ہوں گے جن کا نام، پتہ اور شناختی کارڈ نمبر فارم میں درج ہوں گے۔

iii۔ مالکان اور پراکسی کے کارآمد شناختی کارڈ کی تصدیق شدہ کاپیاں یا پاسپورٹ پراکسی فارم کیساتھ پیش کیئے جائیں گے۔

iv۔ پراکسی میٹنگ کے وقت اپنا کارآمد اصل شناختی کارڈ یا پاسپورٹ پیش کرے گا۔

v۔ بصورت کارپوریٹ ادارہ، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمع دستخط کا نمونہ پراکسی فارم کیساتھ کمپنی کو پیش کیئے جائیں گے (تاوقتیکہ اس سے قبل پیش کردیئے گئے ہیں)۔

کوئی بھی شیئر ہولڈر جس کی طبعیت ٹھیک نہیں ہے یا اسے کھانسی، فلو اور / یا بخار جیسی علامات ہیں، ویڈیو لنک کے ذریعے الیکٹرانک ذرائع کے ذریعے AGM میں شرکت کریں۔ ویڈیو لنک کے ذریعے شرکت کرنے کیلئے، اراکین ایپ /سافٹ ویئر کو http://zoom.us/download کے ذریعے ڈاؤن لوڈ کرسکتے ہیں اور AGM کی کاروائی میں حصہ لینے کیلئے ویڈیو لنک کے ذریعے لاگ ان کر سکتے ہیں۔شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ AGM سے کم از کم 10 (دس) کاروباری ایام پہلے ای میل gammon1@dsl.net.pk پر درج ذیل معلومات فراہم کرکے خود کو رجسٹر کروائیں۔

شیئر ہولڈر کا نام	شناختی کارڈ نمبر	فولیو نمبر	موبائل نمبر	ای میل ایڈریس

میٹنگ کا ویڈیو لنک ممبران کو ان کے فراہم کردہ ای میل ایڈریس پر بھیجا جائے گا تاکہ وہ دی گئی تاریخ اور وقت پر میٹنگ میں شرکت کرسکیں۔

لاگ ان کی سہولت میٹنگ کے وقت سے 30 (تیس) منٹ پہلے کھول دی جائے گی تاکہ شرکاء کو شناخت کے عمل کے بعد میٹنگ میں شامل ہونے کے قابل بنایا جاسکے۔

CHAIRMAN REVIEW

I am pleased to present the review for the year ended June 30, 2024, highlighting the Company's performance and role of the Board of Directors ("the Board") of Gammon Pakistan Limited (GPL) in guiding the management to carry out its responsibility for the benefit of all its stakeholders.

REVIEW OF BOARD'S PERFORMANCE

The Board, being responsible for the management of the company, formulates all significant policies and strategies. The board is governed by relevant laws & regulations and its obligations, rights, responsibilities, and duties, as are specified and prescribed therein.

The Board provides strategic direction to the management and fulfills its fiduciary responsibilities with a sense of commitment. During the period, four Board meetings / four Audit committee meetings were held during the year 2023-24.

The Board strictly monitored its own performance along with the performance of its sub-committees. In addition to it, the board also ensured the compliance with all applicable rules and best practices of the Company.

Best practices of corporate governance have been embedded into the Company's culture to maintain highest level of professionalism and business conduct. Risk management framework, effective internal controls and audit functions have been implemented to ensure that the day-to-day operations follow the overall strategy formulated by the Board.

Accordingly, the Board has completed its annual self-evaluation for the year 2023-24 and I am pleased to report that the overall performance benchmarked on the basis of criteria set for the year 2023-24, remained satisfactory.

REVIEW OF BUSINESS PERFORMANCE

In view of the current economic uncertainties, GPL remains vigilant of the market dynamics and despite losses stands well-positioned to continue, focusing on improved service standards and expanding its footprint. Despite the overall business decline observed in the entire country during the period of consideration and the global economic recession GPL is on track to make a strong recovery, and the Company is poised to reap the benefits for future growth.

Expectations were high about announcements of some good mega Public Sector Development Projects (PSDP), specially from arriving Government but unfortunately, we are facing extreme political and economic uncertainty in the country along with business recession in the open market narrowing down to an overall unfavourable environment.

We are very much hopeful to acquire some mega projects at good rates that will definitely enhance our Company's financial performance. Nevertheless, lack of Working Capital is a substantial hurdle, for which all the effort input will be made to bridge the gap.

ACKNOWLEDGMENT

On behalf of the Board, I would like to acknowledge and express my appreciation for our Shareholders, Suppliers and Contractors for their unshaking confidence in the Board and the Company's Management. I would also like to put on record my utmost thanks to the Board for their contribution, the Management and the workforce for their efforts and hard work.

Lt Gen Ali Kuli Khan Khattak (Retd)
Chairman

Date: October ______, 2024

چیئرمین کا جائزہ

مجھے 30 جون 2024ءکوختم ہونے والے سال کا جائزہ پیش کرتے ہوئے خوشی ہورہی ہے، جس میں کمپنی کی کارکردگی اور گیمن پاکستان لمیٹڈ (جی پی ایل) کے بورڈ آف ڈائریکٹرز (بورڈ) کے انتظامیہ کی رہنمائی میں کردار کو اجاگر کیا گیا ہے تاکہ انتظامیہ تمام اسٹیک ہولڈرز کے فائدے کے لیے اپنی ذمہ داری بخوبی نبھاسکے۔

بورڈ کی کارکردگی کا جائزہ:

بورڈ، کمپنی کے انتظام کا ذمہ دار ہونے کے ناطے، تمام اہم پالیسیاں اور حکمت عملی تیار کرتا ہے۔ بورڈ کو متعلقہ قوانین وضوابط اور اس کی ذمہ داریوں، حقوق اور فرائض کے ذریعے چلایا جاتا ہے، جیسا کہ اس میں بیان اور تجویز کیا گیا ہے۔

بورڈ نہایت دیانت داری سے اپنی ذمہ داری کو پورا کرتے ہوئے، خلوص اور پرعزم طریقے سے انتظامیہ کو صحیح سمت اور حکمتِ عملی فراہم کرتا ہے۔ اس مدت سال 24-2023 کے دوران چار بورڈ کے اجلاس اور چار آڈٹ کمیٹی کے اجلاس منعقد ہوئے۔

بورڈ نے اپنی ذیلی کمیٹیوں کی کارکردگی کے ساتھ ساتھ اپنی کارکردگی کی بھی سختی سے نگرانی کی۔ اس کے علاوہ، بورڈ نے کمپنی کے تمام قابل اطلاق قوانین اور بہترین طریقوں کی تعمیل کو بھی یقینی بنایا۔

کارپوریٹ گورننس کے بہترین طریقوں کو اعلی درجے کی پیشہ وارانہ مہارت اور کاروباری طرزِ عمل کو برقرار رکھنے کیلئے کمپنی کے طریقہ کار میں شامل کیا گیا ہے۔ رسک مینجمنٹ فریم ورک، موثر اندرونی کنٹرول اور آڈٹ کے افعال کو نافذ کیا گیا ہے تاکہ اس بات کو یقینی بنایا جا سکے کہ روزمرہ افعال بورڈ کے ذریعہ وضع کردہ مجموعی حکمت عملی کے مطابق ہوں۔

اس کے مطابق، بورڈ نے سال 24-2023 کیلئے اپنی سالانہ خود تشخیصی مکمل کر لی ہے اور مجھے یہ خوشی ہوئی ہے کہ سال 24-2023 کیلئے مقرر کردہ معیار کی بنیاد پر مجموعی کارکردگی کا معیار اطمینان بخش رہا۔

کاروباری معاملات کا جائزہ:

موجودہ معاشی غیر یقینی صورتحال کے پیشِ نظر، گیمن پاکستان لمیٹڈ مارکیٹ کے اتار چڑھاؤ کے مطابق معیار کو بہتر بنانے اور اپنی ترقی کو برقرار رکھنے کیلئے بھرپور کوشش کر رہی ہے۔ زیرِ غور مدت کے دوران پورے ملک میں مجموعی طور پر کاروبار میں کمی اور عالمی اقتصادی کساد بازاری کے باوجود GPL بحالی کی راہ پر گامزن ہے اور انشاءاللہ کمپنی مستقبل کی ترقی حاصل کرنے کیلئے تیار ہے۔

کچھ اچھے میگا پبلک سیکٹر ڈویلپمنٹ پراجیکٹس (PSDP) کے اعلانات کے بارے میں آنے والی نئی حکومت سے بہت زیادہ توقعات تھیں، لیکن بدقسمتی سے، ہمیں ملک میں انتہائی سیاسی اور اقتصادی غیر یقینی صورتحال کا سامنا ہے اور ساتھ ہی کھلی منڈی میں کاروباری کساد بازاری ایک مجموعی طور پر ناموافق ماحول تک محدود ہو رہی ہے۔

ہم اچھے نرخوں پر کچھ میگا پروجیکٹس حاصل کرنے کے لیے بہت پر امید ہیں جو یقینی طور پر ہماری کمپنی کی مالی کارکردگی کو بہتر بنائیں گے۔ بہرحال، ورکنگ کیپیٹل کی کمی ایک بڑی رکاوٹ ہے، جس کے لیے تمام کوششیں اس خلا کو پر کرنے کے لیے کی جائیں گی۔

اعتراف

بورڈ آف ڈائریکٹرز کی طرف سے میں اپنے شیئر ہولڈر اور کمپنی کے سپلائرز اور ٹھیکیداروں کی قدر کرتا ہوں جو کہ ان کا بورڈ آف ڈائریکٹرز اور کمپنی کی انتظامیہ پر اعتماد ہے۔ اسکے علاوہ میں بورڈ آف ڈائریکٹرز کی شرکت، انتظامیہ اور کارکنوں کی کوششوں اور محنت کا شکریہ ادا کرتا ہوں۔

04 اکتوبر 2024ء

لیفٹیننٹ جنرل علی قلی خان خٹک (ریٹائرڈ)
چیئرمین

DIRECTOR’S REPORT

The Directors of your Company have pleasure in presenting their report, together with Annual Audited Financial Statements for the period ended June 30, 2024.

PERFORMANCE REVIEW

The principal activity of the Company is all types of Construction specially Bridges and Buildings. The highlights of the Company's financial results as compared to the preceding year are as follows:

Particulars	**2024 (Rupees)**	2023 (Rupees)
Contract Income	**-**	6,677,706
Contract Expenditure	**(920,927)**	(16,804,360)
Net contract (Loss)	**(920,927)**	(10,126,654)
Profit before taxation	**2,453,177**	4,112,329
Taxation	**40,180,043**	3,435,040
Profit	**42,633,220**	7,547,369

During the year, the Company could not start new contract work due to various factors, including market demand and political instability. As compared to the previous year, profit after tax increased due to other income of the Company, comprising deferred tax impact and income on investment property. In addition, the austerity measures taken by the management wherever needed.

Auditors report highlighted certain areas which need attention. Management is focused for resolution of all the Company issues, in general, and concerning Audit report in particular. Matter of the contract receivables is subject to the resolution of final bill with the clients and will be addressed after the final bill with clients on said contracts is settled. Closed projects took additional time to its forecast time-line, causing losses.

Nonetheless, all our efforts are still being made to acquire new Projects as we continue to participate in the bidding process of feasible Projects. Gammon Pakistan Limited (GPL) is also striving hard to acquire Projects through joint ventures with financially strong parties and hopefully we may have success in the near future.

The Project of Maritime Technologies Complex Project at Fateh Jang near Islamabad is Completed and is in the process of final bill with the client. It is under arbitration due to difficulties in final bill and claim of retention money due to inconsistencies during the project execution from client side, design and location changes, risk and cost part of the work, as well as allied factors beyond control. In spite of the complications, Management is dealing the matter with concern and using all faculties to finalize it to a success. The Project of Old Bannu Road Structure Bridges is nearly on the same lines and is being resolved with full capacity for the recovery of receivables.

DIVIDEND

The Board has not recommended any dividend for the year due to a prevalent state of loss in contractual income.

GENERAL ECONOMIC REVIEW

In the last one year, Pakistan's economy went through multiple trials with three finance ministers changing within this short time span. Pakistan is also facing serious obstacles including high inflation, a sizeable undocumented economy, income inequality. The economy is said to have hit a serious crisis and nosedived. The Federal Board of Revenue (FBR) has fixed minimum profits of builders and developers for collecting a new tax on their taxable profit under the amended **Finance Bill 2024**. The amended bill sets taxable profits at fixed rates of 10%, 15%, and 12% for different categories of **construction** and development activities.

Policy-mix, achieving a 3.5% growth rate in FY 2024 would still result in an inflation rate of approximately 26%, which Pakistan would struggle to sustain. This is due to a combination of deep-rooted structural issues within the economy, such as consumption-led growth, and external challenges like the Russia-Ukraine war, which has led to a surge in global commodity prices. Pakistan's growth heavily relies on consumption. The reason for the continued growth in consumption during FY 23 is cash transfers and remittance inflows. It seems that under the continuation of the current restrictive policy environment, the consumption growth would lower to 19.89% in **FY 2024**. Hence, it is necessary for the Government to revise the targets for the primary drivers of economic growth to attain a 3.5% GDP growth rate in the upcoming fiscal year.

FUTURE PROSPECTS

Government policy for the Construction industry is supportive, however the market forces are not favourable for the business. Following are the key considerations for future prospects of the Company: -

1. Introduction:

Gammon Pakistan Limited (GPL) has long been a significant player in the construction industry, operating with a valid "no limit" contractor license from the Pakistan Engineering Council (PEC). However, the Company’s financial position has been constrained by limited cash flow, a lack of substantial work experience over the past five years, and insufficient working capital. Due to these challenges, we are currently unable to participate in government tenders. In light of this, we have strategically decided to shift our business model, focusing on becoming a developer with an emphasis on real estate and precast housing solutions.

2. <u>Shift in Strategy:</u>

In 2021, anticipating growth opportunities in the real estate market, GPL established its subsidiary, Gammon Pakistan Precast Private Limited (GPPL). This division is tailored to capitalize on the global trend of precast technology in construction, known for its cost efficiency and rapid execution. However, the political instability following 2022 has severely disrupted Pakistan's real estate market. Additionally, the unprecedented surge in electricity prices has further strained our operations, causing delays in fully realizing the potential of GPPL. As a result, our expansion into precast housing has been temporarily slowed.

3. <u>Current Financial Outlook:</u>

Presently, GPL faces considerable profitability challenges due to external factors, including political uncertainty and a stagnating real estate market. With rising operating costs, particularly from escalating energy prices, achieving profitability in the short term remains difficult.

Despite these hurdles, GPL has taken significant steps to stabilize its financial position. We have streamlined operations by shedding unnecessary manpower and curtailing undue expenses. Currently, we are covering our essential financial obligations through rental income from our assets. This disciplined approach has enabled us to maintain operational stability without resorting to desperate or short-term measures that could undermine our long-term strategy.

4. <u>Future Outlook:</u>

Although the current economic conditions present challenges, we remain cautiously optimistic. Once political stability is restored and the real estate sector rebounds, GPL and GPPL will be well positioned to capitalize on new opportunities. Our strategic focus on precast housing and innovative real estate solutions will allow us to differentiate ourselves in a recovering market.

In preparation for this, we are actively developing plans for the launch of Gammon House Reborn and our Precast Housing Projects. These initiatives will deliver cost-effective, high-quality housing solutions tailored to meet the increasing demand in urban areas. With the right conditions, we are prepared to act swiftly, capitalizing on the pent-up demand within the real estate sector.

5. **Key Action Points for the Future:**

a. Monitoring Market Conditions: Continuous evaluation of political and economic dynamics to determine the optimal timing for re-entry into the real estate market.

b. Strengthening Cash Flow: Exploring alternative sources of capital to bolster financial stability and readiness for future projects.

c. Product Development: Finalizing preparations for the launch of Gammon House Reborn and Precast Housing Projects when market conditions improve.

d. Solarization: In light of rising electricity costs, with the last four months' average bill exceeding PKR 400,000, efforts are underway to install a solar grid, which will substantially reduce operational expenses and improve sustainability.

e. Gandhara Tyre & Rubber (GTR) Warehouse: construction of GTR warehouse is in progress and I foresee the rent from GTR warehouse as a long term/ confirm source of income.

6. **Conclusion:**

In conclusion, while GPL is currently navigating challenging political and economic conditions, we are well positioned for long-term growth. Once the real estate market regains momentum, we will implement our developer model, launching Gammon House Reborn and our precast housing projects. Our adaptability and readiness to innovate will ensure GPL's sustained competitiveness in the market.

GPL shareholding in GPPL is revised according to the resolutions as formally approved by the general body through EOGM, and as reflected in the Form-26 approved by the SECP. The revised shareholding status in GPPL is that, GPL at 69.99%, and is expected earn good profit in future from its shareholding. Although the present business status of GPPL is not appearing as promising and will take time to build to high elevation.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors confirm compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Listed Companies (Code of Corporate Governance) Regulation, 2019 (the CCG Regulations) for the following matters:

1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

2. Appropriate accounting policies have been consistently applied in preparation of these financial statements and accounting estimates are based on reasonable and prudent judgments.

3. The Company has maintained proper books of account.

4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of these financial statements.

5. The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as on-going process with objective to strengthen the controls and bring improvements in the system.

6. There are no doubts about the Company's ability to continue as a going concern.

7. There has been no material departure from the best practices of CCG Regulations.

8. There are no statutory payments on account of taxes, duties levy and charges which are outstanding as at June 30, 2024, except for those disclosed in the financial statements.

9. No trade in the shares of the Company were carried-out by the Directors, CEO, CFO, Company Secretary, their spouses and minor children during the year ended 30 June, 2024.

COMPOSITION OF THE BOARD

The Composition of the Board is in line with the requirements of the CCG Regulations. The Company encourages representation of independent and non-executive directors, as well as gender diversity on its Board.

The current composition of the Board is as follows:

Total number of directors (07)

Male	(06)
Female	(01)

Independent Director (02)

Other Non-Executive Directors (04)

Executive Directors (01)

Apart from their mandatory job requirements, the performance of the Board of our Company is evaluated annually along the following parameters, both at individual and collective level.

i. Effectiveness in bringing in a mix of gender, talents, skills and diversified perspectives.
ii. Integrity, credibility, trustworthiness and active participation of members.
iii. Follow-up and review of annual targets set by the management.
iv. Ability to provide guidance and direction to the Company.
v. Ability to identify aspects of the organization's performance requiring action.

vi. Review of succession planning of management.
vii. Ability to assess and understand the risk exposures of the Company.
viii. Contribution and interest with regard to improving health safety and environment, employment and other policies and practices in the Company.
ix. Safeguarding the Company against unnecessary litigation and reputational risk.

The overall performance of the Board measured on the basis of above-mentioned parameters for the year was satisfactory. The Board members effectively brought the diversity to the Board and constitute a mix of independent and non-executive directors. The Board is also effective in formulating the corporate goals for the Company.

BOARD AUDIT COMMITTEE

The Board Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to share-holders, systems of internal control and risk management and the audit process. It has autonomy to call for information from the management and to discuss directly with the external auditors or advisors as considered appropriate. The Chief Financial Officer attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board. The Committee met four time.

The names of committee members are as follows:

Mr. Kamal Abdullah Malik	Independent Director	Chairman
Mr. Muhammad Kuli Khan Khattak	Non-Executive Director	Member
Mr. Sikandar Kuli Khan Khattak	Non-Executive Director	Member
Mr. Salman Khan ACA	Head of internal Audit	Secretary

The Audit Committee has reviewed the quarterly, half-yearly and annual financial statements, besides the internal audit plan, material audit findings and recommendations of the internal audit department.

In addition to above meetings, Audit Committee met with external auditors without Chief Financial Officer (CFO) and Head of Internal Audit (HoIA). Audit Committee also met the Head of Internal Audit and other members of the internal audit function without the CFO and the external auditors being present.

HR AND REMUNERATION COMMITTEE

The Committee meets to review and recommend all elements of the compensation, organization and employee development policies relating to the senior executives remuneration and to approve all matters relating to the remunerations of the senior executives. The CEO of the Company attends the Human Resource and Remuneration Committee meeting whenever held during the year on invitation. The Committee didn’t hold its meeting during 2023-24.

The names of committee members are as follows:

Brig Humayun Malik (Retd)	Independent Director	Chairman
Mrs. Ayesha Alamzeb Durrani	Non-Executive Director	Member
Mr. Sikandar Kuli Khan Khattak	Non-Executive Director	Member

MEETINGS OF BOARD AND ITS COMMITTEES IN 2023-24

During the year 2023-24 four Board (BOD) meetings, four Board Audit Committee (BAC) meetings and no HR & Remuneration Committee (HR&RC) meeting were held. The number of meetings attended by each director during the year is given here under:

Sr. No.	Directors	Committee Members		Attendance		
		Board Audit Committee	HR & RC	Board Meetings	Board Audit Committee	HR & RC
1.	Lt Gen Ali Kuli Khan Khattak (Retd)	-	-	4/4	-	-
2.	Mr. Khalid Kuli Khan Khattak	-	-	4/4	-	-
3.	Mrs. Ayesha Alamzeb Durrani	-	✓	4/4	-	-
4.	Mr. Muhammad Kuli Khan Khattak	✓	-	4/4	4	-
5.	Mr. Sikandar Kuli Khan Khattak	✓	✓	1/4	4	-
6.	Mr. Kamal Abdullah Malik	✓	-	4/4	4	-
7.	Brig Humayun Malik (Retd)	-	✓	4/4	-	-

Leave of absence was granted to directors who could not attend the Board meetings due to their busy schedule and other appointments.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD.

Pursuant to the CCG Regulations, the Board recognized that it continually needs to monitor and improve its performance. This is achieved through the annual performance evaluation and ongoing Board development activities. During the year, the Board has appraised its performance of Board as a whole as well as individual directors and its committees. The overall conclusion of this year's review based on availability feedback has been found satisfactory.

DIRECTORS' REMUNERATION

For information on remuneration of Directors and CEO in the year 2023-24, please refer to the Note 37 to the financial statements.

KEY OPERATING AND FINANCIAL DATA (SIX YEARS SUMMARY)

Key operating and financial data of six years is annexed to the report.

PATTERN OF SHAREHOLDING

The statement of the pattern of shareholding as at June 30, 2024 and additional information about it, is annexed to the report.

CONTRIBUTION OF OUR COMPANY TOWARDS GOVERNMENT AND SOCIAL SECTOR

We wish to give hereunder our Company's revenue contribution towards the Government, Semi Government sectors, Banks and Social sector during the year ended June 30, 2024.

GOVERNMENT SECTOR	(Rs. In Million)
Income Tax paid (Note 16 to the Financial Statements)	4.606
Power & Fuel (Note 27 to the Financial Statements)	1.068

HEALTH, SAFETY AND ENVIRONMENT

We strongly believe in maintaining the highest standards in health, safety and environment to ensure the well-being of the people who work with us as well as of the communities where we operate.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of the Report.

COMMENTS ON "EMPHASIS OF MATTER" PARAGRAPH IN THE AUDITOR'S REPORT

The Company's Board of Directors are of the opinion that the case concerning Note 46.2 to the 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. Board agrees to the emphasis laid by the Auditors, and will resolve the matter on maturity.

APPOINTMENT OF AUDITORS

The Company's Auditors M/S Rizwan & Company Chartered Accountants, 114-A, Tipu Block, New Garden Town, Lahore retired and offered themselves for re-appointment. The Board of Directors of the Company as recommended by the Board Audit Committee hereby recommends that the retiring auditors be re-appointed.

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.

