BIBOJEE GROUP

78TH ANNUAL REPORT 2025

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
Officiating

Chief Financial Officer
Mr. Ghulam Murtaza Khurshid

Internal Auditor
Mr. Salman Khan ACA

External Auditor
M/S Rizwan & Co.
Chartered Accountants Islamabad

Legal Advisor
Chanda Law Associates
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
78th ANNUAL REPORT
JUNE 30, 2025

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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 78th Annual General Meeting of Gammon Pakistan Limited (the Company) will be held at Gammon House, 400/2, Peshawar Road, Rawalpindi on Thursday November 27, 2025 at 11:00 A.M. to transact the following business.

ORDINARY BUSINESS

1. To confirm minutes of the Extra Ordinary General Meeting held on January 17, 2025.

2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended, June 30, 2025 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, 2026 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 30, 2025

NOTES:

BOOK CLOSURE:

The share transfer books of the Company will be closed from November 21, 2025 to November 27, 2025, both days inclusive. Transfers received at Company's Business Shares Registrar office, Vision Consulting Limited, 5-C, LDA flats, Lawrence Road, Lahore at the close of business on November 19, 2025 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 78 واں سالانہ اجلاس عام، کمپنی کے رجسٹرڈ آفس گیمن ہاؤس 400/2، پشاور روڈ راولپنڈی میں بروز جمعرات 27 نومبر 2025ء کو صبح 11 بجے مندرجہ ذیل کاروبار کے لین دین کیلئے منعقد ہوگا۔

عام کاروبار

1۔ 17 جنوری 2025ء 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 2025ء پر غور کرنا، اس کو اپنانا اور منظوری۔

3۔ 30 جون 2026ء کو ختم ہونے والے مالی سال کیلئے آڈیٹر کا تقرر اور اس کا معاوضہ طے کرنا۔

صاحب صدر کی اجازت سے کسی دیگر امور پر غور و خوص۔

بحکم بورڈ

غلام مرتضٰی خورشید

برائے کمپنی سیکرٹری

راولپنڈی

مورخہ: 30 اکتوبر 2025ء

نوٹس:

کتابوں کا بند رکھنا:

کمپنی کے حصص منتقلی کی کتابیں 21 نومبر 2025ء تا 27 نومبر 2025ء (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے حصص کی منتقلی بذریعہ شیئر رجسٹرار کے دفتر ویژن کنسلٹنگ لمیٹڈ، C-5، ایل ڈی اے فلیٹس، فرسٹ فلور، لارنس روڈ، لاہور ہوگی۔ جس میں 19 نومبر 2025ء 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 چاہیئے۔

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 (کارآمد) 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، دستخط کے نمونے، 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 کر دیئے 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 کر سکتے 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 کر کے 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 تا کہ وہ دی گئی تاریخ اور وقت پر میٹنگ میں شرکت کر سکیں۔

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

CHAIRMAN REVIEW

It gives me great pleasure to present the review of the financial year ended June 30, 2025, highlighting the overall performance of Gammon Pakistan Limited (“GPL”) and the active role of its Board of Directors (“the Board”) in providing strategic leadership, sound oversight, and guidance to the management in fulfilling its responsibilities efficiently and in the best interest of the Company and its stakeholders.

REVIEW OF BOARD'S PERFORMANCE

The Board of Directors continued to play an active and effective role in guiding the overall management and operations of the Company during the financial year 2024–25. The Board remained fully committed to fulfilling its fiduciary responsibilities in line with the provisions of the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and all other applicable laws and regulations.

The Board provided clear strategic direction to the management, formulated key business policies, and closely monitored the Company’s performance throughout the year. During the year under review, four meetings of the Board, four meetings of the Audit Committee, and no meeting of the Human Resource and Remuneration Committee were held. The Board also ensured that its sub-committees functioned effectively and in accordance with their respective terms of reference.

Strong corporate governance practices continue to form the foundation of the Company’s operations. The Board has embedded principles of transparency, accountability, and integrity into the Company’s culture to uphold the highest standards of business conduct. The Company’s risk management framework, internal control systems, and internal audit function are in practice, to support efficient and compliant operations.

In accordance with the Code of Corporate Governance, the Board has carried out its annual self-evaluation for the year 2024–25. I am pleased to report that the overall performance of the Board and its committees, as assessed against the approved evaluation criteria, remained satisfactory. The Board remains committed to continual improvement, effective governance, and sustainable value creation for all stakeholders.

REVIEW OF BUSINESS PERFORMANCE

In view of the prevailing economic uncertainties, Gammon Pakistan Limited (GPL) continues to closely monitor market developments and adjust its strategies accordingly. Although the Company has faced a challenging business environment and operating losses during the year, it remains resilient and well-positioned to sustain operations by maintaining efficiency, improving service standards, and gradually expanding its business footprint.