Khalid Kuli Khan Khattak
Chief Executive Officer

گیمن پاکستان لمیٹڈ

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2024ء کوختم ہونے والے سال کے لیے سالانہ آڈٹ شدہ کمپنی کے مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

کارکردگی کا جائزہ

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

	30 جون 2024ء (روپے)	30 جون 2023ء (روپے)
پراجیکٹس سے آمدن	-	6,677,706
پراجیکٹس کا خرچ	**(920,927)**	(16,804,360)
مجموعی نقصان	**(920,927)**	(10,126,654)
قبل از ٹیکس منافع / نقصان	**2,453,177**	4,112,329
ٹیکس	**40,180,043**	3,435,040
بعد از ٹیکس منافع / نقصان	**42,633,220**	7,547,369

سال کے دوران، کمپنی مارکیٹ کی طلب اور سیاسی عدم استحکام سمیت مختلف عوامل کی وجہ سے نئے کنٹریکٹ کا کام شروع نہیں کرسکی۔ پچھلے سال کے مقابلے میں، کمپنی کی دیگر آمدنی کی وجہ سے بعد از ٹیکس منافع میں اضافہ ہوا، جس میں موخر ٹیکس کے اثرات اور سرمایہ کاری اثاثہ جات پر آمدنی شامل ہے۔ اس کے علاوہ انتظامیہ کی طرف سے اخراجات میں کمی کی جہاں بھی ضرورت تھی ضروری اقدامات کیئے گئے۔

آڈیٹرز کی رپورٹ میں کچھ ایسے شعبوں پر روشنی ڈالی گئی جن پر توجہ دینے کی ضرورت ہے۔ انتظامیہ کی توجہ کمپنی کے تمام مسائل کے حل کرنے پر مرکوز ہے، اور خاص طور پر آڈٹ رپورٹ کے حوالے سے جو مسائل ہیں ان کے حل کیلئے۔ معاہدوں کی وصولی کا معاملہ کلائنٹس کے ساتھ حتمی بل کے حل سے مشروط ہے اور مذکورہ معاہدوں پر کلائنٹس کے ساتھ حتمی بل طے ہونے کے بعد اس پر توجہ دی جائے گی۔ بند منصوبوں کی تکمیل نے اپنی ٹائم لائن کے برعکس اضافی وقت لیا، جس سے نقصانات ہوئے۔

بہر حال، ہماری تمام کوششیں نئے پروجیکٹس کے حصول کے لیے کی جارہی ہیں کیونکہ ہم قابل عمل پروجیکٹس کی بولی کے عمل میں حصہ لیتے رہتے ہیں۔ گیمن پاکستان لمیٹڈ (GPL) بھی مالی طور پر مضبوط جماعتوں کے ساتھ مشترکہ منصوبوں کے ذریعے پروجیکٹس حاصل کرنے کی بھرپور کوشش کر رہاہی اور امید ہے کہ ہمیں مستقبل قریب میں کامیابی حاصل ہوگی۔

اسلام آباد کے قریب فتح جنگ میں میری ٹائم ٹیکنالوجیز کمپلیکس کا پروجیکٹ مکمل ہو چکا ہے اور کلائنٹ کے پاس حتمی بل کی تکمیل کے مراحل میں ہے۔ حتمی بل میں مشکلات اور کلائنٹ کی طرف سے پروجیکٹ کی تکمیل کے دوران عدم مطابقت، ڈیزائن اور مقام کی تبدیلیوں، کام کے خطرے اور لاگت کے حصے کے ساتھ ساتھ کنٹرول سے باہر منسلک عوامل کی وجہ سے ثالثی کے تحت روبہ عمل ہے۔ پیچیدگیوں کے باوجود، انتظامیہ معاملے

سے ذمہ داری کے ساتھ نمٹ رہی ہے اور اسے کامیابی کے لیے حتمی شکل دینے کے لیے تمام فیکلٹیز کا استعمال کر رہی ہے۔ پرانا بنوں روڈ سٹرکچر پل کا منصوبہ تقریباً انہی مراحل میں ہے اور وصولیوں کی ریکوری کے لیے پوری صلاحیت کو بروئے کار لایا جا رہا ہے۔

ڈیویڈنڈ

بورڈ نے مالی رکاوٹوں کی وجہ سے اس سال کسی قسم کا منافع نہ دینے کی سفارش کی ہے۔

عام اقتصادی جائزہ

پچھلے ایک سال میں پاکستان کی معیشت متعدد آزمائشوں سے گزری اور اس مختصر عرصے میں تین وزرائے خزانہ تبدیل ہوئے۔ پاکستان کو سنگین رکاوٹوں کا بھی سامنا ہے جن میں بلند افراط زر، ایک بڑی غیر دستاویزی معیشت، آمدنی میں عدم مساوات شامل ہیں۔ کہا جاتا ہے کہ معیشت ایک سنگین بحران کا شکار ہے اور ناک کی سیدھ نیچے گئی ہے۔ فیڈرل بورڈ آف ریونیو (ایف بی آر) نے ترمیم شدہ فنانس بل 2024 کے تحت ان کے قابل ٹیکس منافع پر نیا ٹیکس وصول کرنے کے لیے بلڈرز اور ڈیولپرز کے کم از کم منافع کا تعین کیا ہے۔ ترمیم شدہ بل تعمیراتی اور ترقیاتی سرگرمیوں کے مختلف زمروں کے لیے 10%، 15%، اور 12% کی مقررہ شرحوں پر قابل ٹیکس منافع کا تعین کرتا ہے۔

پالیسی مکس، مالی سال 2024 میں 3.5 فیصد شرح نمو حاصل کرنے کے نتیجے میں اب بھی افراط زر کی شرح تقریباً 26 فیصد رہے گی، جس کا سامنا کرنے کے لیے پاکستان جدوجہد کرے گا۔ اس کی وجہ معیشت کے اندر گہری جڑوں والے ساختی مسائل جیسے کہ کھپت کی قیادت میں نمو، اور روس۔ یوکرین جنگ جیسے بیرونی چیلنجز، جس کی وجہ سے اشیاء کی عالمی قیمتوں میں اضافہ ہوا ہے۔ پاکستان کی ترقی کا بہت زیادہ انحصار کھپت پر ہے۔ مالی سال 23 کے دوران کھپت میں مسلسل اضافے کی وجہ نقد رقم کی منتقلی اور ترسیلات زر کی آمد ہے۔ ایسا لگتا ہے کہ موجودہ پابندی والے پالیسی ماحول کے تسلسل کے تحت، مالی سال 2024 میں کھپت کی نمو کم ہو کر 19.89 فیصد رہ جائے گی۔ اس لیے، حکومت کے لیے ضروری ہے کہ وہ 3.5 فیصد جی ڈی پی حاصل کرنے کے لیے اقتصادی ترقی کے بنیادی محرکوں کے اہداف پر آئندہ مالی سال میں شرح نمو پر نظر ثانی کرے۔

مستقبل کا نقطہ نظر

تعمیراتی صنعت کے لیے حکومتی پالیسی معاون ہے، تاہم مارکیٹ کی قوتیں کاروبار کے لیے سازگار نہیں ہیں۔ کمپنی کے مستقبل کے امکانات کے لیے درج ذیل اہم تحفظات ہیں:-

1۔ **تعارف**

گیمن پاکستان لمیٹڈ (GPL) طویل عرصے سے تعمیراتی صنعت میں ایک اہم کھلاڑی رہا ہے، جو پاکستان انجینئرنگ کونسل (PEC) سے ایک کارآمد "نو لمٹ" کنٹریکٹر لائسنس کے ساتھ کام کر رہا ہے۔ تاہم، کمپنی کی مالی حالت محدود کیش فلو، پچھلے پانچ سالوں میں کام کے خاطر خواہ تجربے کی کمی، اور ناکافی ورکنگ کیپیٹل کی وجہ سے محدود ہے۔ ان چیلنجوں کی وجہ سے، ہم فی الحال سرکاری ٹینڈرز میں حصہ لینے سے قاصر ہیں۔ اس کی روشنی میں، ہم نے اسٹریٹجک طور پر اپنے کاروباری ماڈل کو تبدیل کرنے کا فیصلہ کیا ہے، جس میں رئیل اسٹیٹ اور پری کاسٹ ہاؤسنگ سلوشنز پر زور دیتے ہوئے ایک ڈویلپر بننے پر توجہ دی جائے گی۔

2۔ **حکمت عملی میں تبدیلی:**

2021 میں، رئیل اسٹیٹ مارکیٹ میں ترقی کے مواقع کی توقع کرتے ہوئے، جی پی ایل نے اپنا ذیلی ادارہ گیمن پاکستان پریکاسٹ پرائیویٹ لمیٹڈ (GPPL) قائم کیا۔ اس ڈویژن کو تعمیر میں پری کاسٹ ٹیکنالوجی کے عالمی رجحان سے فائدہ اٹھانے کے لیے تیار کیا گیا ہے، جو اپنی لاگت کی کارکردگی اور تیزی سے عملدرآمد کے لیے جانا جاتا ہے۔ تاہم، 2022 کے بعد سیاسی عدم استحکام نے پاکستان کی رئیل اسٹیٹ مارکیٹ کو بری طرح

متاثر کیا ہے۔ مزید برآں، بجلی کی قیمتوں میں غیر معمولی اضافے نے ہمارے کاموں کو مزید مشکل کر دیا ہے، جس کی وجہ سے GPPL کی صلاحیت کو مکمل طور پر بروئے کار لانے میں تاخیر ہو رہی ہے۔ ان وجوہ نے پری کاسٹ ہاؤسنگ میں ہماری توسیع کو عارضی طور پر سست کر دیا ہے۔

3۔ **موجودہ مالیاتی آؤٹ لک:**

اس وقت، GPL کو بیرونی عوامل کی وجہ سے کافی معاشی چیلنجوں کا سامنا ہے، جو کہ بشمول رئیل اسٹیٹ مارکیٹ میں سیاسی غیر یقینی صورتحال اور جمود کا شکار ہے۔ بڑھتی ہوئی آپریٹنگ لاگت کے ساتھ، خاص طور پر توانائی کی قیمتوں میں اضافے سے، مختصر مدت میں منافع کا حصول مشکل رہتا ہے۔

ان رکاوٹوں کے باوجود، GPL نے اپنی مالی حالت کو مستحکم کرنے کے لیے اہم اقدامات کیے ہیں۔ ہم نے غیر ضروری افرادی قوت کو کم کر کے اور غیر ضروری اخراجات کو کم کر کے آپریشنز کو ہموار کیا ہے۔ فی الحال، ہم اپنے اثاثوں سے کرایہ کی آمدنی کے ذریعے اپنی ضروری مالی ذمہ داریوں کو پورا کر رہے ہیں۔ اس نظم و ضبط کے طریقہ کار نے ہمیں مایوس کن یا قلیل مدتی اقدامات کا سہارا لیے بغیر آپریشنل استحکام کو برقرار رکھنے کے قابل بنایا ہے جو ہماری طویل مدتی حکمت عملی کو نقصان پہنچا سکتے تھے۔

4۔ **مستقبل کی آؤٹ لک:**

اگرچہ موجودہ معاشی حالات چیلنجز پیش کرتے ہیں، لیکن ہم محتاط طور پر پرامید ہیں۔ ایک بار جب سیاسی استحکام بحال ہو جائے گا اور رئیل اسٹیٹ سیکٹر کی بحالی ہو جائے گی، GPL اور GPPL نئے مواقع سے فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہوں گے۔ پری کاسٹ ہاؤسنگ اور جدید رئیل اسٹیٹ سلوشنز پر ہماری سٹریٹجک توجہ ہمیں بحال ہونے والی مارکیٹ میں خود کو ممتاز کرنے کی اجازت دے گی۔

اس کی تیاری میں، ہم Gammon House Reborn اور اپنے Precast ہاؤسنگ پروجیکٹس کے آغاز کے لیے سرگرمی سے منصوبے تیار کر رہے ہیں۔ یہ اقدامات شہری علاقوں میں بڑھتی ہوئی طلب کو پورا کرنے کے لیے کم لاگت سے موثر، اعلیٰ معیار کے ہاؤسنگ حل فراہم کریں گے۔ صحیح حالات کے ساتھ، ہم رئیل اسٹیٹ سیکٹر میں تیزی سے کام کرنے کے لیے تیار ہیں۔

5۔ **مستقبل کے لیے اہم ایکشن پوائنٹس:**

a۔ مارکیٹ کے حالات کی نگرانی: رئیل اسٹیٹ مارکیٹ میں دوبارہ داخلے کے لیے بہترین وقت کا تعین کرنے کے لیے سیاسی اور اقتصادی تحریک کا مسلسل جائزہ رکھنا ہے۔

b۔ کیش فلو کو مضبوط بنانا: مالی استحکام اور مستقبل کے منصوبوں کے لیے تیاری کو تقویت دینے کے لیے سرمائے کے متبادل ذرائع کی تلاش۔

c۔ مصنوعات کی ترقی: مارکیٹ کے حالات بہتر ہونے پر گیمن ہاؤس ریبورن اور پری کاسٹ ہاؤسنگ پروجیکٹس کے آغاز کے لیے تیاریوں کو حتمی شکل دینا ہے۔

d۔ سولرائزیشن: بجلی کے بڑھتے ہوئے اخراجات کی روشنی میں، پچھلے چار ماہ کا اوسط بل مبلغ 400,000 سے زیادہ ہونے کے ساتھ، سولر گرڈ لگانے کی کوششیں جاری ہیں، جس سے آپریشنل اخراجات میں خاطر خواہ کمی آئے گی اور استحکام میں بہتری آئے گی۔

e۔ گندھارا ٹائر اینڈ ربڑ (جی ٹی آر) گودام: جی ٹی آر گودام کی تعمیر جاری ہے اور میں جی ٹی آر گودام کا کرایہ ایک طویل مدتی / آمدنی کے یقینی ذریعہ کے طور پر دیکھ رہا ہوں۔

6۔ **نتیجہ:**

آخر میں، جب کہ GPL اس وقت مشکل ملکی سیاسی اور معاشی حالات سے نبرد آزما ہے، ہم طویل مدتی ترقی کے لیے اچھی پوزیشن میں ہیں۔ ایک بار جب رئیل اسٹیٹ مارکیٹ دوبارہ زور پکڑتی ہے، تو ہم اپنے ڈویلپر ماڈل کو لاگو کریں گے، گیمن ہاؤس ریبورن اور اپنے پری کاسٹ ہاؤسنگ پروجیکٹس کا آغاز کریں گے۔ ہماری موافقت اور اختراع کے لیے تیاری GPL کی مارکیٹ میں مستحکم مسابقت کو یقینی بنائے گی۔

GPPL میں GPL کی شیئر ہولڈنگ میں تبدیلی قراردادوں کے مطابق جو کہ جنرل باڈی کی طرف سے EOGM کے ذریعے باضابطہ طور پر منظور کی گئی ہے، اور جیسا کہ SECP کے منظور کردہ فارم-26 میں ہے۔ GPPL میں شیئر ہولڈنگ کی تبدیل شدہ حیثیت یہ ہے کہ GPL 69.99 فیصد شراکت دار ہے، اور توقع ہے کہ اس کے شیئر ہولڈنگ سے مستقبل میں اچھا منافع کمائے گی۔ اگر چہ GPPL کی موجودہ کاروباری حیثیت امید افزا دکھائی نہیں دے رہی ہے اور اسے بلندی تک پہنچنے میں وقت لگے گا۔

کارپوریٹ اور مالی رپورٹنگ فریم ورک

ڈائریکٹرز، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور لسٹڈ کمپنیاں (کوڈ کارپوریٹ گورننس) ریگولیشنز، 2019 (سی سی جی ریگولیشنز) کے کارپوریٹ اور مالی رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں۔

1۔ کمپنی کے حسابات جس میں اکاؤنٹ کی کتابیں، نفع اور نقصان کا اکاؤنٹ، بیلنس شیٹ اور دیگر حسابات مروجہ قوانین کے تحت تیار کیے گئے ہیں۔

2۔ کمپنی کے اکاؤنٹ تیار کرنے کیلئے مناسب مالیاتی پالیسیوں کا استعمال کیا ہے۔

3۔ کمپنی نے اکاؤنٹس بکس موثر طریقے سے تیار کی ہیں۔

4۔ بین الاقوامی اکاؤنٹنگ معیار جو کہ پاکستان میں لاگو ہوتے ہیں، ان کو مالیاتی اکاؤنٹس کی تیاری میں اور اداروں میں اپنایا گیا ہے۔

5۔ اندرونی کنٹرول کا نظام درست ہے اور اسے مئوثر طریقے سے لاگو کیا گیا اور نگرانی کی گئی ہے۔ اندرونی کنٹرول کی نگرانی کے عمل کو مضبوط بنانے اور نظام میں بہتری لانے کے مقصد کے ساتھ آگے بڑھتے ہوئے عملی طور پر جاری رہے گا۔

6۔ کمپنی کی قابلیت کے بارے میں کوئی تشویش یا شک وشبہ نہیں۔

7۔ لسٹڈ کمپنیوں (کارپوریٹ گورننس) کے ضابطوں، 2019 (سی سی جی ریگولیشنز) کے بہترین طریقوں سے کوئی روگردانی نہیں کی گئی۔

8۔ 30 جون 2024 پر کمپنی کے ذمہ کسی بھی قسم کا قانونی ٹیکس، لیویز یا چارجز نہیں ہیں ماسوائے ان ادائیگیوں کے جو ان اکاؤنٹس میں بتائی گئی ہیں۔

9۔ 30 جون 2024 پر اِس کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، سی ایف او، کمپنی سیکرٹری اور ان کے اہل خانہ اور ان کے چھوٹے بچوں نے کمپنی کے شیئر میں خرید وفروخت نہیں کی ہے۔

بورڈ کی ساخت

بورڈ کی تشکیل سی سی جی قوانین کے مطابق ہے۔ کمپنی آزاد اور دوسرے غیر ایگزیکٹو ڈائریکٹر کے ساتھ ساتھ اپنے بورڈ میں خواتین کی نمائندگی کی حوصلہ افزائی کرتی ہے۔

بورڈ کی حالیہ تشکیل کچھ اس طرح ہے۔

ڈائریکٹرز کی کل تعداد (07)

مرد	(06)
خاتون	(01)
آزاد ڈائریکٹر	(02)
دوسرے غیر ایگزیکٹو ڈائریکٹر	(04)
ایگزیکٹو ڈائریکٹر	(01)

ان کی لازمی ملازمت کی ضروریات کے علاوہ ہماری کمپنی کے بورڈ کی کارکردگی کا ہر سال انفرادی اور اجتماعی سطح پر مندرجہ ذیل عوامل کے ساتھ جائزہ لیا جاتا ہے۔

1۔ قابلیت، مہارت اور متنوع نقطہ نظر کے تحت افراد کا ملنا۔
2۔ سالمیت، ساکھ، اعتماد اور ممبروں کی فعال شرکت۔
3۔ انتظامیہ کے ذریعہ طے شدہ سالانہ اہداف کی پیروی اور جائزہ۔
4۔ کمپنی کو رہنمائی اور ہدایت فراہم کرنے کی اہلیت۔
5۔ کمپنی کی کارکردگی کے ایسے پہلوؤں کی نشاندہی کرنے کی اہلیت جس میں کاروائی کی ضرورت ہوتی ہے۔
6۔ انتظامیہ کی جانشینی کی منصوبہ بندی کا جائزہ۔
7۔ کمپنی کو درپیش خطرات کی نشاندہی کرنا اور سمجھنے کی قابلیت۔
8۔ کمپنی کے ملازمین کی صحت، کام کرنے کے ماحول اور دیگر پالیسیوں اور طریقوں کو بہتر بنانے کے سلسلے میں شراکت اور دلچسپی۔
9۔ غیر ضروری قانونی چارہ جوئی وغیرہ سے کمپنی کی حفاظت کرنا۔

اس سال کیلئے بورڈ کی مجموعی کارکردگی تسلی بخش تھی۔ بورڈ کے ارکان نے مؤثر طریقے کیساتھ مل کر جن میں آزاد اور غیر ایگزیکٹو ڈائریکٹر شامل ہیں نے کام کیا اور بورڈ نے کمپنی کے کارپوریٹ اہداف کو تشکیل دینے میں مؤثر کردار بھی ادا کیا ہے۔

بورڈ آڈٹ کمیٹی

بورڈ کی آڈٹ کمیٹی نے نگرانی کی ذمہ داریوں کو پورا کرنے میں بورڈ کی مدد کی ہے، بنیادی طور پر مالی اور غیر مالیاتی معلومات کو مشترکہ حصول، داخلی کنٹرول کے نظام اور خطرے کے انتظام اور آڈٹ کے عمل کے لئے انتظامیہ معلومات حاصل کرنے اور بیرونی آڈیٹر یا مشیروں کے ساتھ براہ راست مشورہ کرنے کیلئے خودمختار ہے جو مناسب سمجھا جاتا ہے۔ چیف فنانس آفیسر باقاعدگی سے اکاؤنٹس پیش کرنے کیلئے دعوت کے ذریعے بورڈ آڈٹ کمیٹی کے اجلاسوں میں شرکت کرتے ہیں۔ ہر میٹنگ کے بعد کمیٹی کے چیئرمین بورڈ کو رپورٹ کرتے ہیں۔ کمیٹی نے 24-2023 کے دوران 4 بار ملاقات کی ہے۔

کمیٹی کے ارکان کے نام مندرجہ ذیل ہیں:

1۔	جناب کمال عبداللہ	آزاد ڈائریکٹر	چیئرمین
2۔	جناب محمد قلی خان خٹک	غیر ایگزیکٹو ڈائریکٹر	رکن
3۔	جناب سکندر قلی خان خٹک	غیر ایگزیکٹو ڈائریکٹر	رکن
4۔	جناب سلمان خان	کمیٹی سیکرٹری	اندرونی آڈٹ کا سربراہ

آڈٹ کمیٹی نے اندرونی آڈٹ منصوبہ کے علاوہ اور آڈٹ کے نتائج اور اندرونی آڈٹ ڈیپارٹمنٹ کی سفارش پر، سہ ماہی، نصف اور سالانہ مالی معاملات کا جائزہ لیا ہے۔

مندرجہ بالا اجلاسوں کے علاوہ، آڈٹ کمیٹی نے بیرونی آڈیٹر کے ساتھ الگ اور بعد میں چیف فنانس آفیسر (سی ایف او) اور اندرونی آڈٹ کے سربراہ (ایچ آئی اے) کے ساتھ بھی ملاقات کی ہے۔

انسانی وسائل اور معاوضے کی کمیٹی

کمپنی نے سینئر ایگزیکٹوز کے معاوضے سے متعلق معاوضہ، تنظیم اور ملازم کی ترقی کی پالیسیوں کے تمام عناصر کا جائزہ لینے اور سفارش کرنے اور انتظامی کمیٹی کے ممبران اور مینیجمنٹ کمیٹی کے ممبروں کے متعلق تمام معاملات کو منظور کرنے کیلئے ملاقات کرتی ہے۔ کمپنی کے سی ای او دعوت پر منعقد ہونے والے انسانی وسائل اور معاوضہ کمیٹی کے اجلاس میں شرکت کرتے ہیں۔ کمیٹی نے 24-2023 کے دوران کوئی ملاقات نہیں کی۔

کمیٹی کے ارکان کے نام مندرجہ ذیل ہیں:

1۔	بریگیڈیئر ہمایوں ملک (ریٹائرڈ)	آزاد ڈائریکٹر	چیئرمین
2۔	مسز عائشہ عالم زیب درانی	غیر ایگزیکٹو ڈائریکٹر	رکن
3۔	جناب سکندر قلی خان خٹک	غیر ایگزیکٹو ڈائریکٹر	رکن

سال 24-2023 کے دوران بورڈ اور اسکی کمیٹیوں کے اجلاس

سال 24-2023 کے متعلق، چار بورڈ کی میٹنگ، چار آڈٹ کمیٹی میٹنگ منعقد ہوئیں اور انسانی وسائل اور معاوضے کی کمیٹی کی میٹنگ منعقد نہیں ہوئی۔ سال کے دوران ہر ڈائریکٹر کی طرف سے شرکت کی میٹنگ کی تعداد یہاں درج کی گئی ہے:

		کمیٹی کے ممبران		حاضری		
نمبر شمار	ڈائریکٹر کے نام	آڈٹ کمیٹی	انسانی وسائل اور معاوضے کی کمیٹی	بورڈ	آڈٹ کمیٹی	انسانی وسائل اور معاوضے کی کمیٹی
1۔	لیفٹیننٹ جنرل علی قلی خان خٹک (ریٹائرڈ)	-	-	4/4	-	-
2۔	جناب خالد قلی خان خٹک	-	-	4/4	-	-
3۔	مسز عائشہ عالم زیب درانی	-	✓	4/4	-	-
4۔	جناب محمد قلی خان خٹک	✓	-	4/4	4	-
5۔	جناب سکندر قلی خان خٹک	✓	✓	1/4	4	-
6۔	جناب کمال عبداللہ	✓	-	4/4	4	-
7۔	بریگیڈیئر ہمایوں ملک (ریٹائرڈ)	-	✓	4/4	-	-

ڈائریکٹر کی درخواست جس میں انہوں نے ذاتی مصروفیات کی بنا پر اجلاس میں حاضر ہونے سے معذرت کی جس کو قبول کیا گیا۔

بورڈ کے ڈائریکٹرز اور کمیٹیوں کے بورڈ کی کارکردگی کا جائزہ

ایک سال کے دوران بورڈ نے مجموعی طور پر انفرادی کارکردگی کے ساتھ ساتھ اپنی کارکردگی کی تشخیص کا باضابطہ عمل کیا ہے بورڈ آڈٹ کمیٹی اور انسانی

وسائل اور معاوضے کی کمیٹی کی کارکردگی کی جانچ پڑتال کی گئی ہے۔سال کیلئے مقرر کردہ عوامل کے تحت بورڈ کی مجموعی کارکردگی تسلی بخش رہی ہے۔

ڈائریکٹرز کا معاوضہ

سال 24-2023 میں ڈائریکٹرز اور سی ای او کے معاوضے کے بارے میں معلومات کے لیے، براہ کرم اس سالانہ رپورٹ کے نوٹ 37 کو دیکھیں۔

آپریٹنگ اور مالی اعداد وشمار (گزشتہ چھ سال کے)

شیئر ہولڈرز اور جملہ آپریٹنگ اور مالی اعداد وشمار اس کتاب کے آخر میں منسلک ہیں۔

شیئر ہولڈرز کا پیٹرن

30 جون 2024ء پر شیئر ہولڈنگ کے پیٹرن اور اس سے متعلق اضافی معلومات اس رپورٹ میں شامل کی گئی ہیں۔

حکومت اور سماجی شعبہ کی طرف سے ہماری کمپنی کی شراکت

30 جون 2024 کو ختم ہونے والے سال کے دوران آپ کی کمپنی نے حکومت، نیم سرکاری شعبوں، بینکوں اور سماجی شعبے کو مندرجہ ذیل ادائیگی کی ہے۔

		رقم ملین میں
ا۔	حکومتی اداروں کو ادا کیے	
	انکم ٹیکس کی مد میں (نوٹ 16 برائے مالیاتی بیانات)	4.606
	بجلی اور گیس کی مد میں (نوٹ 27 برائے مالیاتی بیانات)	1.068

صحت، حفاظت اور ماحول

ہم اس پر یقین رکھتے ہیں کہ صحت، حفاظت اور ماحول میں اعلیٰ ترین معیار کو برقرار رکھنے کیلئے ہم لوگوں کے ساتھ ساتھ کام کرنے والے لوگوں کی خوشحالی کو یقینی بنانا چاہتے ہیں۔

بعد میں آنے والے واقعات

اس مالی سال کے اختتام اور رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن پر اثر انداز ہونے والے کوئی معاملات یا وعدے نہیں کئے گئے ہیں۔

آڈیٹر کی رپورٹ کے پیراگراف پر تبصرہ

کمپنی کے بورڈ آف ڈائریکٹرز کی رائے ہے کہ نوٹ 46.2 سے متعلق مالیاتی گوشواروں سے متعلق کیس جس میں وضاحت کی گئی ہے کہ کمپنی کے سابق CFO سے متعلق کچھ مالی لین دین اندرونی طور پر اور بیرونی ایجنسی کے زیر تفتیش ہیں اور اس طرح کی تحقیقات کے اثرات اگر کوئی ہے تو، اس مدت میں حساب کیا جائے گا جس کے دوران اس طرح کی تحقیقات مکمل کی گئی ہے۔ بورڈ آڈیٹرز کے نقطہ نظر سے اتفاق کرتا ہے، اور میچورٹی پر معاملے کو حل کرے گا۔

آڈیٹر کی تقرری

کمپنی کے آڈیٹر میسرز رضوان اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ، 114-A، ٹیپو بلاک، نیو گارڈن ٹاؤن، لاہور جو اس سال ریٹائر ہو گئے ہیں نے دوبارہ تقرری کے لیے خدمات پیش کی ہیں۔ کمیٹی کی بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹر نے ان کی دوبارہ تقرری کے لیے سفارش کی ہے۔

اعتراف

سال کے دوران 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 دِل سے مشکور ہیں۔

خالد قلی خان خٹک
چیف ایگزیکٹو آفیسر

Form-20

THE COMPANIES ACT, 2017
COMPANIES REGULATIONS, 2024
[Section 227(2)(f) and Regulation 30]

PATTERN OF SHAREHOLDING

PART-I

(Please complete in typescript or in bold block capitals.)

1.1 Name of the Company: GAMMON PAKISTAN LIMITED

PART-II

2.1. Pattern of holding of the shares held by the shareholders as at 30 06 2024

2.2. No of shareholders	Shareholdings	Total shares held
1410	shareholding from 1 to 100 shares	56034
492	shareholding from 101 to 500 shares	127413
150	shareholding from 501 to 1000 shares	119252
162	shareholding from 1001 to 5000	401176
38	shareholding from 5001 to 10000	293979
15	shareholding from 10001 to 15000	187141
11	shareholding from 15001 to 20000	192736
7	shareholding from 20001 to 25000	150333
3	shareholding from 25001 to 30000	78509
3	shareholding from 30001 to 35000	100146
3	shareholding from 35001 to 40000	114533
1	shareholding from 40001 to 45000	40719
2	shareholding from 45001 to 50000	97000
1	shareholding from 50001 to 55000	50500
2	shareholding from 55001 to 60000	112878
2	shareholding from 60001 to 65000	122932
1	shareholding from 75001 to 80000	79535
2	shareholding from 80001 to 85000	165377
2	shareholding from 85001 to 90000	177009
1	shareholding from 95001 to 100000	98500
1	shareholding from 115001 to 120000	120000

1	shareholding from 135001 to 140000	138226
1	shareholding from 320001 to 325000	323203
1	shareholding from 805001 to 810000	806973
1	Shareholding from1185001to1190000	1185500
1	shareholding from2560001to2565000	2561071
1	shareholdingfrom20365001to20370000	20365556
	(Add appropriate slabs of shareholdings)	
2315	Total	28266231

2.3	Categories of shareholders	share held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children.	86438	0.306
2.3.2	Associated Companies, undertakings and related parties.	20369056	72
2.3.3	NIT and ICP	11518	0.407
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	250	0.00088
2.3.5	Insurance & Investment Companies	109	0.00038
2.3.6	Modarabas, trust and Mutual Funds	301	0.00106
2.3.7	Share holders holding 10%	23737100	83.97
2.3.8	General Public		
	a. Local	7570437	26.78
	b. Foreign	207187	0.071
2.3.9	Others (Joint stock companies)	20935	0.074

Note: In case there are more than one class of shares carrying voting rights, the information regarding each such class shall be given separately.

Statement of Compliance for Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: **Gammon Pakistan Limited**
Year ended: **June 30, 2024**

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are seven (7), as following:

    a. Male: 6
    b. Female: 1

2. The composition of the Board is as follows:

Category	Names
Executive Directors	Mr. Khalid Kuli Khan Khattak
Non-Executive Directors	Lt Gen Ali Kuli Khan Khattak (Retd) Mrs. Ayesha Alamzeb Durrani Mr. Sikandar Kuli Khan Khattak Mr. Muhammad Kuli Khan Khattak
Independent Directors	Mr. Kamal Abdullah Malik Brig Humayun Malik (Retd)

3. The Directors have confirmed that none of them is serving as a director with more than seven listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Act and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the Board meeting;

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;

9. The Board will arrange Directors' Training program for the following:

Number of Directors (03)

Following Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program:

Names of Directors
Lt Gen Ali Kuli Khan Khattak (Retd)

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Board Audit Committee

Names	Designation held
Mr. Kamal Abdullah Malik	Chairman
Mr. Muhammad Kuli Khan Khattak	Member
Mr. Sikandar Kuli Khan Khattak	Member

b) HR and Remuneration Committee

Names	Designation held
Brig Humayun Malik (Retd)	Chairman
Mrs. Ayesha Alamzeb Durrani	Member
Mr. Sikandar Kuli Khan Khattak	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

a) Audit Committee

four meetings were held during the financial year ended June 30, 2024.

b) HR Nomination and Remuneration Committee

No meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2024.

15. The board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	**Nomination Committee** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a ***separate*** nomination committee and the functions are being performed by the human resource and remuneration committee. The Board shall consider to constitute ***separate*** nomination committee after next election of directors.	29
2	**Risk Management Committee** The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk	The Board of Directors of the Company, had not constituted the Risk Management Committee after having considered the internal control system of the Company suitably effective, material controls are being managed satisfactorily, alongside the integrity of	30

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
	management procedures and present a report to the Board.	financial information is being ensured by the management to the satisfaction of the Board.	
3	**Disclosure of significant policies on website** The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35
4	**Responsibilities of the Board and its members** The Board is responsible for adoption of corporate governance practices by the company.	Non-mandatory provisions of the Regulations are partially complied. The company is deliberating on full compliance with all the provisions of the Regulations.	10(1)
5	**Directors' Training** Companies are encouraged to arrange training for the remaining director under the Directors' Training Program from year July 2020.	The Company has planned to arrange Directors' Training Program certification for Remaining over the next few years.	19(3)
6	**Training for HODs** Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The company has planned to arrange Directors' Training Program certification for heads of department over next few years.	19(3)
7	**Representation of Minority shareholders** The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No one intended to contest election as director representing minority shareholders.	5
8	**Role of board and its members to address Sustainability Risks and Opportunities** During the year, the Securities and Exchange Commission of Pakistan issued certain amendments (in relation to Regulation 10) of the Listed Companies (Code of Corporate Governance) Regulations 2019 through its notification dated	Currently, the management is assessing these amendments and compliance thereof, as applicable, will be performed in due course of time.	10A

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
	June 12, 2024 to address sustainability risk and opportunities.		

20. The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.

Lt Gen Ali Kuli Khan Khattak (Retd)
Chairman

October _______, 2024, Rawalpindi

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Gammon Pakistan Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Gammon Pakistan Limited** (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.

Further, we would like to highlight that:

- As required by Regulation 19.1 of (Code of Corporate Governance) Regulations, 2019, appropriate arrangement for orientation courses and training of directors has not been arranged. The Board will arrange training of three (03) directors over next few years as stated in paragraph 9 and explained in paragraph 19(5) of the Statement of Compliance.

- As required by Regulation 30 Risk management Committee has not been formed by the Company (see explanation in paragraph 19(2) of the Statement of Compliance.

Rizwan & Co

RIZWAN AND COMPANY
Chartered Accountants

ISLAMABAD
Date: 04 October 2024

UDIN: CR202410101HGtp4ZDsr

INDEPENDENT AUDITORS' REPORT

To the members of Gammon Pakistan Limited

Report on the Audit of Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **Gammon Pakistan Limited** ("the Company"), which comprise the statement of financial position as at June 30, 2024, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

Except for the matters described in the Basis for Qualified Opinion section of our report, in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017, in the manner so required and respectively give a true and fair view of the state of the Company's affairs for the year ended June 30, 2024 and of the profit, total comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion and after due verification we report that:

a) Contract receivables amounting to Rupees 45.06 million, allowance of expected loss amounting to Rupees 141.570 million, net contract assets amounting to Rupees 65.05 million, joint ventures partner advances amounting to Rupees 30.059 million as disclosed in notes 10, 10.1, 11 and 23 respectively could not be verified in absence of the direct confirmations from the involved parties. Further, no written efforts are available to recover/settle these old balances. The consequential cumulative effect of this matter has neither been determined nor adjusted in these financial statements.

b) As fully explained in note 21.6 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 note 22 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 financial statements.

Emphasis of Matter

Without further qualifying our opinion:

a) we also draw attention to the Note 46.2 to the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon we do not provide a separate opinion on these matters. Following are the key audit matter(s):

Key audit matter	How our audit addressed the key audit matter
a) Contingencies and Company's exposure to litigation risk In our judgment, the Company has significant litigation cases and other contingencies, details of which are disclosed in note 24.2 to the accompanying financial statements. Given the nature and amounts involved in such cases and contingencies, and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgment, which can change over time as new facts emerge and each legal case progresses and the contingency crystallizes, and therefore, we have identified this as key audit matter.	Our audit procedures amongst others, included the following: - We obtained confirmations from legal advisors for current status on pending previous cases and any new cases filed during the year and assessing the advice given; - Checked orders by relevant authorities on previous lawsuits / cases appearing in the financial statements; - Reading correspondence of the Company with regulatory departments and the Company's external counsel, where available; - Discussing open matters and developments with the management of the Company; We evaluated that appropriate disclosures and presentation have been made in these financial statements.
b) Revenue recognition The Company generates its revenue from long term projects. Revenue from such projects is recognized over a period of time by measuring progress towards complete satisfaction of the performance obligation. The extent of progress towards completion is measured by using the input method whereby actual cost incurred to date is compared with the total estimated cost of the project. During the year ended June 30, 2024, the Company has not recognized any amount as revenue from such projects. The application of the input method requires significant management judgment when estimating the total cost to complete the project. This estimate is revalued at the end of each reporting date to reflect current circumstances. We considered revenue from projects as a key audit matter due to significant management judgment and estimation involved. Refer to note 4.17 & 25 to the financial statements	Our audit procedures amongst others, included the following: - Obtained understanding of the internal processes used to record actual cost incurred; - Obtained understanding of the cost estimation process and techniques adopted by the management for determination of estimated total cost to complete the project; - Assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates; - Performed test of detail procedures over actual cost incurred during the year; - Checked the extent of progress towards completion by comparing actual costs as per the Company's accounting records to the estimated total costs of the projects; and - Assessed the adequacy of related disclosures in the financial statements
c) Control environment relating to the financial reporting process and related IT systems The IT control environment relating to the financial reporting process and the application controls of individual IT system shave an impact on the selected audit approach. As the financial statements are based on	Our audit procedures included evaluation of the financial reporting process and related control environment, as well as testing of the effectiveness of controls including general IT controls. Our audit procedures focused on testing the reconciliation and approval controls as well as on evaluating the administration of access rights. Our audit procedures extensively consisted of

extensive number of data flows from multiple IT systems, consequently the financial reporting control environment is determined as a key audit matter.	several substantive procedures as well as data analysis relating to the most significant balances on the statement of profit or loss and statement of financial position.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the matters referred in paragraphs (a) & (b) of Basis for Qualified Opinion section above, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) No zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this Independent auditor's report is Rashid Iqbal FCA.

Rizwan & Co

Rizwan and Company
Chartered Accountants

Islamabad:
Date: 04 October 2024

UDIN: AR202410101DZHwmaejB

GAMMON PAKISTAN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024

GAMMON PAKISTAN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	NOTE	2024	2023
ASSETS			
NON CURRENT ASSETS		**Rupees**	
Property, plant and equipment			
Operating fixed assets	**5**	**264,259,416**	300,176,778
Investment property	**6**	**357,646,440**	479,831,160
Long term investments	**7**	**189,340,000**	1,800,413
Long term security deposits	**8**	**3,750,600**	1,200,600
Deferred taxation	**20**	**10,866,023**	-
		825,862,479	783,008,951
CURRENT ASSETS			
Stores, spares and loose tools	**9**	**12,333,504**	12,270,654
Contract receivables	**10**	**45,065,957**	45,065,957
Contract asset	**11**	**65,049,779**	65,049,779
Loans and advances	**12**	**19,982,207**	37,792,983
Other receivables	**13**	**909,156**	796,800
Tax refunds due from Government	**14**	**90,496,383**	85,272,052
Taxation - net	**15**	**4,104,455**	5,224,331
Cash and bank balances	**16**	**3,101,414**	2,120,883
		241,042,855	253,593,439
TOTAL ASSETS		**1,066,905,334**	1,036,602,390
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	**17**	**282,662,310**	282,662,310
Capital reserves			
Share premium reserve		**15,380,330**	15,380,330
Revaluation surplus on property, plant and equipment	**18**	**382,426,284**	428,814,751
		397,806,614	444,195,081
Revenue reserve			
Accumulated profit		**167,280,714**	77,498,678
		847,749,638	804,356,069
NON-CURRENT LIABILITIES			
Deferred liability	**19**	**6,402,590**	7,552,434
Deferred taxation	**20**	**-**	29,326,126
		6,402,590	36,878,560
CURRENT LIABILITIES			
Trade and other payables	**21**	**181,251,334**	163,865,989
Unclaimed dividends	**22**	**1,442,230**	1,442,230
Joint venture partner's advances	**23**	**30,059,542**	30,059,542
		212,753,106	195,367,761
TOTAL EQUITY AND LIABILITIES		**1,066,905,334**	1,036,602,390
CONTINGENCIES AND COMMITMENTS	**24**	**-**	-

The annexed notes from 1 to 47 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

GAMMON PAKISTAN LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	NOTE	2024	2023
		Rupees	
Contract income	25	-	6,677,706
Contract expenditure	26	(920,927)	(16,804,360)
Net contract (Loss)		(920,927)	(10,126,654)
Operating expenses			
General and administrative expenses	27	(33,950,830)	(30,512,714)
Other operating expenses	28	(745,444)	(3,326,573)
		(34,696,274)	(33,839,287)
Other income	29	35,135,384	45,764,816
Net operating profit		(481,817)	1,798,875
Bank charges	30	(3,828)	(7,847)
Net fair value gain on investment property	31	3,441,280	2,321,301
Profit before minimum taxes and final taxes		2,955,635	4,112,329
Minimum taxes	32	(502,458)	-
Profit before income tax		2,453,177	4,112,329
Income Tax	33	40,180,043	3,435,040
Net profit after taxation		42,633,220	7,547,369
Earning per share:			
Earning per share - basic and diluted	34	1.51	0.27

The annexed notes from 1 to 47 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

GAMMON PAKISTAN LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	NOTE	2024	2023
		Rupees	
Profit after taxation		**42,633,220**	7,547,369
Other comprehensive income			
Item that will not be reclassified to profit and loss:			
Revaluation surplus on property, plant and equipment	18	**589,256**	2,913,485
Related deferred tax impact	18	**12,106**	(98,538)
		601,362	2,814,947
Gain on remeasurement of defined benefit liability	19.3	**158,987**	124,100
Total other comprehensive income for the year		**760,349**	2,939,047
Total comprehensive income for the year		**43,393,569**	10,486,416

The annexed notes from 1 to 47 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

GAMMON PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	NOTE	Share capital	Reserves			
			Capital		Revenue	
		Issued, subscribed and paid-up capital	Share premium reserve	Revaluation surplus on property, plant and equipment	Accumulated Profits	Total
		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 year ended June 30, 2023						
Profit for the year		-	-	-	7,547,369	7,547,369
Revaluation of property, plant and equipment - net of deferred tax		-	-	2,814,947	-	2,814,947
Gain on remeasurement of defined benefit liability		-	-	-	124,100	124,100
		-	-	2,814,947	7,671,469	10,486,416
Transfer from revaluation surplus on property, plant and equipment:						
- on account of incremental depreciation-net of deferred tax	18	-	-	(804,635)	804,635	-
- upon disposal of revalued property, plant and equipment		-	-	-	-	-
Balance as at June 30, 2023		282,662,310	15,380,330	428,814,751	77,498,678	804,356,069
Total comprehensive income for the year ended June 30, 2024						
Net profit for the year		**-**	**-**	**-**	**42,633,220**	**42,633,220**
Revaluation of property, plant and equipment - net of deferred tax		**-**	**-**	**601,362**	**-**	**601,362**
Gain on remeasurement of defined benefit liability		**-**	**-**	**-**	**158,987**	**158,987**
		-	**-**	**601,362**	**42,792,207**	**43,393,569**
Transfer from revaluation surplus on property, plant and equipment:						
- on account of incremental depreciation-net of deferred tax	18	**-**	**-**	**(1,441,959)**	**1,441,959**	**-**
- upon disposal of revalued property, plant and equipment		**-**	**-**	**(45,547,870)**	**45,547,870**	**-**
Balance as at June 30, 2024		**282,662,310**	**15,380,330**	**382,426,284**	**167,280,714**	**847,749,638**

The annexed notes from 1 to 47 form an integral part of these financial statements.

CHIEF EXECUTIVE | **CHIEF FINANCIAL OFFICER** | **DIRECTOR**

GAMMON PAKISTAN LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2024

	NOTE	2024	2023
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before working capital changes	**36**	**826,409**	4,196,111
Changes in working capital:			
Decrease / (increase) in current assets			
Stores, spares and loose tools	**9**	**(62,850)**	(4,512)
Contract receivables	**10**	**-**	852,136
Loans and advances	**12**	**18,271,284**	18,547,252
Other receivables	**13**	**(112,356)**	525,118
Trade deposits and short term prepayments		**-**	325,701
Increase/(Decrease) in current liabilities			
Trade and other payables	**21**	**17,385,345**	(17,227,818)
		35,481,423	3,017,877
Cash generated from operations		**36,307,832**	7,213,987
Bank charges paid	**30**	**(3,828)**	(7,847)
Income tax paid	**15**	**(4,606,913)**	(5,923,427)
Gratuity paid	**19.3**	**(1,210,272)**	(821,050)
		(5,821,013)	(6,752,324)
Net cash generated from operating activities		**30,486,819**	461,663
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition in operating fixed assets	**5**	**(289,701)**	(210,000)
Proceeds on realization of defence saving certificates	**7**	**1,300,413**	-
Acquisition in long term security deposits	**8**	**(2,550,000)**	662,928
Shares acquired from conversion of loan to equity	**7.2**	**(27,967,000)**	-
Net cash (used in)/generated from investing activities		**(29,506,288)**	452,928
Net increase in cash and cash equivalents		**980,531**	914,591
Cash and cash equivalents at the beginning of the year		**2,120,883**	1,206,292
Cash and cash equivalents at the end of the year	**16**	**3,101,414**	2,120,883

The annexed notes from 1 to 47 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

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. It's shares are quoted on Pakistan Stock Exchange Limited (Formerly Karachi Stock Exchange Limited, Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited).

The principal activity of the Company is execution of civil construction works.

The Company is a subsidiary of Bibojee Services (Private) Limited (the holding company), a private company incorporated in Pakistan.

The registered office of the Company is situated at Gammon House, 400/2 Peshawar Road, Rawalpindi.

Geographical locations and addresses of all business units are as follows:

Sr.No	Location	Address
1	Head office	Mouza Chur Harpal, Near Chur Chowk, Main Peshawar Road, Rawalpindi Cantt.
2	Rawalpindi	Mouza Chur Harpal, Near Chur Chowk, Main Peshawar Road, Rawalpindi Cantt.
3	Hyderabad	Plot no 23,24/1,27 and 28 Deh Sari, Qasimabad, Taluka Qasimabad, Distt. Hyderabad.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act , 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain fixed assets which have been stated at revalued amount, investment properties which have been stated at fair value, recognition of certain staff retirement benefits at present value and certain other items as disclosed in relevant accounting policies.

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

2.3 Functional and presentation currency

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

2.4 Key judgements and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method and revalued amounts of property, plant and equipment - Note 4.1 & 5
- Fair value of investment property - Note 4.2 & 6
- Allowance for expected credit loss (ECL) on contract receivables and loans and advances - Note 4.6, 4.7, 10 & 11
- Obligation of defined benefit obligation - Note 4.16 & 20
- Estimate of revenue and cost - Note 4.17
- Impairment of financial instruments based upon expected credit loss model - Note 4.19
- Estimation of provisions - Note 4.21
- Estimation of contingent liabilities - Note 4.22
- Current income tax expense, provision for current tax and recognition of deferred tax asset - Note 4.15, 20 & 33.

3 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED STANDARDS

3.1 Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

There are certain amendments to the accounting and reporting standards which became applicable to the Company on July 1, 2023. However, these amendments do not have any significant impact on the Company's financial statements.

- Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements' - the Company adopted Disclosure of Accounting Policies from January 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

  'The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that users need to understand other information in the consolidated financial statements.

- During the current period, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12, Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to designate the amount calculated on taxable income using the notified tax rate as an income tax expense. Any excess over the amount designated as income tax, is then recognized as a 'Levy' under 'IAS 37, Provisions, Contingent Liabilities and Contingent Assets', which were previously being recognized as 'income tax'.
  In accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors' and the guidance provided, this guidance shall be applied retrospectively (if considered to be material). However, as the tax expense of the Company during the current period is assessed under minimum tax regime (MTR). Therefore, an adjustment is made in these financial statements as a result of application of this guidance.

3.2 Amendments that are effective in current year and not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any Material impact on the Company's financial statements and are therefore not detailed in these financial statements.

3.3 **Amendments to published approved accounting standards that are not yet effective but relevant to the Company**

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods:

Standards or interpretations	Effective date Accounting periods beginning on or after:
Amendments to IFRS 16, 'Leases' related to sale and lease back after the date of transaction	January 01, 2024
Amendments to IAS 1, 'Presentation of financial statements' related to non current liabilities with covenants	January 01, 2024
Amendments to IAS 7, 'Statement of Cash Flows', IFRS 7, 'Financial Instruments: Disclosures' on changes regarding supplier finance arrangements	January 01, 2024
Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' related to lack of exchangeability	January 01, 2025
Amendment to IFRS 9 and IFRS 7 related to classification and measurement of financial instruments	January 01, 2026
IFRS 18, 'Presentation and Disclosure in financial statements'	January 01, 2027
IFRS 19, 'Subsidiaries without public accountability: Disclosures'	January 01, 2027

There are number of other standards, amendments, improvements and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

3.4 **Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company**

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

Initial recognition

All items of property, plant and equipment are initially recorded at cost.

Subsequent measurement

Items of property, plant and equipment are stated at cost / revalued amount less accumulated depreciation and any identified impairment loss, if any, except for freehold land, which is stated at revalued amount.

Depreciation

Depreciation is charged to profit and loss account on straight-line basis on the cost or valuation of all fixed assets from / to the date of acquisition / deletion, except for freehold land, to write-off ninety percent of the value over the useful life of the assets. The remaining ten percent is written-off on retirement is considered the residual value.

Revaluation surplus on property, plant and equipment

Any revaluation increase arising on the revaluation of land, buildings and plant and machinery is recognised in other comprehensive income and presented as a separate component of equity as “Revaluation surplus on property, plant and equipment”, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings and plant and machinery is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company’s shareholders. The surplus on revaluation buildings and plant and machinery to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss. In case of the sale or retirement of a revalued items, the attributable revaluation surplus remaining in the surplus on revaluation of such item is transferred directly to the unappropriated profit.

Judgement and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The Company revalues its operating fixed assets on regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

4.2 **Investment properties**

Recognition and measurement

Investment properties represent the properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

Derecognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

When an item of property, plant and equipment is transferred to investment property following a change in its use and differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of property, plant and equipment if it is a gain. Upon disposal of the item related surplus on revaluation of property, plant and equipment is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the income statement.

Leases

With regard to activities as a lessor, the Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases. Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of profit or loss on a straight-line basis over the lease term and is included in 'other income' under note 29.

4.3 **Impairment of non-financial assets other than inventories**

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

The Company assesses at each balance sheet date whether there is any indication that assets other than , stores, spares and loose tools and deferred tax assets, may be impaired. If such an indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. Where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amounts and the resulting impairment loss is recognized as expense in the profit and loss account, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

4.4 **Investments at amortized cost**

These are carried at amortized cost less impairment loss, if any. Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified at amortized cost using the effective interest method. Gain and losses are recognized in the profit and loss account when the investments are derecognized or impaired, as well as through the amortization process.

4.5 **Stock of materials, stores, spares and loose tools**

Measurement

Stock of materials, stores, spares and loose tools is valued at the lower of cost and net realizable value.

Cost is calculated using the weighted average method and comprises direct materials, direct labour costs and direct overheads that have been incurred in bringing the inventories to their present location and condition.

Net realizable value represents the estimated selling price in the ordinary course of the business less all estimated costs of completion and estimated costs necessary to be incurred in order to make the sale.

Cost of materials is determined using the first-in-first out method.

Cost of stores, spares and loose tools is determined using the weighted average method.

Impairment

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the cost of sales in the statement of profit or loss.

Judgments and estimates

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and decline in net realizable value and an allowance is recorded against the inventory balances for any such decline.

4.6 **Contract receivables**

Measurement

Contract receivables are measured at original invoice amount less an estimate made for doubtful receivable balance at the year-end.

A provision for impairment of contract receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

Judgments and estimates

The allowance for expected credit of the Company is based on the assessment as per IFRS 9 and management's continuous evaluation of the recoverability of the outstanding contract receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness, past collection history of each customer along with future indications and macro-economic factors of the industry, economy and country.

4.7 **Loans and advances**

These are stated at cost less provision for doubtful advances, if any.
A provision for impairment of advances is established when there is objective evidence that the Company will not be able to adjust all advances according to the original terms of the advances. The amount of the provision is recognised in the statement of profit or loss.

Judgments and estimates

The allowance for expected credit of the Company is based on the assessment as per IFRS 9 and management's continuous evaluation of the reliability of the advances.

4.8 **Other receivables**

Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future.

4.9 **Cash and cash equivalents**

Cash and cash equivalents are carried in the financial statements at cost. For the purposes of cash flow statement, cash and cash equivalents comprise of cash-in-hand and bank balances.

4.10 **Borrowings and borrowing costs**

All borrowings are recorded at the proceeds received. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to income in the period in which these are incurred.

4.11 **Trade and other payables**

Creditors relating to trade and other payables are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.12 **Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

4.13 **Joint venture partner's advances (including share of accrued profit)**

Profit / loss on advances obtained from a joint venture partner is recognized on 'accrual basis in accordance with the agreed percentage.

4.14 **Dividend and appropriation to reserves**

Dividend distribution to the Company's shareholders and appropriation to reserves are recognized in the period in which these are approved.

4.15 **Taxation**

Income tax expense comprises current and deferred tax.

Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), in which case the tax amounts are recognized directly in other comprehensive income or equity.

Current

Provision for current taxation is based on taxable income on current rates of taxation after taking into account the rebates and tax credits available, if any, or 1.25% of turnover and corporate tax as per section 113C, whichever is higher in accordance with the provisions of the Income Tax Ordinance, 2001.

The Company recognizes tax liabilities for pending tax assessments using estimates based on expert opinion obtained from tax/legal advisors. Differences, if any, between the income tax provision and the tax liability finally determined is recorded when such liability is so determined.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted.

Judgement and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Off-setting

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

4.16 **Defined benefit plan (gratuity)**

The Company measures defined benefit liabilities (assets) at the present value of its obligation under defined benefit plan at the reporting date minus the fair value at the reporting date of plan assets out of which the obligations are to be settled directly. The obligation under defined benefit plan is determined using the projected unit credit method.

Actuarial gains and losses are recognised in the other comprehensive income in the period in which they occur. Past-service costs are recognised immediately in the statement of profit or loss.

In determining the liability for long-service payments management must make an estimate of salary increases over the following five years, the discount rate to calculate present value over next five years, and the number of employees expected to leave before they receive the benefits.

4.17 **Revenue recognition**

Revenue is recognized overtime as per IFRS 15 "Revenue from Contracts with Customers" on the basis of input method on the execution of contract activities where the outcome of the construction contract can be estimated reliably as measured by the proportion that contract work performed to date bears to the estimated total contract work. Variable consideration due to contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of the construction contract cannot be estimated reliably, contract revenue is recognized to the extent of the contract costs incurred that probably will be recoverable. Contract costs are recognized as expense in the period in which they are incurred.

-Revenue from rental income is recognized on 'accrual basis'.
-Interest income is also recognized on 'accrual basis'.

Contract revenue and cost

Input method is applied on a cumulative basis in each accounting period to the current estimates of total contract revenue and total contract costs. Any change in these estimates will affect the contract revenue and contract costs accordingly.

4.18 **Foreign currency transactions**

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pak Rupees at the exchange rates prevailing on the balance sheet date. All exchange differences are charged to profit and loss account.

4.19 **Financial Instruments**

4.19.1 **Financial assets**

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

4.19.2 **Financial liabilities**

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

4.19.3 **Recognition and measurement**

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

4.19.4 **Derecognition**

The financial assets are de-recognized when the Company loses control of the contractual right that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

4.20 **Off-setting of financial assets and liabilities**

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities

4.21 **Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

4.22 **Contingent liabilities**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.23 **Contract asset / liability**

The Company recognizes contract asset against the cost incurred and estimated earning which is in excess of the amount billed to the customer to date. The Company recognizes the contract liability against the amount billed to the customer which is in excess of the cost incurred and estimated earning of the contract to date.

4.24 **Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company’s other components. The Company has only one reportable segment.

4.25 **Joint ventures and joint operations.**

The Company's share in transactions and balances related to joint operations, in which the Company has a working interest, are combined on a line by line basis with similar items in the Company's financial statements. While equity method accounting is used for joint ventures.

4.26 **Earnings per share**

The Company presents earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.27 **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 using valuation modes as admissible.

5 OPERATING FIXED ASSETS

The following is the statement of operating fixed assets:

Description	Freehold land	Buildings on freehold land	Plant and machinery	Furniture and fixtures	Computers and accessories	Motor vehicles, cycles and boats	Construction equipments	Total
	Rupees							
Year ended June 30, 2024								
Net carrying value basis								
Opening book value	282,082,400	13,591,440	2,629,239	826,140	705,699	201,802	140,058	300,176,778
Additions	-	-	-	-	81,000	208,701	-	289,701
Revaluation surplus/(deficit)	631,000	(41,744)	-	-	-	-	-	589,256
Deletions - NBV	(29,957,000)	(5,223,875)	-	-	-	-	-	(35,180,875)
Depreciation charge	-	(273,661)	(750,567)	(213,430)	(194,407)	(152,399)	(30,980)	(1,615,444)
Closing net book value	252,756,400	8,052,160	1,878,672	612,710	592,292	258,104	109,078	264,259,416
Gross carrying value basis								
Cost/revalued amount	252,756,400	8,325,821	7,342,012	2,084,188	1,721,644	3,429,779	418,200	276,078,044
Deletions	-	(66,125)	-	-	-	-	-	(66,125)
Revaluation adjustments	-	(207,536)	-	-	-	-	-	(207,536)
	252,756,400	8,052,160	7,342,012	2,084,188	1,721,644	3,429,779	418,200	275,804,383
Accumulated depreciation	-	(273,661)	(5,463,340)	(1,471,478)	(1,129,352)	(3,171,675)	(309,122)	(11,818,628)
Deletions	-	66,125	-	-	-	-	-	66,125
Revaluation adjustments	-	207,536	-	-	-	-	-	207,536
	-	-	(5,463,340)	(1,471,478)	(1,129,352)	(3,171,675)	(309,122)	(11,544,967)
	252,756,400	8,052,160	1,878,672	612,710	592,292	258,104	109,078	264,259,416
Year ended June 30, 2023								
Net carrying value basis								
Opening book value	279,508,701	13,591,440	3,379,807	1,039,570	677,737	684,964	202,790	299,085,009
Additions	-	-	-	-	210,000	-	-	210,000
Revaluation surplus	2,573,699	339,786	-	-	-	-	-	2,913,485
Deletions - NBV	-	-	-	-	-	-	-	-
Depreciation charge	-	(339,786)	(750,567)	(213,432)	(182,038)	(483,162)	(62,732)	(2,031,717)
Closing net book value	282,082,400	13,591,440	2,629,240	826,139	705,699	201,802	140,058	300,176,778
Gross carrying value basis								
Cost/revalued amount	282,082,400	13,931,226	7,342,012	2,084,188	1,640,644	3,221,078	418,200	310,719,748
Revaluation adjustments	-	(339,786)	-	-	-	-	-	(339,786)
	282,082,400	13,591,440	7,342,012	2,084,188	1,640,644	3,221,078	418,200	310,379,962
Accumulated depreciation	-	(339,786)	(4,712,773)	(1,258,048)	(934,945)	(3,019,276)	(278,142)	(10,542,970)
Revaluation adjustments	-	339,786	-	-	-	-	-	339,786
	-	-	(4,712,773)	(1,258,048)	(934,945)	(3,019,276)	(278,142)	(10,203,184)
Net book value	282,082,400	13,591,440	2,629,239	826,140	705,699	201,802	140,058	300,176,778
Depreciation rate % per Annum	-	2.5 to 2.8	6 to 30	9 to 18	12 to 15	9 to 18	6 to 24	

5.1 It represents the transfer of land at Chak Beli, measuring 50.90 kanals, marked as freehold land, and building on freehold land, to its subsidiary Gammon Pakistan Precast (Private) Limited (GPPL) against the issue of shares. For further details , refer to note 6.3

5.2 Freehold land of the Company is located at Taluka Qasimabad, Distt Hyderabad, Sindh, 5.1 kanal and 5.8 kanal respectively. Details of workshop and residential buildings of the company constructed on this land are as follows:

LOCATION	PARTICULAR	COVERED AREA (In Sq.Ft)
Mouza Harka, Main Chakbeli Road, Tehsil and District Rawalpindi	**Stores and godowns for stores and spares.**	**7,056**
Mouza Chur Harpal, Near Chur Chowk, Main Peshawar Road, Rawalpindi Cantt.	**Gammon house Head office**	**4,004**

5.3 **Depreciation has been allocated as follows:**

	NOTE	2024	2023
		Rupees	
Contract expenditure	**26**	**781,547**	813,299
General and administrative expenses	**27**	**833,897**	1,218,418
		1,615,444	2,031,717

5.4 The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 240 and fourth schedule of the Companies Act, 2017.

5.5 This represents surplus on book values resulted from revaluations of operating fixed assets based on fair value / market value estimated by independent valuers adjusted only by surplus realized on disposal of revalued assets and incremental depreciation arising out of revaluation. Revaluation of land and buildings was based upon fair market value and valuation for other operating assets was conducted during 2019 which was based upon depreciated replacement costs to reflect the residual service potential of the assets taking account of age, condition and obsolescence. Details of revaluation are as follows:

Independent valuers	**Revaluation dates**
M/s Impulse (Private) Limited	June 30, 2024
M/s Impulse (Private) Limited	June 30, 2023
M/s Impulse (Private) Limited	June 30, 2022
M/s Impulse (Private) Limited	June 30, 2021
M/s Impulse (Private) Limited	June 30, 2020
M/s Impulse (Private) Limited	June 30, 2019

5.6 The forced sale value of the revalued freehold land and buildings at date of statement of financial position has been assessed at Rs. 221,328,928/-.

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

	2024 **Rupees**
Freehold land	120,988
Buildings on freehold land	3,022,495
Plant and machinery	1,324,644
Furniture and fixture	972,605
Computers and accessories	1,061,106
Motor vehicles, cycles and boats	272,155
Construction equipment	273,403

		2024	2023
6 INVESTMENT PROPERTY	**NOTE**	**Rupees**	
Carrying amount as at June 30,			
Rural land		**-**	121,626,000
Gammon House - land and building	**6.4**	**357,646,440**	358,205,160
		357,646,440	479,831,160
6.1 The movement in this account is as follows:			
Opening balance		**479,831,160**	477,509,859
Less: Transfer during the year	**6.3**	**(121,626,000)**	-
Net fair value (loss) / gain on revaluation shown in profit and loss account	**6.5**	**(558,720)**	2,321,301
		357,646,440	479,831,160

6.3 It represents the transfer of barren land at Chak Beli, measuring 209.70 kanals, to its subsidiary Gammon Pakistan Precast (Private) Limited (GPPL) against the issue of shares of 12,162,600 with a face value of Rs. 10 as consideration other than cash, valued on the revaluation report held by the same valuer on June 30, 2023, of rupees 121,626,000 against investment property . Further transfer of land at Chak Beli, measuring 50.90 kanals, marked as freehold land, and building on transfer of freehold land, to its subsidiary Gammon Pakistan Precast (Private) Limited (GPPL) against the issue of shares of 3,524,700 with a face value of Rs. 10 each as consideration other than cash, valued on the revaluation report prepared by the same valuer on June 30, 2023, of rupees 35,247,000 (freehold land and building value are Rs. 29,957,000 and 5,290,000, respectively) against operating fixed asset .

6.4 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.

In 2013, management purchased and installed two billboards at Gammon House which had been treated as additions to investment properties.

6.5 The company, as of June 30, 2024, had revalued all of its investment property. The revaluation exercise was carried out by an independent valuer, Impulse (Private) Limited, and the revaluation resulted in a (loss) of Rs. (558,720) (2023: Gain Rs. 2,321,301) in net adjustment to the fair value.

Forced sale value of the investment property at date of statement of financial position is assessed at Rs. 303,508,072/-.

There are no non-cancellable fixed rate operating leases over the Company's investment property, land and buildings.

7 LONG TERM INVESTMENTS

Unquoted			
Subsidiaries			
Gammon Pakistan Precast (Private) Limited with 69.99% Holding (2023: 96.20%).	**7.1 & 7.2**	**189,340,000**	500,000
Amortized cost			
Defense Savings Certificates	**7.3**	**-**	500,000
Accrued interest	**7.3**	**-**	800,413
		189,340,000	1,800,413

7.1 It represents the shareholding of the Company in Gammon Pakistan Precast (Private) Limited making it a subsidiary effective from November 16, 2021. During the current year the shareholding has been decrease to 69.99% owing to the facts explained in note 7.2.

7.2 It includes investment in Gammon Precast Pakistan (Private) Limited by transferring the barren land at Chak Beli, measuring 260.6 kanals, marked as freehold land in operating fixed assets (see note 5.1) and investment property (see note 6.3),valued on the revaluation report held by the same valuer on June 30, 2023, of rupees 160,873,000 and converting the loan of Rs. 27,967,000 (see note 12.2) against the issue of 16,087,300 shares of Rs. 10 each as consideration other than cash and 2,796,700 shares of Rs. 10 each as other than rights issue respectively.

7.3 During the year February 22, 2024 , the company has liquidated the defense savings certificates with markup accrued after the release of the pledge from the Director of Works and Chief Engineer, Pakistan Navy, Islamabad, that is surrendered as security amounting to Rs. 1,710,926.

	NOTE	2024	2023
		Rupees	
8 LONG TERM SECURITY DEPOSITS			
Tender money deposit	**8.2**	**2,550,000**	-
Others security deposits	**8.3**	**1,200,600**	1,200,600
		3,750,600	1,200,600

8.1 Long term security deposits represent deposits against tenders for provision of services. These are carried at nominal value as effect of amortization is not material in respect of these financial statements.

		NOTE	2024 Rupees	2023 Rupees
8.2	**Balance written off during the year**			
	Tender Money Deposits as at		**2,550,000**	353,928
	Written off during the period		**-**	(353,928)
			2,550,000	-
8.3	**Balance written off during the year**			
	Other Security Deposits as at		**1,200,600**	1,509,600
	Written off during the period		**-**	(309,000)
			1,200,600	1,200,600
9	**STORES, SPARES AND LOOSE TOOLS**			
	Consumable materials		**176,655**	176,655
	Stores	**9.1 & 9.2**	**11,367,213**	11,304,363
	Spares		**569,019**	569,019
	Loose tools		**20,575**	20,575
	Other stocks		**200,042**	200,042
			12,333,504	12,270,654
9.1	Balance as at June 30,		**22,368,069**	22,305,219
	Impairment - obsolete and slow moving item		**(11,000,856)**	(11,000,856)
			11,367,213	11,304,363

9.2 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

		NOTE	2024 Rupees	2023 Rupees
10	**CONTRACT RECEIVABLES**			
	Owned			
	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 prior years, carried out an exercise to identify long outstanding receivable balances comprising of progress billings and retention money which are not likely to be received due to various reasons. Similarly, during the year, management carried out the ECL assessment and identified provision for expected credit loss as follows:

	NOTE	2024	2023
		Rupees	
Opening balance		**141,570,060**	142,845,809
(Reversed)/charged during the year		**-**	(1,275,749)
		141,570,060	141,570,060

11 CONTRACT ASSET

Under the following captions:

	NOTE	2024	2023
Contract asset on incomplete projects	**11.1**	**65,049,779**	65,049,779

11.1 **This comprises as follows:**

Cost incurred on incomplete projects	**1,875,995,062**	1,875,995,062
Estimated earnings	**204,237,252**	204,237,252
	2,080,232,314	2,080,232,314
Billings to date	**(2,015,182,535)**	(2,015,182,535)
	65,049,779	65,049,779

12 LOANS AND ADVANCES

	NOTE	2024	2023
Unsecured - considered good			
To employees / project managers for expenses		**1,038,873**	475,763
To Gammon Pakistan Precast (Private) Limited	**12.1 & 12.2**	**8,292,626**	26,757,948
To suppliers		**7,694,988**	8,410,170
To sub - contractors		**2,955,720**	3,021,720
		19,982,207	38,665,601
Doubtful advances		**26,387,232**	26,387,233
		46,369,439	65,052,834
Written off during the year		**-**	(872,618)
Provision for expected credit loss	**12.3**	**(26,387,232)**	(26,387,233)
		(26,387,232)	(27,259,851)
		19,982,207	37,792,983

12.1 This represents the short term borrowing provided to Gammon Pakistan Precast (Private) Limited on 1-April-2024 with the terms of loan payable at the mark up rate of one-year KIBOR plus 0.25% per annum. The maximum aggregate balance calculated with regards to the month-end balance is Rs. 8,645,645/-

12.2 During the year, in a meeting held on December 30, 2023, the board decided to convert Rs. 27,967,000, included in advances, to equity against issue of shares of its subsidiary (Gammon Precast Pakistan (Private) Limited) ; for details, refer to note 7.2.

12.3 Management, in the previous years, carried out an exercise to identify long outstanding receivable balances comprising of advances to staff and suppliers, which are not likely to be received due to various reasons. Similarly during the year, management carried out the assessment and identified provision for expected credit losses as follows:

	NOTE	2024 Rupees	2023 Rupees
Opening balance		**26,387,233**	28,341,796
(Reversed)/charge during the year		**-**	(1,954,563)
		26,387,233	26,387,233

13 OTHER RECEIVABLES

	NOTE	2024 Rupees	2023 Rupees
Unsecured:			
- Considered good			
Other receivables	**13.1**	**909,156**	796,800

13.1 This represents receivables in respect of rental income. It also includes receivables from related parties as follows:

	NOTE	2024 Rupees	2023 Rupees
Janana De Malucho Textile Limited		**146,410**	73,205
Ghandhara Industry Limited		**-**	66,550
Bannu Woollen Mills Limited		**163,468**	197,190
		309,878	336,945

13.2 **Aging of receivable from related parties:**

	NOTE	2024 Rupees	2023 Rupees
1-90 days		**309,878**	336,945
90-180 days		**-**	-
Over 180 days		**-**	-
		309,878	336,945

13.3 Maximum balance due from related party at end of any month during the year is Rs. 2,030,117 (2023: Rs. 8,337,622).

14 TAX REFUNDS DUE FROM GOVERNMENT

	NOTE	2024 Rupees	2023 Rupees
Considered good			
Balance as at July 01,		**85,272,052**	83,685,590
Advance income tax adjusted	**15**	**5,224,331**	1,586,462
		90,496,383	85,272,052

15 TAXATION - NET

	NOTE	2024 Rupees	2023 Rupees
Balance as at July 01,		**5,224,331**	1,586,462
Transferred to tax refunds due from Government	**14**	**(5,224,331)**	(1,586,462)
		-	-
Provision for taxation	**32**	**(502,458)**	(699,096)
Advance income tax		**4,606,913**	5,923,427
		4,104,455	5,224,331

16 CASH AND BANK BALANCES

Cash in hand		**418,266**	51,825
Cash at bank: local currency			
- Current accounts	**16.1**	**1,783,200**	1,170,219
- Savings accounts	**16.2**	**10,505**	9,396
- Deposit accounts	**16.3**	**889,443**	889,443
		2,683,148	2,069,058
		3,101,414	2,120,883

16.1 It include Rupees 7,995/- (2023: RS. 7,995/-) attached under the instructions of Sindh Revenue Board in prior years against the order no 72 in 2018 for the departmental recovery of Rupees 51.696 million. On December 23, 2020 the Commissioner Appeals order in favour of the company and the company is under process to detach these bank accounts.

16.2 PLS accounts, during the current financial year, carried profit at the rates ranging from 19.5% to 21% (2023: 12.25% to 19.50%) per annum.

16.3 The entire balance as at June 30, 2024 and June 30, 2023 is under a bank's lien against guarantees issued by the bank.

17 SHARE CAPITAL

Issued, subscribed and paid up capital

Number of ordinary shares of Rs.10/- each				**2024**	2023
2024	2023		**NOTE**	**Rupees**	
22,627,320	22,627,320	Fully paid in cash		**226,273,200**	226,273,200
2,562,845	2,562,845	Issued as fully paid bonus shares		**25,628,450**	25,628,450
3,076,066	3,076,066	Issued against conversion of loans		**30,760,660**	30,760,660
28,266,231	28,266,231			**282,662,310**	282,662,310

17.1 **This includes shares held by related parties as**

Bibojee Services (Private) Limited - Parent Company			
20,369,056 (2023: 20,369,056) ordinary shares of Rs 10 each	**17.2**	**203,690,560**	203,690,560
Directors and their spouses / minor children			
95,855 (2023: 95,855) ordinary shares of Rs 10 each		**958,550**	958,550
		204,649,110	204,649,110

17.2 The parent company Bibojee Services (Private) Limited held 72.06% shares (2023: 72.06% shares) in Gammon Pakistan Limited as at June 30, 2024.

17.3 All ordinary shareholders have same rights regarding voting, board selection, right of first refusal and block voting.

17.4 **Authorized share capital:**

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

18 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The revaluation surplus on property, plant and equipment is restated and now presented as a separate capital reserve in the financial statements.

	NOTE	2024	2023
		Rupees	
Balance brought forward		**436,777,683**	434,997,486
Add: Revaluations during the year		**589,256**	2,913,485
Less:			
Transferred to equity in respect of incremental depreciation charged during the year - net of deferred tax		**1,441,959**	804,635
Revaluation adjustment due to transfer of asset		**45,547,870**	-
Related deferred tax liability during the year transferred to profit and loss account		**1,932,971**	328,654
		48,922,800	1,133,289
		388,444,139	436,777,683

	2024	2023
Less: Related deferred tax effect :	Rupees	
Opening balance - as previously reported	**7,962,931**	8,193,047
Revaluation during the year	**(12,106)**	98,538
Revaluation adjustment due to transfer of asset	**(1,344,001)**	-
Incremental depreciation charged during the year transferred to profit and loss account	**(588,969)**	(328,654)
	6,017,855	7,962,931
	382,426,284	428,814,751

19 DEFERRED LIABILITY

19.1 Gratuity

The company operates an unfunded gratuity scheme. The scheme provides for terminal benefits for all its permanent employees whose period of service exceeds six months. Employees are entitled to gratuity on the basis of one gross salary for each completed one year of service after the minimum qualifying period. Annual charge is based on actuarial valuation carried out as at June 30, 2024 using Projected Unit Credit Method.

The Company faces the following risks on account of gratuity:

Final salary risk: The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

19.2 The amounts recognised in the statement of financial position are determined as follows:

	NOTE	2024	2023
		Rupees	
Present value of the defined benefit obligation	**19.3**	**606,649**	1,493,221
Benefits due but not paid during the year	**19.3**	**5,795,941**	6,059,213
		6,402,590	7,552,434

19.3 **Reconciliation of net defined benefit liability**

Present value of defined benefit obligations	**1,493,221**	3,030,550
Benefits due but not paid as at June 30,	**6,059,213**	5,101,515
Service cost	**53,710**	81,813
Interest on defined benefit obligations	**165,705**	283,706
Benefits paid during the year	**(1,210,272)**	(821,050)
Benefit due but not paid at the year end	**(5,795,941)**	(6,059,213)
Actuarial (gain)	**(158,987)**	(124,100)
	606,649	1,493,221

19.4 **Remeasurement chargeable to statement of other comprehensive income**

Remeasurement (gain) / loss on defined obligation		
Actuarial (gain) due to Change in financial assumptions	**(430)**	-
Actuarial (gain) due to experience adjustment	**(158,557)**	(124,100)
	(158,987)	(124,100)

19.5 **The amounts recognised in the statement of profit or loss:**

Current service costs	**53,710**	81,813
Interest cost	**165,705**	283,706
	219,415	365,519

19.6 **Changes in the present value of the defined benefit obligation are as follows:**

Opening defined benefit obligation	**7,552,434**	8,132,065
Service cost	**53,710**	81,813
Interest cost	**165,705**	283,706
Actuarial (gains)	**(158,987)**	(124,100)
Benefits paid	**(1,210,272)**	(821,050)
	6,402,590	7,552,434

19.7 **Principal actuarial assumptions (financial and demographic) at the end of the reporting period (expressed as weighted averages) are as follows:**

Discount rate as at June 30, 2024	14.75%
Future salary increases	13.75%
Proportion of employees opting for early retirement	0.506% to 14.344%
Mortality rate	SLIC (2001-5) Mortality table
Average expected remaining working lifetime of members	5 Years
Average duration of liability	5 Years

19.8 **Comparison of five years**

Comparison of present value of defined benefit obligation and experience adjustment on obligation for the current and preceding four years is as follows:

	2024	2023	2022	2021	2020
	Rupees				
Present value of defined benefit obligation	**606,649**	1,493,221	3,030,550	4,319,738	5,532,839

19.9 There are no plan assets, therefore, disclosure in respect to plan assets required as per IAS-19 "Employee Benefits" has not been made in these financial statements.

19.10 The charge in respect of defined benefit plan for the year ending June 30, 2025 is estimated to be Rs. 157,277.

19.11 **Sensitivity analysis**

The impact of 1% change in following variables on defined benefit obligation is as follows:

	2024	
	1 % increase in assumption	**1 % decrease in assumption**
	Rupees	
Discount rate	**577,213**	**637,600**
Salary increase	**637,586**	**577,206**

19.12 **Expected future payments**

Within one year	**619,536**
More than one year but less than five years	**3,654,308**
Above five years	**3,521,716**
	7,795,560

20 DEFERRED TAXATION

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement.

	NOTE	2024	2023
		Rupees	
Deferred tax liability	**20.1**	**-**	29,326,126
Deferred tax asset	**20.1**	**(10,866,023)**	-
Deferred tax (asset)/liability		**(10,866,023)**	29,326,126
Tax rate		**29%**	**29%**

20.1 Deferred tax changes-net

20.1.1 Analysis of change in deferred tax

The movement in the deferred tax during the year is as follows:

	NOTE	2024	2023
		Rupees	
Opening balance		**29,326,126**	33,361,724
Charged to statement of profit or loss	**33**	**(40,180,043)**	(4,134,136)
Charged to other comprehensive income	**18**	**(12,106)**	98,538
Net deferred tax asset/(liability)		**(10,866,023)**	29,326,126

20.1.2 Net deferred tax asset is comprised of:

	2024	2023
	Rupees	
Deferred tax liabilities		
Accelerated tax depreciation allowed	**66,399,356**	98,152,957
Surplus on revaluation of PPE	**6,017,855**	7,962,929
Gratuity payable	**-**	2,190,206
	72,417,211	108,306,092
Deferred tax asset		
Provision for doubtful receivables	**(41,055,317)**	(41,055,317)
Provision for doubtful loan and advances	**(7,652,299)**	(7,922,748)
Deferred tax asset on brought forward losses	**(22,533,342)**	(19,816,376)
Provision for overseas loan	**(10,185,525)**	(10,185,525)
Gratuity payable	**(1,856,751)**	-
	(83,283,234)	(78,979,966)
Net deferred tax (asset)/liability	**(10,866,023)**	29,326,126

20.2 Deferred tax asset of Rs. 22,533,342 due to brought forward losses has been recognized in the current financial statements, as in the opinion of the management there is certainty regarding realizability of the amount (2023: Rs. 19,816,376)

21 TRADE AND OTHER PAYABLES

	NOTE	**2024**	2023
		Rupees	
Directors current accounts	**21.1**	**26,577,114**	17,061,614
Sundry creditors	**21.2**	**33,390,422**	31,392,997
Advance rent		**2,362,577**	2,197,662
Due to sub-contractors	**21.3**	**24,543,700**	25,543,699
Accrued expenses	**21.4**	**46,752,906**	40,993,395
Due to employees and others	**21.5 & 21.6**	**9,009,261**	9,009,261
Taxes payable		**1,727,895**	840,221
Joint venture partners' share of profit		**1,620,715**	1,620,715
Workers' welfare fund payable		**144,244**	83,925
Other provisions	**21.7**	**35,122,500**	35,122,500
		181,251,334	163,865,989

21.1 This includes advances paid by directors in order to meet day to day expenses from Chairman Gen.(Retd) Mr. Ali kuli khan and Director Khalid Kuli Khan amounting to Rs. 22,553,800/- (2023: Rs.13,038,300) and Rs. 4,023,314/- (2023: Rs. 4,023,314) respectively which are interest free and reimbursable on demand.

	NOTE	**2024**	2023
		Rupees	
21.2 **Balance written back during the year**			
Payable as at June 30,		**33,390,422**	32,376,669
Written back during the year		**-**	(983,672)
		33,390,422	31,392,997
21.3 **Balance written back during the year**			
Payable as at June 30,		**24,543,700**	26,988,036
Written back during the year		**-**	(1,444,337)
		24,543,700	25,543,699

21.4 **Balance written back during the year**

Payable as at June 30,	**46,752,906**	41,135,059
Written back during the year	**-**	(141,664)
	46,752,906	40,993,395

21.5 **Balance written back during the year**

Payable as at June 30,	**9,009,261**	9,114,789
Written back during the year	**-**	(105,528)
	9,009,261	9,009,261

21.6 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.

21.7 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 24.2(a) of these financial statements).

	NOTE	**2024**	2023
		Rupees	
22 UNCLAIMED DIVIDENDS			
Unclaimed dividend		**1,442,230**	1,442,230

23 JOINT VENTURE PARTNER'S ADVANCES

These advance have been obtained under various Joint Venture agreements to finance the ongoing projects in the previous years. The joint venture partner is entitled to share 50% of the projects' profit financed out of these advances.

24 CONTINGENCIES AND COMMITMENTS

24.1 **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.

24.2 **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 is 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 21.6 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 to have a favourable decision in due course of time.

Punjab Revenue Authority completed its proceedings against the company for non-payment 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 to have a favourable 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 to have a favourable 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 favour 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.

24.3 **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).

	NOTE	**2024**	2023
		Rupees	
25 CONTRACT INCOME			
Own projects		**-**	6,677,706

26 CONTRACT EXPENDITURE

	NOTE	2024	2023
		Rupees	
Materials		-	3,559,733
Salaries and wages		**86,800**	7,385,044
Maintenance and hiring of plants		-	344,627
Project insurance		-	290,643
Cartage, traveling and conveyance		**36,900**	2,407,140
Site auxiliary works and temporary hutting		**3,200**	163,900
Electricity		-	39,669
Petrol, oil and lubricants		-	1,235,550
Sundry expenses		**12,480**	564,755
Depreciation	**5.3**	**781,547**	813,299
		920,927	16,804,360

27 GENERAL AND ADMINISTRATIVE EXPENSES

	NOTE	2024	2023
Salaries and benefits		**16,855,211**	15,784,007
Staff retirement benefits - gratuity	**19.5**	**219,415**	365,519
Repair and maintenance		**628,364**	438,222
Rent, rates and taxes		**4,924,320**	5,039,009
Communication		**237,602**	298,303
Advertisement and publicity		**275,500**	108,700
Legal and professional charges		**3,651,202**	1,789,094
Power and electricity		**1,068,002**	344,312
Travelling and conveyance		**1,650,478**	1,453,084
Works in view		**100,950**	15,505
Fee and subscription		**912,311**	493,606
Other sundry expenses		**2,593,578**	3,164,935
Depreciation	**5.3**	**833,897**	1,218,418
		33,950,830	30,512,714

28 OTHER OPERATING EXPENSES

	NOTE	2024	2023
Auditor remuneration	**28.1**	**685,125**	685,125
Loan and advance written off during the year	**12**	-	1,894,595
Long term security deposit written off	**8**	-	662,928
Workers' welfare fund		**60,319**	83,925
		745,444	3,326,573

28.1 **Auditor remuneration**

	2024	2023
Statutory audit	**498,750**	498,750
Half yearly review	**165,375**	165,375
Fee for other certifications	**21,000**	21,000
	685,125	685,125

			2024	2023
29	**OTHER INCOME**		**Rupees**	
	Income from financial assets:			
	Profit on deposit and PLS accounts		**1,305**	19,085
	Gain realized on maturity of defense saving certificate		**410,513**	-
	Income from non-financial assets:			
	Sundry creditors written back during the year	**21.2**	**-**	983,672
	Reversal of provision against loan and advances	**12.3**	**-**	1,021,977
	Accrued expenses written back during the year	**21.4**	**-**	141,664
	Due to subcontractors written back during the year	**21.3**	**-**	1,444,337
	Provision reversed during the year	**10.1**	**-**	1,275,749
	Employees Payable written back	**21.5**	**-**	105,528
	Rental income on investment property		**33,241,083**	37,503,248
	Gain on sale of operating fixed assets and investment property		**66,125**	-
	Markup on advances to subsidiary		**460,508**	-
	Gain on sale of obsolete stores & spares		**955,850**	3,269,556
			35,135,384	45,764,816

30	**BANK CHARGES**		
	Bank charges	**3,828**	7,847

31 FAIR VALUE (LOSS)/GAIN ON INVESTMENT PROPERTY

31.1 The company, as of June 30, 2024, had revalued all of its investment property. The revaluation exercise was carried out by Impulse (Private) Limited, and the revaluation resulted in a fair value (loss) amounting to Rs. (558,720) (2023: Gain Rs. 2,321,302).

31.2 The company, as of December 30, 2023, transferred the investment property to its subsidiary Gammon Precast Pakistan (Private) Limited against the issue of shares with the purpose of increasing the investment in subsidiary and recognizing a gain of Rs 4,000,000.

			2024	2023
32	**MINIMUM TAXES**	**NOTE**	**Rupees**	
	Minimum Taxes	**32.1**	**502,458**	-

32.1 This represents minimum tax under Section 113 of Income Tax Ordinance and is shown separately as per the amendments in the applicable standard as disclosed in the policy note 3.1 .

		NOTE	2024	2023
			Rupees	
33	**TAXATION**			
	Current year		-	699,096
	Deferred tax		**(40,180,043)**	(4,134,136)
			(40,180,043)	(3,435,040)

33.1 No numeric tax rate reconciliation is presented in these financial statements for the year ended June 30, 2024 as the Company's income was taxable under minimum tax regime of the Income Tax Ordinance, 2001.The aggregate of final taxes and income tax, amounting to Rs.502,458 represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001 and disclosed in accordance with the guidance on application of IAS 12.

33.2 The applicable income tax rate for the Tax Year 2024 and beyond is 29% on account of changes made to Income Tax Ordinance, 2001 through Finance Act 2023. Therefore, deferred tax is computed at the rate of 29% applicable to the period when temporary differences are expected to be reversed / utilized.

34 EARING PER SHARE - BASIC AND DILUTED

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

		2024	2023
Profit after tax	***RUPEES***	**42,633,220**	7,547,369
Weighted average number of ordinary shares at the end of the year	***NUMBERS***	**28,266,231**	28,266,231
Basic and diluted earning per share	***RUPEES***	**1.51**	0.27

34.1 **Earning per share comprises as follows:**	2024	2023
Distributable profit	**1.39**	0.18
Undistributable - unrealized fair value gains	**0.12**	0.08
	1.51	0.27

34.2 Under the provisions of Companies Act, 2017 unrealized gain on fair value of investment property is not distributable as dividend.

35 RELATED PARTY TRANSACTIONS

Related parties comprise of the holding company, subsidiaries, associated companies, directors and executives. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under relevant notes. Remuneration of directors and executives are disclosed in note 36 whereas other significant transactions with related parties are disclosed here.

	Name of the Related Party	Relationship	Transaction during the year	2024	2023
				Rupees	
a)	**Subsidiary**				
	Gammon Pakistan Precast (Private) Limited	Shareholder	Shares acquired	**188,840,000**	-
			Loan Provided	**8,252,815**	15,494,217
			Repayment	**9,501,678**	21,269,147
b)	**Associated Companies**				
	Ghandhara Automobiles Limited	Common Directorship	Rental income	**4,538,712**	4,092,825
			Rental received	**(4,538,712)**	(4,092,825)
	Ghandhara Industries Limited	Common Directorship	Rental income	**4,502,109**	4,059,550
			Rental received	**(4,568,659)**	(4,325,750)
	Janana De Malucho Textile Mills Limited	Common Directorship	Rental income	**73,205**	254,705
			Rental received	**-**	(242,000)
	Rehman Cotton Mills Limited	Common Directorship	Rental income	**-**	242,000
			Rental received	**-**	(242,000)
	Bannu Woollen Mills Limited	Common Directorship	Rental income	**6,344,113**	11,609,188
			Rental received	**(6,541,302)**	(11,863,576)
	Ghandhara Tyre & Rubber Company Limited	Common Directorship	Purchases	**-**	460,170
			Amount Paid	**-**	-

35.1 The status of outstanding balances of related parties as at June 30, 2024 are included in other receivable (note 13.1) and trade and other payables (note 21).

	NOTE	2024	2023
		Rupees	
36 PROFIT BEFORE WORKING CAPITAL CHANGES			
Profit before taxation		**2,955,635**	4,112,329
Adjustment for:			
Depreciation	**5**	**1,615,444**	2,031,717
Staff retirement benefits - gratuity	**27**	**219,415**	365,519
Fair value gain on investment property	**31**	**(3,441,280)**	(2,321,301)
Gain on disposal of fixed assets	**29**	**(66,125)**	-
Markup on advances to associated undertaking	**29**	**(460,508)**	-
Finance cost	**30**	**3,828**	7,847
		(2,129,226)	83,782
		826,409	4,196,111

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

a) The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive, Directors and Executives of the Company is as follows:

	2024				2023			
	Chief Executive	**Directors**	**Executives**	**Total**	Chief Executive	Directors	Executives	Total
	------------------------- Rupees -------------------------				------------------------- Rupees -------------------------			
Managerial remuneration	**-**	**-**	**4,944,972**	**4,944,972**	-	-	4,348,128	4,348,128
House rent	**-**	**-**	**863,004**	**863,004**	-	-	869,626	869,626
Medical	**-**	**-**	**863,004**	**863,004**	-	-	869,626	869,626
Utilities	**-**	**-**	**863,004**	**863,004**	-	-	869,626	869,626
Others allowances	**-**	**-**	**1,916,736**	**1,916,736**	-	-	1,739,251	1,739,251
Total	**-**	**-**	**9,450,720**	**9,450,720**	-	-	8,696,256	8,696,256
Number of persons	**1**	**7**	**3**	**11**	1	7	3	11

b) No remuneration was paid to the chief executive during the year and to the directors during the current year and preceding financial years.

c) The Chief Executive and certain executives are also provided with cars for business and personal use in accordance with the Company car scheme.

38 FINANCIAL ASSETS AND LIABILITIES

The Company's exposure to interest rate risk on its financial assets and liabilities are summarized as follows:

	2024				
	Total	Interest/mark up bearing: Maturity up to one year	Interest/mark up bearing: Maturity after one year	Interest/mark up bearing: Sub-total	Non interest / mark up bearing
	Rupees				
Financial assets					
Financial assets carried at amortized cost					
Long term investments	**189,340,000**	**-**	**-**	**-**	**189,340,000**
Long term security deposits	**3,750,600**	**-**	**-**	**-**	**3,750,600**
Contract receivables	**45,065,957**	**-**	**-**	**-**	**45,065,957**
Other receivables	**909,156**	**-**	**-**	**-**	**909,156**
Contract asset	**65,049,779**	**-**	**-**	**-**	**65,049,779**
Cash and bank balances	**3,101,414**	**899,948**	**-**	**899,948**	**2,201,466**
	307,216,906	**899,948**	**-**	**899,948**	**306,316,958**
Financial liabilities					
Financial liabilities carried at amortized cost					
Trade and other payables	**181,251,334**	**-**	**-**	**-**	**181,251,334**
Unclaimed dividends	**1,442,230**	**-**	**-**	**-**	**1,442,230**
Deferred liability	**6,402,590**	**-**	**-**	**-**	**6,402,590**
Joint venture partner's advances	**30,059,542**	**-**	**-**	**-**	**30,059,542**
	219,155,696	**-**	**-**	**-**	**219,155,696**
On balance sheet gap	**88,061,210**	**899,948**	**-**	**899,948**	**87,161,262**
Off Balance sheet Items					
Financial contingencies and commitments	**(136,794,238)**	**-**	**-**	**-**	**(136,794,238)**
Total Gap	**(48,733,028)**	**899,948**	**-**	**899,948**	**(49,632,976)**

	2023				
	Total	Interest/mark up bearing: Maturity up to one year	Interest/mark up bearing: Maturity after one year	Interest/mark up bearing: Sub-total	Non interest / mark up bearing
	Rupees				
Financial assets					
Financial assets carried at amortized cost					
Long term investments	1,800,413	-	1,300,413	1,300,413	500,000
Long term security deposits	1,200,600	-	-	-	1,200,600
Contract receivables	45,065,957	-	-	-	45,065,957
Other receivables	796,800	-	-	-	796,800
Contract asset	65,049,779	-	-	-	65,049,779
Cash and bank balances	2,120,883	898,839	-	898,839	1,222,044
	116,034,432	898,839	1,300,413	2,199,252	113,835,180
Financial liabilities					
Financial liabilities carried at amortized cost					
Trade and other payables	163,865,989	-	-	-	163,865,989
Unclaimed dividends	1,442,230	-	-	-	1,442,230
Deferred liability	7,552,434	-	-	-	7,552,434
Joint venture partner's advances	30,059,542	-	-	-	30,059,542
	202,920,195	-	-	-	202,920,195
On balance sheet gap	(86,885,763)	898,839	1,300,413	2,199,252	(89,085,015)
Off Balance sheet Items					
Financial contingencies and commitı	(136,794,238)	-	-	-	(136,794,238)
Total Gap	(223,680,001)	898,839	1,300,413	2,199,252	(225,879,253)

38.1 Effective interest rates are mentioned in the respective notes to the financial statements.

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

39.1 Risk management policies

The Company's objective in managing risks is the creation and protection of share holders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

39.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulator requirements.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. Out of total financial assets, the financial assets which are subject to credit risk amounted to Rs. 97,474,818/- (2023: Rs. 114,182,194). The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	NOTE	**2024**	2023
		Rupees	
Long term security deposits	**8**	**3,750,600**	1,200,600
Contract receivables	**10**	**45,065,957**	45,065,957
Other receivables	**13**	**909,156**	796,800
Contract asset	**11**	**45,065,957**	65,049,779
Bank balances	**16**	**2,683,148**	2,069,058
		97,474,818	114,182,194

The aging of contract receivables at the reporting date is:

	2024	2023
Not past due	**-**	-
Past due 1-30 days	**-**	-
Past due 30-90 days	**-**	-
Past due 90 days	**45,065,957**	45,065,957
	45,065,957	45,065,957

All the trade contract receivables at balance sheet date represent domestic parties.

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with major bank and monitoring exposure limits on continuous basis.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to any major concentration of credit risk.

39.3 **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The followings are the contractual maturities of financial liabilities, including interest payments if any and excluding the impact of netting agreements, if any:

	2024						
	Carrying Amount	**Contractual Cash Flow**	**Six Month or Less**	**Six to Twelve Month**	**One to Two Year**	**Two to Five Year**	**Over Five Year**
	---Rupees---						
Trade and Other Payable	**181,251,334**	**181,251,334**	**181,251,334**	**-**	**-**	**-**	**-**
Unclaimed Dividend	**1,442,230**	**1,442,230**	**-**	**1,442,230**	**-**	**-**	**-**
Deferred Liability	**6,402,590**	**-**	**-**	**-**	**-**	**6,402,590**	**-**
Joint Venture partner's advance	**30,059,542**	**30,059,542**	**30,059,542**	**-**	**-**	**-**	**-**
	219,155,696	**212,753,106**	**211,310,876**	**1,442,230**	**-**	**6,402,590**	**-**

	2023						
	Carrying Amount	Contractual Cash Flow	Six Month or Less	Six to Twelve Month	One to Two Year	Two to Five Year	Over Five Year
	---Rupees---						
Trade and Other	163,865,989	163,865,989	163,865,989	-	-	-	-
Unclaimed Dividend	1,442,230	1,442,230	-	1,442,230	-	-	-
Deferred Liability	7,552,434	-	-	-	-	7,552,434	-
Joint Venture partner's advance	30,059,542	30,059,542	30,059,542	-	-	-	-
	202,920,195	195,367,761	193,925,531	1,442,230	-	7,552,434	-

39.4 **Market risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arise in financial instruments that are denominated in foreign currencies i.e. in a currency other then the functional currency in which they are measured.

Presently the Company is not exposed to foreign currency risk except contingencies as disclosed in note 24.2 to these financial statements.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans and short borrowings. The Company believes that it is not exposed to any significant interest rate risk.

The Company is not exposed to any material interest rate risk, except fixed rate financial instrument (long term investment- note 7) which has a fixed rate of interest, therefore, no sensitivity analysis has been presented.

c) Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Company is not exposed to price risk since there are no financial instruments whose fair value or future cash flows will fluctuate because of changes in market prices.

40 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in arms length transactions.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each
The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IFRS 9. The carrying amount of trade receivables and payables are assumed to approximate their fair values.
The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments, if relevant.

	June 30,2024		June 30,2023	
	Carrying Amount	**Fair value**	Carrying Amount	Fair Value
	Rupees			
Assets Carried at Amortized Cost				
Contract receivables	**45,065,957**	**45,065,957**	45,065,957	45,065,957
Contract asset	**65,049,779**	**65,049,779**	65,049,779	65,049,779
Loans and advances	**19,982,207**	**19,982,207**	37,792,983	37,792,983
Other receivables	**909,156**	**909,156**	796,800	796,800
Cash and bank balances	**3,101,414**	**3,101,414**	2,120,883	2,120,883
	134,108,513	**134,108,513**	150,826,402	150,826,402

	June 30,2024		June 30,2023	
	Carrying Amount	**Fair value**	Carrying Amount	Fair Value
	Rupees			
Liabilities Carried at Amortized Cost				
Trade and Other Payable	**181,251,334**	**181,251,334**	163,865,989	163,865,989
Unclaimed Dividend	**1,442,230**	**1,442,230**	1,442,230	1,442,230
Joint Venture partner's	**30,059,542**	**30,059,542**	30,059,542	30,059,542
	212,753,106	**212,753,106**	195,367,761	195,367,761

As at June 30, 2024 the Company did not hold any financial instruments carried at fair value. Moreover, investment property and operating fixed assets are measured at fair value.

The investment property and freehold land and building in operating fixed assets were valued on June 30, 2024 carried out by external independent valuer M/s Impulse (Private) Limited.

	As at June 30,2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	Rupees			
Assets				
Investment Property Carried at Fair Value	**-**	**-**	**357,646,440**	**357,646,440**
Freehold Land and Building	**-**	**-**	**260,808,560**	**260,808,560**
	-	**-**	**618,455,000**	**618,455,000**

	As at June 30,2023			
	Level 1	Level 2	Level 3	Total
	Rupees			
Assets				
Investment Property Carried at Fair Value	-	-	479,831,160	479,831,160
Freehold Land and Building	-	-	295,673,840	295,673,840
	-	-	775,505,000	775,505,000

	NOTE	2024	2023
		Rupees	
Reconciliation of net increase in level 3 fair values:			
Fair value at beginning of the year		**775,505,000**	770,610,000
Transfer to subsidiary as consideration		**(160,806,875)**	-
Depreciation charged during the year	**5**	**(273,661)**	(339,786)
Remeasurement recognized in profit or loss		**3,441,280**	2,321,301
Remeasurement recognized in OCI		**589,256**	2,913,485
Fair value at end of the year		**618,455,000**	775,505,000

The Company has revalued its freehold land, buildings on June 30, 2024 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 recurring fair value measurement.

Interest rate used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are of short term in nature, fair value significantly approximates to carrying value.

Fair value hierarchy

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 table below analysis financial instruments carried at fair value by valuation method. The different values have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: input other than quoted prices included with in Level 1 that are observable for assets and liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change the occurred. However, there is no transfers between levels during the year.

40.1 **Determination of fair values**

A number of the Company's accounting polices and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined of measurement and / or disclosure purposes based on the following methods.

Non-derivate financial asset

The fair value of non-derivate financial asset is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value is determined for disclosure purposes.

Non-derivate financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

41 DISCLOSURE REQUIREMENT FOR ALL SHARE ISLAMIC INDEX

With reference to circular no. 14 of 2016 dated April 21, 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index", the Company does not have investment, bank balance or other operations having Islamic mode therefore, individual items required by circular no. 14 of 2016 have not been disclosed.

42 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitors the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

The capital structure of the Company is as follows:

	2024	2023
	Rupees	
Equity	**847,749,638**	804,356,069
Gearing ratio	**0%**	0%

43 JOINT VENTURES

43.1 The Joint Venture for execution of Bong Canal Bridge, Mangla with Sarwar Construction (Private) Limited was in the ratio of 60:40 and the Company recognized its own share i.e. 60% of income and expenses in the preceding years' financial statements.

43.2 As approved by the Board of Directors, the management had entered into Joint Venture arrangements for the execution of the following Projects in prior years:

	Project value Rs. in million	**Profit sharing ratio Investor**
Khalifa Gul Nawaz Medical Complex, Bannu	402.36	50%
Durrani Public School, Bannu - Phase II	295	50%
Hawad / Nurar Bridges, Bannu	176.42	50%

44 INFORMATION ABOUT BUSINESS SEGMENTS

For management purposes, the activities of the Company have been divided into own projects and joint ventures. The Company operates in these business segments based on risk and return, organizational and management structure and internal financial reporting systems. Operating results of joint ventures have not been separately disclosed in these financial statements as these do not meet the minimum thresholds prescribed by IFRS 8 (Operating Segments).

The Company's operations are confined to Pakistan in terms of customers; accordingly, the figures reported in these financial statements relate to the Company's business segments relating to Pakistan.

45 NUMBER OF EMPLOYEES	**2024**	2023
Number of employees as at June 30,	**17**	19
Average number of employees during the year	**17**	21

46 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

46.1 **MANAGEMENT ASSESSMENT OF GOING CONCERN**

Although the company has suffered operational loss of Rupees 0.481 million due to non-availability of profitable contracts/projects during the year, 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 following significant operational measures in order to generate liquidity and profitable projects/ventures:

• New Chief Operating officer, Project Director and Chief Financial Officer hired in place of ineffective predecessors;

• The Company going to develop their own housing and commercial projects for which necessary approvals are in process.

• On 01 September 2020 the company entered into a joint venture agreement for 15 years with Rajcon- a construction and engineering company having expertise in pre-fabricated buildings and construction for future projects. The Owner of Rajcon also appointed as Chief Operating Officer of the company to develop, acquire and manage the future projects for the Company;

46.2 **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 been lodged against him subsequent to June 30, 2021. The transactions mainly done out of books and the impact of such investigation/FIR, if any, will be accounted for in the period during which such case is completed.

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 04 Oct 2024 by the Board of Directors of the Company.

47.1 **GENERAL**

Amounts printed in the financial statements have been rounded off to the nearest of rupee, unless otherwise stated.

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and better presentation. However, no significant reclassification has been made.

CHIEF EXECUTIVE	**CHIEF FINANCIAL OFFICER**	**DIRECTOR**

INDEPENDENT AUDITORS' REPORT

To the members of Gammon Pakistan Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the annexed consolidated financial statements of **Gammon Pakistan Limited and its subsidiary company Gammon Pakistan Precast (Pvt) Limited** ("the Group"), which comprise the consolidated statement of financial position as at June 30, 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

Except for the matters described in the Basis for Qualified Opinion section of our report, in our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as on June 30, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion and after due verification we report that:

a) Contract receivables amounting to Rupees 45.06 million, allowance of expected loss amounting to Rupees 141.570 million, net contract assets amounting to Rupees 65.05 million, joint ventures partner advances amounting to Rupees 30.059 million as disclosed in notes 12, 12.1, 13 and 26 respectively could not be verified in absence of the direct confirmations from the involved parties. Further, no written efforts are available to recover/settle these old balances. The consequential cumulative effect of these matters has neither been determined nor adjusted in these consolidated financial statements.

b) As fully explained in note 24.6 after lapse of considerable time the holding 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 note 25 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 consolidated financial statements.

Emphasis of Matter

Without further qualifying our opinion:

a) we also draw attention to the Note 49.2 to the consolidated financial statements which explains that certain financial transactions pertaining to the ex CFO of the holding 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the holding company's financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon we do not provide a separate opinion on these matters. Following are the key audit matter(s):

Key audit matter	How our audit addressed the key audit matter
a) Contingencies and Group's exposure to litigation risk In our judgment, the Group has significant litigation cases and other contingencies, details of which are disclosed in note 27.2 to the accompanying consolidated financial statements. Given the nature and amounts involved in such cases and contingencies, and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgment, which can change over time as new facts emerge and each legal case progresses and the contingency crystallizes, and therefore, we have identified this as key audit matter.	Our audit procedures amongst others, included the following: - We obtained confirmations from legal advisors for current status on pending previous cases and any new cases filed during the year and assessing the advise given; - Checked orders by relevant authorities on previous lawsuits / cases appearing in the consolidated financial statements; - Reading correspondence of the Group with regulatory departments and the Group's external counsel, where available; - Discussing open matters and developments with the management of the Holding Company and its subsidiary; We evaluated that appropriate disclosures and presentation have been made in these consolidated financial statements.
b) Revenue recognition The Holding Company generates its revenue from long term projects. Revenue from such projects is recognized over a period of time by measuring progress towards complete satisfaction of the performance obligation. The extent of progress towards completion is measured by using the input method whereby actual cost incurred to date is compared with the total estimated cost of the project. During the year ended June 30, 2023, the Holding Company recognized an amount of Rs. 6.68 million as revenue from such projects. The application of the input method requires significant management judgment when estimating the total cost to complete the project. This estimate is revalued at the end of each reporting date to reflect current circumstances. We considered revenue from projects as a key audit matter due to significant management judgment and estimation involved. Refer to note 5.17 & 28 to the consolidated financial statements	Our audit procedures amongst others, included the following: - Obtained understanding of the internal processes used to record actual cost incurred; - Obtained understanding of the cost estimation process and techniques adopted by the management for determination of estimated total cost to complete the project; - Assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates; - Performed test of detail procedures over actual cost incurred during the year; - Checked the extent of progress towards completion by comparing actual costs as per the Holding Company's accounting records to the estimated total costs of the projects; and - Assessed the adequacy of related disclosures in the consolidated financial statements

c) Control environment relating to the financial reporting process and related IT systems The IT control environment relating to the Group's financial reporting process and the application controls of individual IT systems have an impact on the selected audit approach. As the Consolidated financial statements are based on extensive number of data flows from multiple IT systems, consequently the Group's financial reporting control environment is determined as a key audit matter.	Our audit procedures included evaluation of the Group's financial reporting process and related control environment, as well as testing of the effectiveness of controls including general IT controls. Our audit procedures focused on testing the reconciliation and approval controls as well as on evaluating the administration of access rights. Our audit procedures extensively consisted of several substantive procedures as well as data analysis relating to the most significant balances on the consolidated statement of profit or loss and consolidated statement of financial position.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Rizwan & Co

Rizwan and Company
Chartered Accountants

Islamabad:
Date: 10 October 2024

UDIN: AR202410101qzNyoShLs

GAMMON PAKISTAN LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
June 30, 2024

GAMMON PAKISTAN LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	NOTE	2024	2023
ASSETS			
NON CURRENT ASSETS		**Rupees**	
Property, plant and equipment			
Operating fixed assets	6	516,333,754	312,911,852
Investment property	7	357,646,440	479,831,160
Precommencement expenditure	8	6,196,321	6,560,811
Work in Progress - civil work		3,366,911	703,358
Long term investments	9	-	1,300,413
Long term security deposits	10	3,750,600	1,200,600
Deferred taxation	23	10,866,023	-
		898,160,049	802,508,194
CURRENT ASSETS			
Stores, spares and loose tools	11	21,537,189	16,186,447
Contract receivables	12	45,065,957	45,065,957
Contract asset	13	65,049,779	65,049,779
Loans and advances	14	18,145,255	16,243,107
Other receivables	15	4,015,220	5,073,726
Tax refunds due from Government	16	90,514,225	85,272,052
Advance Tax - net	17	4,199,768	5,242,173
Cash and bank balances	18	3,314,907	3,257,746
		251,842,300	241,390,987
TOTAL ASSETS		1,150,002,349	1,043,899,181
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	19	282,662,310	282,662,310
Capital reserves			
Share premium reserve		15,380,330	15,380,330
Revaluation surplus on property, plant and equipment	20	383,585,284	428,814,751
		398,965,614	444,195,081
Revenue reserve-Accumulated profit		145,523,982	69,212,505
Equity attributable to owners of the holding company		827,151,906	796,069,896
Non-controlling interest	21	78,094,677	(304,847)
		905,246,583	795,765,049
NON-CURRENT LIABILITIES			
Deferred liability	22	6,402,590	7,552,434
Deferred taxation	23	-	29,326,126
		6,402,590	36,878,560
CURRENT LIABILITIES			
Trade and other payables	24	203,472,646	176,918,743
Unclaimed dividends	25	1,442,230	1,442,230
Taxation		3,378,758	2,835,057
Joint venture partner's advances	26	30,059,542	30,059,542
		238,353,176	211,255,572
TOTAL EQUITY AND LIABILITIES		1,150,002,349	1,043,899,181
CONTINGENCIES AND COMMITMENTS	27	-	-

The annexed notes from 1 to 50 form an integral part of these financial statements.

CHIEF EXECUTIVE | **CHIEF FINANCIAL OFFICER** | **DIRECTOR**

GAMMON PAKISTAN LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	NOTE	2024	2023
		Rupees	
Revenue	28	**43,496,084**	48,502,321
Contract expenditure/cost of good sold	29	**(44,886,781)**	(39,326,794)
Gross profit/ (loss)		**(1,390,697)**	9,175,527
Operating expenses			
General and administrative expenses	30	**(48,803,214)**	(40,894,533)
Other operating expenses	31	**(945,444)**	(3,526,573)
		(49,748,658)	(44,421,106)
Other income	32	**34,991,829**	46,840,410
Net operating profit/ (loss)		**(16,147,527)**	11,594,831
Finance Cost	33	**(5,453)**	(8,687)
Fair value gain on investment property	34	**3,441,280**	2,321,301
Profit/(Loss) before income taxes and minimum taxes		**(12,711,700)**	13,907,445
Minimum taxes	35	**(1,046,159)**	-
Profit/(Loss) before income taxes		**(13,757,858)**	13,907,445
Taxation	36	**40,180,043**	1,319,153
Profit/ (loss) after taxation		**26,422,185**	15,226,598
Profit or loss attributable to:			
Equity holders of the holding company		**29,162,661**	14,954,329
Non-controlling interests	21	**(2,740,476)**	272,269
		26,422,185	15,226,598
Earnings per share:			
Earnings per share - basic and diluted	37	**1.03**	0.53

The annexed notes from 1 to 50 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

GAMMON PAKISTAN LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	NOTE	2024	2023
		Rupees	
Profit/ (loss) after taxation		**26,422,185**	15,226,598
Other comprehensive income			
Item that will not be reclassified to profit and loss:			
Revaluation surplus on property, plant and equipment	20	**2,907,257**	2,913,485
Related deferred tax impact	20	**12,106**	(98,538)
		2,919,362	2,814,947
(Loss)/gain on remeasurement of defined benefit liability	22.4	**158,987**	124,100
Total other comprehensive income for the year		**3,078,349**	2,939,047
Total comprehensive (loss)/income for the year		**29,500,534**	18,165,645
Total comprehensive (loss)/income attributable to:			
Equity holders of the holding company		**32,045,081**	17,893,376
Non-controlling interests		**(2,544,547)**	272,269
		29,500,534	18,165,645

The annexed notes from 1 to 50 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

GAMMON PAKISTAN LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	NOTE	Share capital	Reserves			Non-controlling interest	Total
			Capital		Revenue		
		Issued, subscribed and paid-up capital	Share premium reserve	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	53,329,441	(577,116)	777,599,404
Total comprehensive income for the year ended June 30, 2023							
(Loss) for the year		-	-	-	14,954,329	-	14,954,329
Revaluation of property, plant and equipment - net of deferred tax		-	-	2,814,947	-	-	2,814,947
Gain on remeasurement of defined benefit liability		-	-	-	124,100	-	124,100
		-	-	2,814,947	15,078,429	-	17,893,376
Transfer from revaluation surplus on property, plant and equipment:							
- on account of incremental depreciation-net of deferred tax	20	-	-	(804,635)	804,635	-	-
- upon disposal of revalued property, plant and equipment		-	-	-	-	-	-
		-	-	(804,635)	804,635	-	-
Non-controlling interest:							
Share of (loss) (4%)		-	-	-	-	-	-
Share of net assets		-	-	-	-	272,269	272,269
		-	-	-	-	272,269	272,269
Balance as at June 30, 2023		282,662,310	15,380,330	428,814,751	69,212,505	(304,847)	795,765,049
Total comprehensive income for the year ended June 30, 2023							
Profit/ (loss) for the year		**-**	**-**	**-**	**29,162,661**	**-**	**29,162,661**
Revaluation of property, plant and equipment - net of deferred tax		**-**	**-**	**1,760,362**	**-**	**-**	**1,760,362**
Gain on remeasurement of defined benefit liability		**-**	**-**	**-**	**158,987**	**-**	**158,987**
		-	**-**	**1,760,362**	**29,321,648**	**-**	**31,082,010**
Transfer from revaluation surplus on property, plant and equipment:							
- on account of incremental depreciation-net of deferred tax	20	**-**	**-**	**(1,441,959)**	**1,441,959**	**-**	**-**
- upon revaluation adjustment for transfer of property, plant and equipment		**-**	**-**	**(45,547,870)**	**45,547,870**	**-**	**-**
		-	**-**	**(46,989,829)**	**46,989,829**	**-**	**-**
Non-controlling interest:							
		-	**-**	**-**	**-**	**-**	**-**
Share of (loss) (30.01%)		**-**	**-**	**-**	**-**	**(2,740,476)**	**(2,740,476)**
Investment during the year		**-**	**-**	**-**	**-**	**81,140,000**	**81,140,000**
Share of net assets		**-**	**-**	**-**	**-**	**78,399,524**	**78,399,524**
Balance as at June 30, 2024		**282,662,310**	**15,380,330**	**383,585,284**	**145,523,982**	**78,094,677**	**905,246,583**

The annexed notes from 1 to 50 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

GAMMON PAKISTAN LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2024

	NOTE	2024	2023
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before working capital changes	39	(8,514,748)	15,612,921
Changes in working capital:			
Decrease / (increase) in current assets			
Stores, spares and loose tools	11	(5,350,742)	47,964
Contract receivables	12	-	852,136
Loans and advances	14	(1,902,148)	12,950,114
Other receivables	15	1,058,506	(3,704,498)
Trade deposits and short term prepayments		-	325,701
Increase/(decrease) in current liabilities			
Trade and other payables	24	26,493,584	(14,120,014)
		20,299,200	(3,648,597)
Cash generated from operations		11,784,452	11,964,324
Bank charges paid	33	(5,453)	(8,687)
Income tax paid		(4,702,225)	(5,941,269)
Gratuity paid		(1,210,272)	(821,050)
		(5,917,950)	(6,771,006)
Net cash (used in) operating activities		5,866,502	5,193,318
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	6	(1,896,201)	(4,063,288)
Work in progress		(2,663,553)	(703,358)
Long term investments	9	1,300,413	-
Long term security deposits	10	(2,550,000)	662,928
Net cash generated / (used in) investing activities		(5,809,341)	(4,103,718)
Net (decrease)/increase in cash and cash equivalents		57,161	1,089,600
Cash and cash equivalents at the beginning of the year		3,257,746	2,168,146
Cash and cash equivalents at the end of the year	18	3,314,907	3,257,746

The annexed notes from 1 to 50 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

1 THE GROUP AND ITS OPERATIONS

1.1 **The group consists of:**

Holding Company

- Gammon Pakistan Limited

Subsidiary Company

- Gammon Pakistan Precast (Private) Limited

GAMMON PAKISTAN LIMITED

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. It's shares are quoted on Pakistan Stock Exchange Limited (Formerly Karachi Stock Exchange Limited, Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited). The principal activity of the Company is 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 (the holding company), a private company incorporated in Pakistan.

Geographical locations and addresses of all business units are as follows:

Sr.No	Location	Address
1	Head office	Gammon House, 400/2 Peshawar Road, Rawalpindi.
2	Rawalpindi	Mouza Harka, Main Chakbeli Road, Tehsil & Distt. Rawalpindi.
3	Hyderabad	Plot no 23,24/1,27 and 28 Deh Sari, Qasimabad, Taluka Qasimabad, Distt. Hyderabad.

GAMMON PAKISTAN PRECAST (PRIVATE) LIMITED

The Company was incorporated under the Companies Act, 2017 on November 16, 2021 as a Private Company Limited by shares. The principal activity of the Company is to carry on the business of all kind of cement, concrete precast products, its manufacturing/trade/installation on site work and all kind of construction business. The registered office of the Company is situated at Gammon House, 400/2 Peshawar Road, Rawalpindi. Gammon Pakistan Limited has 69.99% ownership in the share capital of Gammon Pakistan Precast (Private) Limited.

Geographical locations and addresses of all business units are as follows:

Sr.No	Location	Address
1	Head office	Gammon House, 400/2 Peshawar Road, Rawalpindi.
2	Rawalpindi	Mouza Harka, Main Chakbeli Road, Tehsil & Distt. Rawalpindi.

2 BASIS OF PREPARATION

2.1 **Statement of compliance**

These consolidated financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Companies Act, 2017. However, provisions of and the directives issued under the Companies Act, 2017 have been followed where those provisions are not consistent with the requirements of the IFRSs as notified under the Companies Act, 2017.

2.2 **Basis of measurement**

These consolidated financial statements have been prepared under the historical cost convention except for certain fixed assets which have been stated at revalued amount, investment properties which have been stated at fair value, recognition of certain staff retirement benefits at present value and certain other items as disclosed in relevant accounting policies.

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

2.3 **Functional and presentation currency**

These consolidated financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Group.

2.4 **Key judgments and estimates**

The preparation of consolidated financial statements in conformity with the accounting and reporting standards as 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 accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method and revalued amounts of property, plant and equipment - Note 5.1 & 6
- Fair value of investment property - Note 5.2 & 7
- Allowance for expected credit loss (ECL) on contract receivables and loans and advances - Note 5.6, 5.7, 12 & 15
- Obligation of defined benefit obligation - Note 5.16 & 23
- Estimate of revenue and cost - Note 5.17
- Impairment of financial instruments based upon expected credit loss model - Note 5.19
- Estimation of provisions - Note 5.21
- Estimation of contingent liabilities - Note 5.22
- Current income tax expense, provision for current tax and recognition of deferred tax asset - Note 5.15, 23 & 36

3 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED STANDARDS

3.1 **Amendments to published approved accounting standards that are effective in current year and are relevant to the Group**

There are certain amendments to the accounting and reporting standards which became applicable to the Company on July 1, 2023. However, these amendments do not have any significant impact on the consolidated financial statements.

- Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements' - the Company adopted Disclosure of Accounting Policies from January 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the consolidated financial statements.

- 'The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that users need to understand other information in the consolidated financial statements.

During the current period, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12, Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Group Company has changed its accounting policy to designate the amount calculated on taxable income using the notified tax rate as an income tax expense. Any excess over the amount designated as income tax, is then recognized as a 'Levy' under 'IAS 37, Provisions, Contingent Liabilities and Contingent Assets', which were previously being recognized as 'income tax'.

In accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors' and the guidance provided, this guidance shall be applied retrospectively (if considered to be material). However, as the tax expense of the Company during the current and prior period is assessed under minimum tax regime (MTR). Therefore, an adjustment is made in these consolidated financial statements as a result of application of this guidance.

3.2 **Amendments that are effective in current year and not relevant to the Group**

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Group’s Consolidated financial statements and are therefore not detailed in these consolidated financial statements.

3.3 **Amendments to published approved accounting standards that are not yet effective but relevant to the Group**

Following amendments to existing standards have been published and are mandatory for the Group company’s accounting periods beginning on or after 01 July 2024 or later periods:

Standards or interpretations	**Effective date Accounting periods beginning on or after:**
Amendments to IFRS 16, 'Leases’ related to sale and lease back after the date of transaction	January 01, 2024
Amendments to IAS 1, 'Presentation of financial statements’ related to non current liabilities with covenants	January 01, 2024
Amendments to IAS 7, 'Statement of Cash Flows', IFRS 7, 'Financial Instruments: Disclosures' on changes regarding supplier finance arrangements	January 01, 2024
Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' related to lack of exchangeability	January 01, 2025
Amendment to IFRS 9 and IFRS 7 related to classification and measurement of financial instruments	January 01, 2026

IFRS 18, 'Presentation and Disclosure in financial statements'	January 01, 2027
IFRS 19, 'Subsidiaries without public accountability: Disclosures'	January 01, 2027

There are number of other standards, amendments, improvements and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

3.4 **Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Group**

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Group's Consolidated financial statements and are therefore not detailed in these Consolidated financial statements.

4 BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of Gammon Pakistan Limited ("the Holding Company") and its subsidiary company, Gammon Pakistan Precast (Private) Limited ("the Subsidiary Company"), which is 69.99%

The Subsidiary Company

A subsidiary company is an entity over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. A subsidiary company is fully consolidated from the date on which control is transferred to the Group and is derecognized from the date the control ceases. These consolidated financial statements include the Holding Company and the Subsidiary Company in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of the directors of the Subsidiary Company.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of the subsidiary company is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gain or losses arising from such measurement are recognized in consolidated profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in consolidated statement of profit or loss and is not reversed in future periods.

Any contingent considerations to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified an equity is not re-measured, and its subsequent settlement is accounted for within equity.

The assets, liabilities, income and expenses of subsidiary company is consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiary's shareholders' equity in the consolidated financial statements.

Inter-company transactions, balances and unrealized gains on transactions between the Group companies, are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by the Subsidiary have been adjusted to conform with the Group's accounting policies.

The Subsidiary has same reporting period as that of the Holding Company. The accounting policies of subsidiary have been changed to confirm with accounting policies of the Group, wherever needed.

Changes in ownership interests in subsidiary without change of control

Transactions with non - controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the Subsidiary Company is recorded in equity. Gains or losses on disposals to non - controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is premeasured to its fair value, with the change in carrying amount recognized in consolidated statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This mean that amounts previously recognized in other comprehensive income are reclassified to consolidated statement of profit or loss.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

5.1 Property, plant and equipment

Initial recognition

All items of property, plant and equipment are initially recorded at cost.

Subsequent measurement

Items of property, plant and equipment are stated at cost / revalued amount less accumulated depreciation and any identified impairment loss, if any, except for freehold land, which is stated at revalued amount.

Depreciation

Depreciation is charged to profit and loss account on straight-line basis on the cost or valuation of all fixed assets from / to the date of acquisition / deletion, except for freehold land, to write-off ninety percent of the value over the useful life of the assets. The remaining ten percent is written-off on retirement is considered the residual value.

Revaluation surplus on property, plant and equipment

Any revaluation increase arising on the revaluation of land, buildings and plant and machinery is recognised in other comprehensive income and presented as a separate component of equity as “Revaluation surplus on property, plant and equipment”, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings and plant and machinery is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Group’s shareholders. The surplus on revaluation buildings and plant and machinery to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss. In case of the sale or retirement of a revalued items, the attributable revaluation surplus remaining in the surplus on revaluation of such item is transferred directly to the unappropriated profit.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The Group revalue its operating fixed assets on regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

5.2 **Investment properties**

Recognition and measurement

Investment properties represent the properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

Derecognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

When an item of property, plant and equipment is transferred to investment property following a change in its use and differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of property, plant and equipment if it is a gain. Upon disposal of the item related surplus on revaluation of property, plant and equipment is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the income statement.

Leases

With regard to activities as a lessor, the Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases. Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of profit or loss on a straight-line basis over the lease term and is included in 'other income' under note 32.

5.3 **Impairment of non-financial assets other than inventories**

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. The Group recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

The Group assesses at each balance sheet date whether there is any indication that assets other than stores and spares and stock in trade and deferred tax assets may be impaired. If such an indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. Where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amounts and the resulting impairment loss is recognized as expense in the profit and loss account, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

5.4 **Investments at amortized cost**

These are carried at amortized cost less impairment loss, if any. Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified at amortized cost using the effective interest method. Gain and losses are recognized in the profit and loss account when the investments are derecognized or impaired, as well as through the amortization process.

5.5 **Stock of materials, stores, spares and loose tools**

Measurement

Stock of materials, stores, spares and loose tools is valued at the lower of cost and net realizable value.

Cost is calculated using the weighted average method and comprises direct materials, direct labour costs and direct overheads that have been incurred in bringing the inventories to their present location and condition.

Net realizable value represents the estimated selling price in the ordinary course of the business less all estimated costs of completion and estimated costs necessary to be incurred in order to make the sale.

Cost of materials is determined using the first-in-first out method.

Cost of stores, spares and loose tools is determined using the weighted average method.

Impairment

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the cost of sales in the statement of profit or loss.

Judgments and estimates

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and decline in net realizable value and an allowance is recorded against the inventory balances for any such decline.

5.6 **Contract receivables**

Measurement

Contract receivables are measured at original invoice amount less an estimate made for doubtful receivable balance at the year-end.

A provision for impairment of contract receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

Judgments and estimates

The allowance for expected credit of the Group is based on the assessment as per IFRS 9 and management's continuous evaluation of the recoverability of the outstanding contract receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness, past collection history of each customer along with future indications and macro-economic factors of the industry, economy and country.

5.7 **Loans and advances**

These are stated at cost less provision for doubtful advances, if any.
A provision for impairment of advances is established when there is objective evidence that the Group will not be able to adjust all advances according to the original terms of the advances. The amount of the provision is recognised in the statement of profit or loss.

Judgments and estimates

The allowance for expected credit of the Group is based on the assessment as per IFRS 9 and management's continuous evaluation of the reliability of the advances.

5.8 **Other receivables**

Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future.

5.9 **Cash and cash equivalents**

Cash and cash equivalents are carried in the financial statements at cost. For the purposes of cash flow statement, cash and cash equivalents comprise of cash-in-hand and bank balances.

5.10 **Borrowings and borrowing costs**

All borrowings are recorded at the proceeds received. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to profit and loss in the period in which these are incurred.

5.11 **Trade and other payables**

Creditors relating to trade and other payables are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Group.

5.12 **Dividend distribution**

Dividend distribution to the Group's shareholders is recognised as a liability in the period in which the dividends are approved by the Group's shareholders.

5.13 **Joint venture partner's advances (including share of accrued profit)**

Profit / loss on advances obtained from a joint venture partner is recognized on 'accrual basis in accordance with the agreed percentage.

5.14 **Dividend and appropriation to reserves**

Dividend distribution to the Group's shareholders and appropriation to reserves are recognized in the period in which these are approved.

5.15 **Taxation**

Income tax expense comprises current and deferred tax.

Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), in which case the tax amounts are recognized directly in other comprehensive income or equity.

Current

Provision for current taxation is based on taxable income on current rates of taxation after taking into account the rebates and tax credits available, if any, or 1.25% of turnover and corporate tax as per section 113C, whichever is higher in accordance with the provisions of the Income Tax Ordinance, 2001.

The Group recognizes tax liabilities for pending tax assessments using estimates based on expert opinion obtained from tax/legal advisors. Differences, if any, between the income tax provision and the tax liability finally determined is recorded when such liability is so determined.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Off-setting

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

5.16 **Defined benefit plan (gratuity)**

The Group measures defined benefit liabilities (assets) at the present value of its obligation under defined benefit plan at the reporting date minus the fair value at the reporting date of plan assets out of which the obligations are to be settled directly. The obligation under defined benefit plan is determined using the projected unit credit method.

Actuarial gains and losses are recognised in the other comprehensive income in the period in which they occur. Past-service costs are recognised immediately in the statement of profit or loss.

In determining the liability for long-service payments management must make an estimate of salary increases over the following five years, the discount rate to calculate present value over next five years, and the number of employees expected to leave before they receive the benefits.

5.17 **Revenue recognition**

Revenue is recognized overtime as per IFRS 15 "Revenue from Contracts with Customers" on the basis of input method on the execution of contract activities where the outcome of the construction contract can be estimated reliably as measured by the proportion that contract work performed to date bears to the estimated total contract work. Variable consideration due to contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of the construction contract cannot be estimated reliably, contract revenue is recognized to the extent of the contract costs incurred that probably will be recoverable. Contract costs are recognized as expense in the period in which they are incurred.

-Revenue from rental income is recognized on 'accrual basis'.
-Interest income is also recognized on 'accrual basis'.

Contract revenue and cost

Input method is applied on a cumulative basis in each accounting period to the current estimates of total contract revenue and total contract costs. Any change in these estimates will affect the contract revenue and contract costs accordingly.

5.18 **Foreign currency transactions**

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pak Rupees at the exchange rates prevailing on the balance sheet date. All exchange differences are charged to profit and loss account.

5.19 **Financial Instruments**

5.19.1 **Financial assets**

The Group classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Group as at statement of financial position date are carried at amortized cost.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

The Group recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Group measures loss allowance at an amount equal to lifetime ECLs.

The Group recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Group measures loss allowance at an amount equal to lifetime ECLs.

At each reporting date, the Group assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

5.19.2 **Financial liabilities**

All financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument.

5.19.3 **Recognition and measurement**

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

5.19.4 **Derecognition**

The financial assets are de-recognized when the Group loses control of the contractual right that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

5.20 **Off-setting of financial assets and liabilities**

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognized amounts and the Group intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

5.21 **Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

5.22 **Contingent liabilities**

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.23 **Contract asset / liability**

The Group recognizes contract asset against the cost incurred and estimated earning which is in excess of the amount billed to the customer to date. The Group recognizes the contract liability against the amount billed to the customer which is in excess of the cost incurred and estimated earning of the contract to date.

5.24 **Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components. The Group has only one reportable segment.

5.25 **Joint ventures and joint operations.**

The Group's share in transactions and balances related to joint operations, in which the Group has a working interest, are combined on a line by line basis with similar items in the Group's consolidated financial statements. While equity method accounting is used for joint ventures.

5.26 **Earnings per share**

The Group presents earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.27 **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 using valuation modes as admissible.

6 OPERATING FIXED ASSETS

The following is the statement of operating fixed assets:

Description	Freehold land	Buildings on freehold land	Plant and machinery	Furniture and fixtures	Computers and accessories	Motor vehicles, cycles and boats	Construction equipments	Total
	Rupees							
Year ended June 30, 2024								
Net carrying value basis								
Opening book value	**282,082,400**	**17,348,836**	**11,474,197**	**836,568**	**755,307**	**274,486**	**140,058**	**312,911,852**
Revaluation surplus/(deficit)	**196,000**	**1,552,256**	**-**	**-**	**-**	**-**	**-**	**1,748,256**
Additions	**-**	**-**	**1,463,800**	**-**	**223,700**	**208,701**	**-**	**1,896,201**
Transfers	**121,626,000**	**4,066,125**	**81,140,000**	**-**	**-**	**-**	**-**	**206,832,125**
Deletions - NBV	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge	**-**	**(488,665)**	**(5,951,374)**	**(215,665)**	**(207,197)**	**(160,799)**	**(30,980)**	**(7,054,680)**
Closing net book value	**403,904,400**	**22,478,552**	**88,126,623**	**620,903**	**771,810**	**322,388**	**109,078**	**516,333,754**
Gross carrying value basis								
Cost/revalued amount	**403,904,400**	**22,967,217**	**100,524,723**	**2,099,087**	**1,926,354**	**3,513,779**	**418,200**	**535,353,760**
Deletions	**-**	**(66,125)**	**-**	**-**	**-**	**-**	**-**	**(66,125)**
Revaluation adjustments	**-**	**(207,536)**	**-**	**-**	**-**	**-**	**-**	**(207,536)**
	403,904,400	**22,693,556**	**100,524,723**	**2,099,087**	**1,926,354**	**3,513,779**	**418,200**	**535,080,099**
Accumulated depreciation	**-**	**(488,665)**	**(12,398,100)**	**(1,478,184)**	**(1,154,544)**	**(3,191,391)**	**(309,122)**	**(19,020,006)**
Deletions	**-**	**66,125**	**-**	**-**	**-**	**-**	**-**	**66,125**
Revaluation adjustments	**-**	**207,536**	**-**	**-**	**-**	**-**	**-**	**207,536**
	-	**(215,004)**	**(12,398,100)**	**(1,478,184)**	**(1,154,544)**	**(3,191,391)**	**(309,122)**	**(18,746,345)**
	403,904,400	**22,478,552**	**88,126,623**	**620,903**	**771,810**	**322,388**	**109,078**	**516,333,754**
Year ended June 30, 2023								
Net carrying value basis								
Opening book value	279,508,701	17,447,715	9,464,367	1,052,235	733,546	729,881	202,790	309,139,235
Revaluation surplus/(Deficit)	2,573,699	339,786	-	-	-	-	-	2,913,485
Additions	-	-	3,818,288	-	210,000	35,000	-	4,063,288
Deletions - NBV	-	-	-	-	-	-	-	-
Depreciation charge	-	(438,665)	(1,808,458)	(215,667)	(188,239)	(490,395)	(62,732)	(3,204,156)
Closing net book value	282,082,400	17,348,836	11,474,197	836,568	755,307	274,486	140,058	312,911,852
Gross carrying value basis								
Cost/revalued amount	282,082,400	17,787,501	17,920,923	2,099,087	1,702,654	3,305,078	418,200	325,315,843
Revaluation adjustments	-	(438,665)	-	-	-	-	-	(438,665)
	282,082,400	17,348,836	17,920,923	2,099,087	1,702,654	3,305,078	418,200	324,877,178
Accumulated depreciation	-	(438,665)	(6,446,726)	(1,262,519)	(947,347)	(3,030,592)	(278,142)	(12,403,991)
Revaluation adjustments	-	438,665	-	-	-	-	-	438,665
	-	-	(6,446,726)	(1,262,519)	(947,347)	(3,030,592)	(278,142)	(11,965,326)
Net book value	282,082,400	17,348,836	11,474,197	836,568	755,307	274,486	140,058	312,911,852
Depreciation rate % per Annum	**-**	**2.5 to 2.8**	**6 to 30**	**9 to 18**	**10 to 15**	**9 to 18**	**6 to 24**	

6.1 Freehold land of the Company is located at Chakbeli road near Rawat and Peshawar road, District Rawalpindi, Punjab, and Taluka Qasimabad, Distt hyderabad, Sindh, with an area of 50.9 kanal, 5.1 kanal and 5.8 kanal respectively. Details of workshop and residential buildings of the company constructed on this land are as follows:

LOCATION	PARTICULAR	COVERED AREA (In Sq. Ft)
Mouza Harka, Main Chakbeli Road, Tehsil and District Rawalpindi	**Stores and godowns for stores and spares.**	**7,056**
Mouza Chur Harpal, Near Chur Chowk, Main Peshawar Road, Rawalpindi Cantt.	**Gammon house Head office**	**4,004**

6.2 Depreciation has been allocated as follows:

	NOTE	2024	2023
		Rupees	
Contract expenditure	**29**	**5,982,354**	1,871,190
General and administrative expenses	**30**	**1,072,326**	1,332,966
		7,054,680	3,204,156

6.3 The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

6.4 This represents surplus on book values resulted from revaluation of operating fixed assets based on fair value / market value estimated by independent valuers adjusted only by surplus realized on disposal of revalued assets and incremental depreciation arising out of revaluation. Revaluation of land and buildings was based upon fair market value and valuation for other operating assets was conducted during 2019 which was based upon depreciated replacement costs to reflect the residual service potential of the assets taking account of age, condition and obsolescence. Details of revaluation are as follows:

Independent valuer	Revaluation dates
M/s Impulse (Private) Limited	June 30,2024
M/s Impulse (Private) Limited	June 30,2023
M/s Impulse (Private) Limited	June 30,2022
M/s Impulse (Private) Limited	June 30, 2021
M/s Impulse (Private) Limited	June 30, 2020
M/s Impulse (Private) Limited	June 30, 2019

6.5 The forced sale value of the revalued freehold land and buildings at date of statement of financial position has been assessed at Rs. 221,328,928/-.

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

	2024 **Rupees**
Freehold land	120,988
Buildings on freehold land	3,022,495
Plant and machinery	1,324,644
Furniture and fixture	972,605
Computers and accessories	1,061,106
Motor vehicles, cycles and boats	272,155
Construction equipment	273,403

			2024	2023
7	**INVESTMENT PROPERTY**	**NOTE**	**Rupees**	
	Carrying amount as at June 30,			
	Rural land	**7.2**	**-**	121,626,000
	Gammon House - land and building	**7.3**	**357,646,440**	358,205,160
			357,646,440	479,831,160
7.1	The movement in this account is as follows:			
	Opening balance		**479,831,160**	477,509,859
	Less: Transfer during the year		**(121,626,000)**	-
	Net fair value gain on revaluation shown in profit and loss account	**7.4**	**(558,720)**	2,321,301
	Carrying amount as at June 30		**357,646,440**	479,831,160

7.2 It represents the transfer of barren land at Chak Beli, measuring 209.70 kanals, to operating fixed assets as disclosed in note 6 as an addition

7.3 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.

In 2013, management purchased and installed two billboards at Gammon House which had been treated as additions to investment properties.

7.4 The company, as of June 30, 2024, had revalued all of its investment property. The revaluation exercise was carried out by an independent valuer, Impulse (Private) Limited, and the revaluation resulted in a (loss) or gain of Rs. (558,720) (2023: Rs. 2,321,301) in net adjustment to the fair value.

Forced sale value of the investment property at date of statement of financial position is assessed at Rs. 303,508,072/-.

There are no non-cancellable fixed rate operating leases over the Group's investment property, land and buildings.

		NOTE	2024	2023
			Rupees	
8	**PRE-COMMENCEMENT EXPENDITURES**			
	Cost Incurred		**7,289,790**	7,289,790
			7,289,790	7,289,790
	Less: Accumulated Amortization		**(1,093,469)**	(728,980)
			6,196,321	6,560,811

8.1 It represents pre-commencement expenditures of subsidiary company that is amortized over the period of twenty years using straight line method.

		NOTE	2024	2023
9	**LONG TERM INVESTMENTS**			
	Amortized cost			
	Defense Savings Certificates	**9.1**	**-**	500,000
	Accrued interest		**-**	800,413
			-	1,300,413

9.1 During the year February 22, 2024 , the company has liquidated the defense savings certificates with markup accrued after the release of the pledge from the Director of Works and Chief Engineer, Pakistan Navy, Islamabad, that is surrendered as security amounting to Rs. 1,710,926.

		NOTE	2024	2023
			Rupees	
10	**LONG TERM SECURITY DEPOSITS**			
	Tender money deposit	**10.2**	**2,550,000**	-
	Others security deposits	**10.3**	**1,200,600**	1,200,600
			3,750,600	1,200,600

10.1 Long term security deposits represent deposits against tenders for provision of services. These are carried at nominal value as effect of amortization is not material in respect of these financial statements.

		2024	2023
		Rupees	
10.2	**Balance written off during the year**		
	Tender Money Deposits as at June 30	**2,550,000**	353,928
	Written off	**-**	(353,928)
		2,550,000	-
10.3	**Balance written off during the year**		
	Other Security Deposits as at June 30	**1,200,600**	1,509,600
	Written off	**-**	(309,000)
		1,200,600	1,200,600

		Note	2024	2023
11	**STORES, SPARES AND LOOSE TOOLS**			
	Consumable materials		**176,655**	176,655
	Stocks and Stores	**11.1 & 11.2**	**20,570,898**	15,220,156
	Spares		**569,019**	569,019
	Loose tools		**20,575**	20,575
	Other stocks		**200,042**	200,042
			21,537,189	16,186,447
11.1	Balance as at June 30		**31,571,754**	26,221,012
	Impairment - obsolete and slow moving item		**(11,000,856)**	(11,000,856)
			20,570,898	15,220,156

11.2 Stocks and Stores also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

		NOTE	2024	2023
			Rupees	
12	**CONTRACT RECEIVABLES**			
	Owned			
	Unsecured - considered good			
	Against billings:			
	- completed contracts		**76,107,565**	76,107,565
	Provision for expected credit loss	**12.1**	**(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	**12.1**	**(38,066,851)**	(38,066,851)
			42,470,668	42,470,668

	NOTE	2024	2023
		Rupees	
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	**12.1**	**(29,990,933)**	(29,990,933)
		-	-
		45,065,957	45,065,957

12.1 Management, in the prior years, carried out an exercise to identify long outstanding receivable balances comprising of progress billings and retention money which are not likely to be received due to various reasons. Similarly, during the year, management carried out the ECL assessment and identified provision for expected credit loss as follows:

	NOTE	2024	2023
		Rupees	
Opening balance		**141,570,060**	142,845,809
Charge during the year		**-**	(1,275,749)
		141,570,060	141,570,060

13 CONTRACT ASSET

Under the following captions:

	2024	2023
Contract asset on incomplete projects	**65,049,779**	65,049,779

13.1 **This comprises as follows:**

	2024	2023
Cost incurred on incomplete projects	**1,875,995,062**	1,875,995,062
Estimated earnings	**204,237,252**	204,237,252
	2,080,232,314	2,080,232,314
Billings to date	**(2,015,182,535)**	(2,015,182,535)
	65,049,779	65,049,779

14 LOANS AND ADVANCES

	NOTE	2024	2023
Unsecured - considered good			
To employees / project managers for expenses		**6,789,177**	4,859,621
To suppliers		**8,400,358**	9,234,384
To sub - contractors		**2,955,720**	3,021,720
		18,145,255	17,115,725
Doubtful advances		**26,387,232**	26,387,233
		44,532,487	43,502,958
Written off during the year		**-**	(872,618)
Provision for expected credit loss	**14.1**	**(26,387,232)**	(26,387,233)
		(26,387,232)	(27,259,851)
		18,145,255	16,243,107

14.1 Management, in the previous years, carried out an exercise to identify long outstanding receivable balances comprising of advances to staff and suppliers, which are not likely to be received due to various reasons. Similarly during the year, management carried out the assessment and identified provision for expected credit losses as follows:

	NOTE	2024	2023
		Rupees	
Opening balance		**26,387,233**	28,341,796
Reversed/charged during the year		**-**	(1,954,563)
		26,387,233	26,387,233

15 OTHER RECEIVABLES

	NOTE	2024	2023
Unsecured:			
- Considered good			
Other receivables	15.1	**4,015,220**	5,073,726

15.1 This represents receivables in respect of rental income. It also includes receivables from related parties as follows:

	2024	2023
	Rupees	
Janana De Malucho Textile Limited	**146,410**	73,205
Ghandhara Industry Limited	**-**	66,550
Bannu Woollen Mills Limited	**163,468**	197,190
	309,878	336,945

15.2 **Aging of receivable from related parties:**

	2024	2023
1-90 days	**309,878**	336,945
90-180 days	**-**	-
Over 180 days	**-**	-
	309,878	336,945

15.3 Maximum balance due from related party at end of any month during the year is Rs. 2,030,117 (2023: Rs. 8,337,622).

16 TAX REFUNDS DUE FROM GOVERNMENT

	NOTE	2024	2023
Balance as at July 01,		**85,272,052**	83,685,590
Advance income tax	17	**5,242,173**	1,586,462
		90,514,225	85,272,052

17 TAXATION - NET

	2024	2023
Balance as at July 01,	**5,242,173**	1,831,937
Prior year income tax adjustment	**-**	(245,475)
Transferred to tax refunds due from Government	**(5,242,173)**	(1,586,462)
	-	-
Provision for taxation	**(502,458)**	(699,096)
Advance income tax	**4,702,226**	5,941,269
	4,199,768	5,242,173

	NOTE	2024	2023
		Rupees	

18 CASH AND BANK BALANCES

	NOTE	2024	2023
Cash in hand		**611,725**	1,058,124
Cash at bank: local currency			
- Current accounts	**18.1**	**1,803,234**	1,300,783
- Savings accounts	**18.2**	**10,505**	9,396
- Deposit accounts	**18.3**	**889,443**	889,443
		2,703,182	2,199,622
		3,314,907	3,257,746

18.1 It include Rupees 7,995/- (2023: RS. 7,995/-) attached under the instructions of Sindh Revenue Board in prior years against the order no 72 in 2018 for the departmental recovery of Rupees 51.696 million. On December 23, 2020 the Commissioner Appeals order in favour of the company and the company is under process to detach these bank accounts.

18.2 PLS accounts, during the current financial year, carried profit at the rates ranging from 19.5% to 21% (2023: 12.25% to 19.50%) per annum.

18.3 The entire balance as at June 30, 2024 and June 30, 2023 is under a bank's lien against guarantees issued by the bank.

19 SHARE CAPITAL

Issued, subscribed and paid up capital

Number of ordinary				
2024	2023		**2024**	2023
22,627,320	22,627,320	Fully paid in cash	**226,273,200**	226,273,200
2,562,845	2,562,845	Issued as fully paid bonus shares	**25,628,450**	25,628,450
3,076,066	3,076,066	Issued against conversion of loans	**30,760,660**	30,760,660
28,266,231	28,266,231		**282,662,310**	282,662,310

19.1 **This includes shares held by related parties as follows:**

	NOTE	2024	2023
Bibojee Services (Private) Limited - Parent of Holding Company			
20,369,056 (2023: 20,369,056) ordinary shares of Rs 10 each	**19.2**	**203,690,560**	203,690,560
Directors and their spouses / minor children			
95,855 (2023: 95,855) ordinary shares of Rs 10 each		**958,550**	958,550
		204,649,110	204,649,110

19.2 The parent of holding company Bibojee Services (Private) Limited held 72.06% shares (2023: 72.06% shares) in Gammon Pakistan Limited as at June 30, 2024.

19.3 All ordinary shareholders have same rights regarding voting, board selection, right of first refusal and block voting.

19.4 **Authorized share capital:**

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

20 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The revaluation surplus on property, plant and equipment is restated and now presented as a separate capital reserve in the financial statements.

	2024	2023
Balance brought forward	**436,777,682**	434,997,486
Add: Revaluations during the year	**1,748,257**	2,913,485
Less:		
Transferred to equity in respect of incremental depreciation charged during the year - net of deferred tax	**1,441,959**	804,635
Revaluation adjustment due to transfer of asset	**45,547,870**	-
Related deferred tax liability during the year transferred to profit and loss account	**1,932,971**	328,654
	48,922,800	1,133,289
	389,603,139	436,777,682
Less: Related deferred tax effect :		
Opening balance - as previously reported	**7,962,931**	8,193,047
Revaluation during the year	**(12,106)**	98,538
Revaluation adjustment due to transfer of asset	**(1,344,001)**	-
Incremental depreciation charged during the year transferred to profit and loss account	**(588,969)**	(328,654)
	6,017,855	7,962,931
	383,585,284	428,814,751

21 NON-CONTROLLING INTEREST

21.1 **Summary of non-controlling interest**

Opening balance	**(304,847)**	(577,116)
Shares issued during the year	**81,140,000**	-
Income/ (Loss) for the year	**(2,740,476)**	272,269
	78,094,677	(304,847)

22 DEFERRED LIABILITY

22.1 Gratuity

The Holding Company operates an unfunded gratuity scheme. The scheme provides for terminal benefits for all its permanent employees whose period of service exceeds six months. Employees are entitled to gratuity on the basis of one gross salary for each completed one year of service after the minimum qualifying period. Annual charge is based on actuarial valuation carried out as at June 30, 2024 using Projected Unit Credit Method.

The Holding Company faces the following risks on account of gratuity:

Final salary risk: The risk that the final salary at the time of cessation of service is greater than what the Holding Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

22.2 The amounts recognised in the consolidated statement of financial position are determined as follows:

	NOTE	**2024**	2023
		Rupees	
Present value of the defined benefit obligation		**606,649**	1,493,221
Benefits due but not paid during the year		**5,795,941**	6,059,213
		6,402,590	7,552,434

22.3 Reconciliation of net defined benefit liability

	2024	2023
Present value of defined benefit obligations	**1,493,221**	3,030,550
Benefits due but not paid as at June 30	**6,059,213**	5,101,515
Service cost	**53,710**	81,813
Interest on defined benefit obligations	**165,705**	283,706
Benefits paid during the year	**(1,210,272)**	(821,050)
Benefit due but not paid at the year end	**(5,795,941)**	(6,059,213)
Actuarial (gain)	**(158,987)**	(124,100)
	606,649	1,493,221

22.4 Remeasurement chargeable to statement of other comprehensive income

	2024	2023
Remeasurement (gain) / loss on defined obligation due to:		
Actuarial (gain) / loss due to Change in financial assumptions	**(430)**	-
Actuarial (gain) / loss due to experience adjustment	**(158,557)**	(124,100)
	(158,987)	(124,100)

22.5 The amounts recognised in the statement of profit or loss:

	2024	2023
Current service costs	**53,710**	81,813
Interest cost	**165,705**	283,706
	219,415	365,519

22.6 **Changes in the present value of the defined benefit obligation are as follows:**

Opening defined benefit obligation	**7,552,434**	8,132,065
Service cost	**53,710**	81,813
Interest cost	**165,705**	283,706
Actuarial (gains) / losses	**(158,987)**	(124,100)
Benefits paid	**(1,210,272)**	(821,050)
	6,402,590	7,552,434

22.7 **Principal actuarial assumptions (financial and demographic) at the end of the reporting period (expressed as weighted averages) are as follows:**

Discount rate as at June 30, 2024	14.75%
Future salary increases	13.75%
Proportion of employees opting for early retirement	0.506% to 14.344%
Mortality rate	SLIC (2001-5) Mortality table
Average expected remaining working lifetime of members	5 Years
Average duration of liability	5 years

22.8 **Comparison of five years**

Comparison of present value of defined benefit obligation and experience adjustment on obligation for the current and preceding four years is as follows:

	2024	2023	2022	2021	2020
	Rupees				
Present value of defined benefit	**606,649**	1,493,221	3,030,550	4,319,738	5,532,839

22.9 There are no plan assets, therefore, disclosure in respect to plan assets required as per IAS-19 "Employee Benefits" has not been made in these financial statements.

22.10 The charge in respect of defined benefit plan for the year ending June 30, 2025 is estimated to be Rs. 157,277.

22.11 **Sensitivity analysis**

The impact of 1% change in following variables on defined benefit obligation is as follows:

	2024	
	1 % increase in assumption	**1 % decrease in assumption**
	Rupees	
Discount rate	**577,213**	**637,600**
Salary increase	**637,586**	**577,206**

22.12 **Expected future payments**

Within one year	**619,536**
More than one year but less than five years	**3,654,308**
Above five years	**3,521,716**
	7,795,560

23 DEFERRED TAXATION

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement.

	NOTE	2024	2023
		Rupees	
Deferred tax liability	**23.1**	**-**	29,326,126
Deferred tax asset	**23.1**	**(10,866,023)**	-
Deferred tax (asset)/liability		**(10,866,023)**	29,326,126
Tax rate		**29%**	**29%**

23.1 Deferred tax changes-net

23.1.1 Analysis of change in deferred tax

The movement in the deferred tax during the year is as follows:

	NOTE	2024	2023
		Rupees	
Opening balance		**29,326,126**	**34,124,936**
Charged to statement of profit or loss	**36**	**(40,180,043)**	**(4,897,348)**
Charged to other comprehensive income	**20**	**(12,106)**	**98,538**
Net deferred tax asset/(liability)		**(10,866,023)**	**29,326,126**

23.1.2 Net deferred tax asset is comprised of:

	2024	2023
Deferred tax liabilities		
Accelerated tax depreciation allowed	**66,399,356**	**98,152,957**
Surplus on revaluation of PPE	**6,017,853**	**7,962,929**
Gratuity payable	**-**	**2,190,206**
	72,417,209	**108,306,092**
Deferred tax asset		
Provision for doubtful receivables	**(41,055,317)**	**(41,055,317)**
Provision for doubtful loan and advances	**(7,652,297)**	**(7,922,748)**
Deferred tax asset on brought forward losses	**(22,533,342)**	**(19,816,376)**
Provision for overseas loan	**(10,185,525)**	**(10,185,525)**
Gratuity payable	**(1,856,751)**	**-**
	(83,283,232)	**(78,979,966)**
Net deferred tax asset/(liability)	**(10,866,023)**	**29,326,126**

23.2 Deferred tax asset of Rs. 22,533,342 due to brought forward losses has been recognized in the current financial statements, as in the opinion of the management there is certainty regarding realisability of the amount (2023: Rs. 19,816,376)

24 TRADE AND OTHER PAYABLES

	NOTE	2024 Rupees	2023 Rupees
Directors current accounts	**24.1**	**38,077,114**	28,561,614
Sundry creditors	**24.2**	**34,727,995**	31,792,267
Advance rent		**2,362,577**	2,197,662
Due to sub-contractors	**24.3**	**24,543,700**	25,543,699
Accrued expenses	**24.4**	**48,014,989**	41,862,919
Due to employees and others	**24.5 & 24.6**	**9,008,909**	9,009,261
Advance from customers		**8,122,008**	283,960
Taxes payable		**1,727,895**	840,221
Joint venture partners' share of profit		**1,620,715**	1,620,715
Other provisions	**24.7**	**35,122,500**	35,122,500
Workers' welfare fund payable		**144,244**	83,925
		203,472,646	176,918,743

24.1 This includes advances paid by directors in order to meet day to day expenses from Chairman Gen.(Retd) Mr. Ali kuli khan and Director Khalid Kuli Khan amounting to Rs. 22,553,800/- (2023: Rs.13,038,300) and Rs. 4,023,314/- (2023: Rs. 4,023,314) respectively which are interest free and reimbursable on demand.

	NOTE	2024 Rupees	2023 Rupees
24.2 Balance written back during the year			
Payable as at June 30		-	32,775,939
Written back		-	(983,672)
		-	31,792,267
24.3 Balance written back during the year			
Payable as at June 30		-	26,988,036
Written back		-	(1,444,337)
		-	25,543,699
24.4 Balance written back during the year			
Payable as at June 30		-	42,004,583
Written back		-	(141,664)
		-	41,862,919
24.5 Balance written back during the year			
Payable as at June 30		-	9,114,789
Written back		-	(105,528)
		-	9,009,261

24.6 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.

24.7 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 27.2(a) of these financial statements).

	NOTE	**2024**	2023
		Rupees	
25 UNCLAIMED DIVIDENDS			
Unclaimed dividend		**1,442,230**	1,442,230

26 JOINT VENTURE PARTNER'S ADVANCES

These advance have been obtained under various Joint Venture agreements to finance the ongoing projects. The joint venture partner is entitled to share 50% of the projects' profit financed out of these advances.

27 CONTINGENCIES AND COMMITMENTS

27.1 **Contingent assets**

The Holding 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.

27.2 **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 24.6 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 favourable decision in due course of time.

Punjab Revenue Authority completed its proceedings against the company for non-payment 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 favourable 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 favourable 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 favour 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.

27.3 **Commitments**

The Group'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).

		NOTE	2024	2023
			Rupees	
28	**REVENUE**			
	Contract income-Own projects		**-**	6,677,706
	Sale		**43,496,084**	41,824,615
			43,496,084	48,502,321

		NOTE	2024	2023
29	**CONTRACT EXPENDITURE/COST OF GOOD SOLD**			
	Materials consumed		**25,248,117**	14,339,291
	Salaries and wages		**1,740,731**	9,376,450
	Maintenance and hiring of plants		**1,998,332**	1,920,346
	Project insurance		**-**	290,643
	Entertainment		**2,232,213**	1,522,196
	Cartage, traveling and conveyance		**257,140**	2,552,000
	Site auxiliary works and temporary hutting		**1,037,986**	1,066,743
	Electricity		**1,600,619**	1,610,834
	Depreciation	**6.2**	**6,220,783**	1,871,190
	Petrol, oil and lubricants		**3,332,066**	3,846,936
	Sundry expenses		**1,218,795**	930,165
			44,886,781	39,326,794
30	**GENERAL AND ADMINISTRATIVE EXPENSES**			
	Salaries and benefits		**26,715,669**	22,912,045
	Staff retirement benefits - gratuity		**219,415**	365,519
	Repair and maintenance		**1,682,268**	1,547,706
	Rent, rates and taxes		**4,940,513**	5,123,541
	Telephone and fax		**290,952**	332,303
	Advertisement and publicity		**354,055**	150,850
	Petrol, oil and lubricants		**346,250**	281,138
	Legal and professional charges		**4,046,530**	1,789,094
	Power and electricity		**1,068,002**	344,312
	Travelling and conveyance		**2,103,117**	1,736,522
	Hiring of Machinery		**1,810,860**	620,729
	Works in view		**100,950**	15,505
	Fee and subscription		**1,008,191**	497,116
	Precommmencement expenditure		**364,490**	364,490
	Depreciation	**6.2**	**833,897**	1,332,966
	Other sundry expenses		**2,918,056**	3,480,698
			48,803,214	40,894,533
31	**OTHER OPERATING EXPENSES**			
	Auditor remuneration	**32.1 & 32.2**	**885,125**	885,125
	Loan and advances written off during the year	**14**	**-**	1,894,595
	Long term security deposits written off during tl	**10**	**-**	662,928
	Workers' welfare fund		**60,319**	83,925
			945,444	3,526,573

31.1 Auditor remuneration

		2024	2023
Gammon Pakistan Limited			
Statutory audit		**498,750**	498,750
Half yearly review		**165,375**	165,375
Fee for other certification		**21,000**	21,000
		685,125	685,125
31.2 Gammon Pakistan Precast (Private) Limited			
Statutory audit		**192,500**	192,500
Out of pocket expenses		**7,500**	7,500
		200,000	200,000

32 OTHER INCOME

	NOTE	2024	2023
		Rupees	
Income from financial assets:			
Profit on deposit and PLS accounts		**1,305**	19,085
Gain realized on maturity of defense saving certificate		**410,513**	-
Income from non-financial assets:			
Sundry creditors written back during the year	**24.2**	**-**	983,672
Reversal of provision against loan and	**14.1**	**-**	1,021,977
Accrued expenses written back during the year		**-**	141,664
Due to subcontractors written back during the year		**-**	1,444,337
Provision reversed during the year		**-**	1,275,749
Employees Payable written back		**-**	105,528
Rental income on investment property		**33,241,083**	37,503,248
Gain on sale of operating fixed assets and investment property		**66,125**	-
Gain on sale of obsolete fixed assets/stores & spares		**955,850**	3,269,556
Misc. Income		**316,953**	1,075,594
		34,991,829	**46,840,410**

33 FINANCE COST

	2024	2023
Bank charges	**5,453**	8,687

34 FAIR VALUE GAIN ON INVESTMENT PROPERTY

The company, as of June 30, 2024, had revalued all of its investment property. The revaluation exercise was carried out by Impulse (Private) Limited, and the revaluation resulted in a fair value (loss) or gain amounting to Rs. (558,720) (2023: Rs. 2,321,302).

The company also recognizes a gain of Rs 4,000,000 against the revaluation of investment property that has been transferred to subsidiary Gammon Precast Pakistan (Private) Limited.

35 MINIMUM TAXES

	NOTE	2024	2023
		Rupees	
Minimum Taxes	**35.1**	**1,046,159**	-

35.1 This represents minimum tax under Section 113 of Income Tax Ordinance and is shown separately as per the amendments in the applicable standard as disclosed in the policy note 3.1 .

36 TAXATION

Current year	**-**	3,415,220
Prior year adjustment	**-**	162,975
Deferred tax	**(40,180,043)**	(4,897,348)
	(40,180,043)	(1,319,153)

36.1 No numeric tax rate reconciliation is presented in these consolidated financial statements for the year ended June 30, 2024 as the income of the Group is subject to separate taxation regime under the Income Tax Ordinance, 2001.

36.2 The applicable income tax rate for the Tax Year 2023 and beyond is 29% on account of changes made to Income Tax Ordinance, 2001 through Finance Act 2020. Therefore, deferred tax is computed at the rate of 29% applicable to the period when temporary differences are expected to be reversed / utilised.

37 EARNINGS PER SHARE - BASIC AND DILUTED

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

		2024	2023
Profit / (Loss) attributable to shareholders of	***RUPEES***	**29,162,661**	14,954,329
Weighted average number of ordinary shares at the end of the year	***NUMBERS***	**28,266,231**	28,266,231
Basic and diluted (loss) per share	***RUPEES***	**1.03**	0.53

37.1 **Earnings per share comprises as follows:**

Distributable loss	**0.91**	0.45
Undistributable - unrealised fair value gains	**0.12**	0.08
	1.03	0.53

37.2 Under the provisions of Companies Act, 2017 unrealized gain on fair value of investment property is not distributable as dividend.

38 RELATED PARTY TRANSACTIONS

Related parties comprise of the holding company, subsidiaries, associated companies, directors and executives. The Group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under relevant notes. Remuneration of directors and executives are disclosed in note 40 whereas other significant

Name of the Related Party	Relationship	Transaction during the year	2024	2023
			Rupees	
Associated Companies				
Ghandhara Automobiles Limited	Common Directorship	Rental income	**4,538,712**	4,092,825
		Rental received	**(4,538,712)**	(4,092,825)
Ghandhara Industries Limited	Common Directorship	Rental income	**4,502,109**	4,059,550
		Rental received	**(4,568,659)**	(4,325,750)
Janana De Malucho Textile Mills Limited	Common Directorship	Rental income	**73,205**	254,705
		Rental received	**-**	(242,000)
Rehman Cotton Mills Limited	Common Directorship	Rental income	**-**	242,000
		Rental received	**-**	(242,000)
Bannu Woollen Mills Limited	Common Directorship	Rental income	**6,344,113**	11,609,188
		Rental received	**(6,541,302)**	(11,863,576)
Ghandhara Tyre & Rubber Company Ltd	Common	Purchases	**-**	460,170

38.1 The status of outstanding balances of related parties as at June 30, 2024 are included in other receivable (note 15.1) and trade and other payables (note 24).

			2024	2023
		NOTE	**Rupees**	
39	**PROFIT BEFORE WORKING CAPITAL CHANGES**			
	Profit/ (Loss) before taxation		**(12,711,700)**	13,907,445
	Adjustment for:			
	Depreciation	**6**	**7,054,680**	3,204,156
	Precommencement expenditure	**30**	**364,490**	364,490
	Staff retirement benefits - gratuity	**22.5**	**219,415**	365,519
	Gain on sale of fixed assets/store, spares & loose tools as scrap	**32**	**(66,125)**	-
	Fair value gain on investment property	**7**	**(3,441,280)**	(2,321,301)
	Finance cost	**33**	**5,453**	8,687
	Workers welfare fund		**60,319**	83,925
			4,196,951	1,705,476
			(8,514,748)	15,612,921

40 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

a) The aggregate amount charged in the consolidated financial statements for remuneration, including all benefits to Chief Executive, Directors and Executives of the Holding Company is as follows:

	2024				2023			
	Chief Executive	**Directors**	**Executives**	**Total**	Chief Executive	Directors	Executives	Total
	------------------------- Rupees -------------------------				------------------------- Rupees -------------------------			
Managerial remuneration	**-**	**-**	**5,344,972**	**5,344,972**	-	-	4,348,128	4,348,128
House rent	**-**	**-**	**863,004**	**863,004**	-	-	869,626	869,626
Medical	**-**	**-**	**863,004**	**863,004**	-	-	869,626	869,626
Utilities	**-**	**-**	**863,004**	**863,004**	-	-	869,626	869,626
Others	**-**	**-**	**1,916,736**	**1,916,736**	-	-	1,739,251	1,739,251
Total	**-**	**-**	**9,850,720**	**9,850,720**	-	-	8,696,256	8,696,256
Number of persons	**1**	**7**	**4**	**12**	1	7	3	11

b) No remuneration was paid to the chief executive during the year during the current year and preceding financial years.

c) The Chief Executive and certain executives are also provided with cars for business and personal use in accordance with the Holding Company's car scheme.

41 FINANCIAL ASSETS AND LIABILITIES

The Group's exposure to interest rate risk on its financial assets and liabilities are summarized as follows:

	2024				
		Interest/mark up bearing			
	Total	**Maturity upto one year**	**Maturity after one year**	**Sub-total**	**Not interest / mark up bearing**
			Rupees		
Financial assets					
Financial assets carried at amortized cost					
Long term security deposits	**3,750,600**	**-**	**-**	**-**	**3,750,600**
Contract receivables	**45,065,957**	**-**	**-**	**-**	**45,065,957**
Other receivables	**4,015,220**	**-**	**-**	**-**	**4,015,220**
Contract asset	**65,049,779**	**-**	**-**	**-**	**65,049,779**
Cash and bank balances	**3,314,907**	**899,948**	**-**	**899,948**	**2,414,959**
	121,196,463	**899,948**	**-**	**899,948**	**120,296,515**
Financial liabilities					
Financial liabilities carried at amortized cost					
Trade and other payables	**203,472,646**	**-**	**-**	**-**	**203,472,646**
Unclaimed dividends	**1,442,230**	**-**	**-**	**-**	**1,442,230**
Deferred liability	**6,402,590**	**-**	**-**	**-**	**6,402,590**
Joint venture partner's advances	**30,059,542**	**-**	**-**	**-**	**30,059,542**
	241,377,008	**-**	**-**	**-**	**241,377,008**
On balance sheet gap	**(120,180,545)**	**899,948**	**-**	**899,948**	**(121,080,493)**
Off Balance sheet Items					
Financial contingencies and com	**(136,794,238)**	**-**	**-**	**-**	**(136,794,238)**
Total Gap	**(256,974,783)**	**899,948**	**-**	**899,948**	**(257,874,731)**

	2023				
		Interest/mark up bearing			
	Total	Maturity upto one year	Maturity after one year	Sub-total	Not interest / mark up bearing
			Rupees		
Financial assets					
Financial assets carried at amortized cost					
Long term investments	1,300,413	-	1,300,413	1,300,413	-
Long term security deposits	1,200,600	-	-	-	1,200,600
Contract receivables	45,065,957	-	-	-	45,065,957
Other receivables	5,073,726	-	-	-	5,073,726
Contract asset	65,049,779	-	-	-	65,049,779
Cash and bank balances	3,257,746	898,839	-	898,839	2,358,907
	120,948,221	898,839	1,300,413	2,199,252	118,748,969
Financial liabilities					
Financial liabilities carried at amortized cost					
Trade and other payables	176,918,743	-	-	-	176,918,743
Unclaimed dividends	1,442,230	-	-	-	1,442,230
Deferred liability	7,552,434	-	-	-	7,552,434
Joint venture partner's advances	30,059,542	-	-	-	30,059,542
	215,972,949	-	-	-	215,972,949
On balance sheet gap	(95,024,728)	898,839	1,300,413	2,199,252	(97,223,980)
Off Balance sheet Items					
Financial contingencies and com	(136,794,238)	-	-	-	(136,794,238)
Total Gap	(231,818,966)	898,839	1,300,413	2,199,252	(234,018,218)

41.1 Effective interest rates are mentioned in the respective notes to the financial statements.

42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

42.1 Risk management policies

The Group's objective in managing risks is the creation and protection of share holders' value. Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Group's continuing profitability. The Group is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

42.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Group's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulator requirements.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. Out of total financial assets, the financial assets which are subject to credit risk amounted to Rs. 138,729,993/- (2023: Rs. 134,832,791). The carrying amounts of Group's financial assets exposed to credit risk at reporting date are as under:

	NOTE	2024	2023
		Rupees	
Long term security deposits	10	3,750,600	1,200,600
Contract receivables	12	45,065,957	45,065,957
Loans and advances	14	18,145,255	16,243,107
Other receivables	15	4,015,220	5,073,726
Contract asset	13	65,049,779	65,049,779
Bank balances	18	2,703,182	2,199,622
		138,729,993	134,832,791

The aging of contract receivables at the reporting date is:

	2024	2023
Not past due	-	-
Past due 1-30 days	-	-
Past due 30-90 days	-	-
Past due 90 days	45,065,957	45,065,957
	45,065,957	45,065,957

All the Group's trade contract receivables at balance sheet date represent domestic parties.

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with major bank and monitoring exposure limits on continuous basis.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Group's management believes that it is not exposed to any major concentration of credit risk.

42.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The followings are the contractual maturities of financial liabilities, including interest payments if any and excluding the impact of netting agreements, if any:

	2024						
	Carrying Amount	**Contractual Cash Flow**	**Six Month or Less**	**Six to Twelve Month**	**One to Two Year**	**Two to Five Year**	**Over Five Year**
	Rupees						
Trade and Other Payable	**203,472,646**	**203,472,646**	**203,472,646**	**-**	**-**	**-**	**-**
Unclaimed Dividend	**1,442,230**	**1,442,230**	**-**	**-**	**1,442,230**	**-**	**-**
Deferred Liability	**6,402,590**	**-**	**-**	**-**	**-**	**6,402,590**	**-**
Joint Venture partner's advance	**30,059,542**	**30,059,542**	**30,059,542**	**-**	**-**	**-**	**-**
	241,377,008	**234,974,418**	**233,532,188**	**-**	**1,442,230**	**6,402,590**	**-**

	2023						
	Carrying Amount	Contractual Cash Flow	Six Month or Less	Six to Twelve Month	One to Two Year	Two to Five Year	Over Five Year
	Rupees						
Trade and Other Payable	176,918,743	176,918,743	176,918,743	-	-	-	-
Unclaimed Dividend	1,442,230	1,442,230	-	-	1,442,230	-	-
Deferred Liability	7,552,434	-	-	-	-	7,552,434	-
Joint Venture partner's advance	30,059,542	30,059,542	30,059,542	-	-	-	-
	215,972,949	208,420,515	206,978,285	-	1,442,230	7,552,434	-

42.4 **Market risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Group's income or the value of its holdings of financial instruments.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arise in financial instruments that are denominated in foreign currencies i.e. in a currency other then the functional currency in which they are measured.

Presently the Group is not exposed to foreign currency risk except contingencies as disclosed in note 27.2 to these consolidated financial statements.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans and short borrowings. The Group believes that it is not exposed to any significant interest rate risk.

The Group is not exposed to any material interest rate risk, therefore, no sensitivity analysis has been presented.

c) Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Group is not exposed to price risk since there are no financial instruments whose fair value or future cash flows will fluctuate because of changes in market prices.

43 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in arms length transactions.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IFRS 9. The carrying amount of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments, if relevant.

	June 30,2024		June 30,2023	
	Carrying Amount	**Fair value**	Carrying Amount	Fair Value
	Rupees			
Assets Carried at Amortized Cost				
Contract receivables	**45,065,957**	**45,065,957**	45,065,957	45,065,957
Contract asset	**65,049,779**	**65,049,779**	65,049,779	65,049,779
Loans and advances	**18,145,255**	**18,145,255**	16,243,107	16,243,107
Other receivables	**4,015,220**	**4,015,220**	5,073,726	5,073,726
Cash and bank balances	**3,314,907**	**3,314,907**	3,257,746	3,257,746
	135,591,118	**135,591,118**	134,690,315	134,690,315

	June 30,2024		June 30,2023	
	Carrying Amount	Fair value	Carrying Amount	Fair Value
	Rupees			
Liabilities Carried at Amortized Cost				
Trade and Other Payable	**203,472,646**	**203,472,646**	176,918,743	176,918,743
Unclaimed Dividend	**1,442,230**	**1,442,230**	1,442,230	1,442,230
Joint Venture partner's	**30,059,542**	**30,059,542**	30,059,542	30,059,542
	234,974,418	**234,974,418**	208,420,515	208,420,515

As at June 30, 2024 the Group did not hold any financial instruments carried at fair value. Moreover, investment property and operating fixed assets are measured at fair value.

The investment property and freehold land and building in operating fixed assets were valued on June 30, 2023 carried out by external independent valuer M/s Impulse (Private) Limited.

	As at June 30,2024			
	Level 1	Level 2	Level 3	Total
	Rupees			
Assets				
Investment Property Carried at Fair Value		-	**357,646,440**	**357,646,440**
Freehold Land and Building	-	-	**426,382,952**	**426,382,952**
	-	-	**784,029,392**	**784,029,392**

	As at June 30,2023			
	Level 1	Level 2	Level 3	Total
	Rupees			
Assets				
Investment Property Carried at Fair Value		-	479,831,160	479,831,160
Freehold Land and Building	-	-	299,431,236	299,431,236
	-	-	779,262,396	779,262,396

	NOTE	2024	2023
		Rupees	
Reconciliation of net increase in level 3 fair values:			
Fair value at beginning of the		**779,262,396**	774,466,275
Depreciation charged during the year		**(422,540)**	(438,665)
Remeasurement recognized in profit or loss		**3,441,280**	2,321,301
Remeasurement recognized in OCI		**2,907,257**	2,913,485
Fair value at end of the year		**785,188,392**	779,262,396

The Holding Company has revalued its freehold land, buildings on June 30, 2024 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 recurring fair value measurement.

Interest rate used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are of short term in nature, fair value significantly approximates to carrying value.

Fair value hierarchy

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 table below shows analysis of financial instruments carried at fair value by valuation method. The different values have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: input other than quoted prices included with in Level 1 that are observable for assets and liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change the occurred. However, there is no transfers between levels during the year.

43.1 **Determination of fair values**

A number of the Group's accounting polices and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined of measurement and / or disclosure purposes based on the following methods.

Non-derivate financial asset

The fair value of non-derivate financial asset is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value is determined for disclosure purposes.

Non-derivate financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

44 DISCLOSURE REQUIREMENT FOR ALL SHARE ISLAMIC INDEX

With reference to circular no. 14 of 2016 dated April 21, 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index", the Company does not have investment, bank balance or other operations having Islamic mode therefore, individual items required by circular no. 14 of 2016 have not been disclosed.

45 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitors the level of dividend to ordinary shareholders. There were no changes to the Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

The capital structure of the Group is as follows:

	NOTE	**2024**	2023
		Rupees	
Equity		**905,246,583**	795,765,049
Gearing ratio		**-**	-

46 JOINT VENTURES

46.1 The Joint Venture for execution of Bong Canal Bridge, Mangla with Sarwar Construction (Private) Limited was in the ratio of 60:40 and the Company recognized its own share i.e. 60% of income and expenses in the preceding years' financial statements.

46.2 As approved by the Board of Directors, the management had entered into Joint Venture arrangements for the execution of the following Projects in prior years:

	Project value Rs. in million	**Profit sharing ratio Investor**
Khalifa Gul Nawaz Medical Complex, Bannu	402.36	50%
Durrani Public School, Bannu - Phase II	295	50%
Hawad / Nurar Bridges, Bannu	176.42	50%

47 INFORMATION ABOUT BUSINESS SEGMENTS

For management purposes, the activities of the Group have been divided into own projects and joint ventures. The Group operates in these business segments based on risk and return, organizational and management structure and internal financial reporting systems. Operating results of joint ventures have not been separately disclosed in these financial statements as these do not meet the minimum thresholds prescribed by IFRS 8 (Operating Segments).

The Group's operations are confined to Pakistan in terms of customers; accordingly, the figures reported in these financial statements relate to the Group's business segments relating to Pakistan.

48 NUMBER OF EMPLOYEES

	2024	2023
	Numbers	
As at June 30	**19**	19
Average during the year	**19**	21

49 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

49.1 MANAGEMENT ASSESSMENT OF GOING CONCERN

Further the Group has earned an operational (loss) during the current year amounting to Rs (16.147 million).Further 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 Group’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 Group undertook following significant operational measures in order to generate liquidity and profitable projects/ventures:

• New Chief Operating officer, Project Director and Chief Financial Officer hired in place of ineffective predecessors in the preceding financial year;

• The company is going to develop their own housing and commercial projects for which necessary approvals are in process.

• On 01 September 2020 the Company entered into a joint venture agreement for 15 years with Rajcon- a construction and engineering company having expertise in pre-fabricated buildings and construction for future projects. The Owner of Rajcon also appointed as Chief Operating Officer of the company to develop, acquire and manage the future projects for the company.

49.2 **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 been lodged against him subsequent to June 30, 2021. The transactions are mainly done out of books and the impact of such investigation/FIR, if any, will be accounted for in the period during which such case is completed.

50 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 04 Oct 2024 by the Board of Directors of the Company.

50.1 **GENERAL**

Amounts printed in the consolidated financial statements have been rounded off to the nearest of rupee, unless otherwise stated.

The corresponding figures have been rearranged, regrouped and reclassified for the purposes of comparison and better presentation, wherever necessary. However, no significant reclassification or rearrangement has been made.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

SUMMARY OF KEY OPERATING DATA

		2019	2020	2021	2022	2023	2024
PROFIT OR LOSS ACCOUNT							
Contract income	Rupees in Million	201.39	184.639	75.716	24.331	6.677	NIL
Net Contract profit /(loss)	Rupees in Million	22.006	11.124	(23.21)	(1.91)	(10.126)	(0.920)
BALANCE SHEET							
Shareholders' equity	Rupees in Million	732.62	785.77	792.354	793.869	804.356	847.749
Operating Fixed Assets	Rupees in Million	266.279	288.573	293.153	299.085	300.176	264.259
Current Assets	Rupees in Million	328.029	356.703	292.19	267.7	253.59	251.908
Current Liabilities	Rupees in Million	230.342	269.16	225.018	212.595	195.367	212.753
Cash and Cash Equivalents at year end	Rupees in Million	1.885	1.204	5.543	1.206	2.12	3.101