The period under review was marked by a continued slowdown in the construction sector, political uncertainty, and limited fiscal space, which adversely affected public and private development activity across the country. Expectations were high for the announcement of new Public Sector Development Programme projects under the Government; however, economic and political instability has delayed major project approvals, resulting in a challenging and less favourable business environment.

Despite these difficulties, the Board and management remain optimistic about the Company's future prospects. GPL is actively pursuing opportunities to secure new infrastructure and construction projects at competitive rates, which are expected to improve its financial performance in the coming periods. The shortage of working capital continues to be a key challenge, and management is making focused efforts to arrange suitable financial support and facilities to strengthen the Company's capacity to undertake larger projects in the near future.

ACKNOWLEDGMENT

On behalf of the Board, I would like to extend my sincere appreciation to our shareholders, suppliers, and contractors for their continued trust and confidence in the Company's Board and management. I also wish to record my deepest gratitude to the Board of Directors for their valuable guidance, and to the management team and employees for their dedication, hard work, and commitment, which remain the foundation of the Company's ongoing resilience and future growth.

Lt Gen Ali Kuli Khan Khattak (Retd)
Chairman

Date: October 28, 2025

چیئرمین کا جائزہ

مجھے خوشی ہے کہ میں مالی سال 30 جون 2025 کو ختم ہونے والے سال کا جائزہ پیش کر رہا ہوں، جس میں گیمن پاکستان لمیٹڈ (''جی پی ایل'') کی مجموعی کارکردگی اور بورڈ آف ڈائریکٹرز (''بورڈ'') کے فعال کردار کو اجاگر کیا گیا ہے، جنہوں نے کمپنی اور اس کے اسٹیک ہولڈرز کے بہتر مفاد میں انتظامیہ کو مؤثر رہنمائی، نگرانی اور حکمتِ عملی فراہم کی۔

بورڈ کی کارکردگی کا جائزہ

مالی سال 2024-25 کے دوران بورڈ آف ڈائریکٹرز نے کمپنی کے انتظامی اور عملی اُمور کی رہنمائی میں مؤثر اور فعال کردار ادا کیا۔ بورڈ نے کمپنیز ایکٹ 2017، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور دیگر تمام متعلقہ قوانین و ضوابط کے تقاضوں کے مطابق اپنی ذمہ داریوں کو بخوبی نبھایا۔

بورڈ نے انتظامیہ کو واضح حکمت عملی فراہم کی، اہم کاروباری پالیسیوں کی منظوری دی، اور سال بھر کمپنی کی کارکردگی کی نگرانی کی۔ زیرِ جائزہ سال میں بورڈ کے چار اجلاس، آڈٹ کمیٹی کے چار اجلاس اور ہیومن ریسورس اینڈ ریمونیریشن کمیٹی کا کوئی اجلاس منعقد نہیں ہوا۔ بورڈ نے یہ بھی یقینی بنایا کہ اس کی ذیلی کمیٹیاں اپنے دائرہ کار کے مطابق مؤثر انداز میں کام کرتی رہیں۔

کمپنی میں مضبوط کارپوریٹ گورننس کے اصول بدستور اس کی بنیاد ہیں۔ بورڈ نے شفافیت، جوابدہی اور ایمانداری کو کمپنی کی ثقافت کا حصہ بنا رکھا ہے، تاکہ اعلیٰ معیار کی کاروباری اخلاقیات برقرار رہیں۔ کمپنی کا رسک مینجمنٹ فریم ورک، اندرونی کنٹرول سسٹم اور انٹرنل آڈٹ فنکشن فعال طور پر جاری ہیں۔

کوڈ آف کارپوریٹ گورننس کے مطابق بورڈ نے سال 2024-25 کے لیے اپنی سالانہ کارکردگی کا جائزہ مکمل کیا، اور یہ اطمینان کے ساتھ رپورٹ کیا جاتا ہے کہ بورڈ اور اس کی کمیٹیوں کی مجموعی کارکردگی مقررہ معیار کے مطابق تسلی بخش رہی۔ بورڈ مستقبل میں بھی مؤثر گورننس، بہتری اور اسٹیک ہولڈرز کے لیے پائیدار قدر پیدا کرنے کے لیے پرعزم ہے۔

کاروباری کارکردگی کا جائزہ

معاشی غیر یقینی صورتحال کے پیشِ نظر، گیمن پاکستان لمیٹڈ (جی پی ایل) مسلسل مارکیٹ کے حالات پر نظر رکھے ہوئے ہے اور اپنی کاروباری حکمت عملیوں کو حالات کے مطابق ڈھالتا رہا ہے۔ اگرچہ کمپنی کو سال کے دوران مشکل کاروباری ماحول اور آپریٹنگ نقصانات کا سامنا رہا، تاہم کمپنی اب بھی مستحکم ہے، اور بہتر سروس اسٹینڈرڈز، اخراجات میں کفایت شعاری اور کاروباری دائرہ بتدریج بڑھانے کے ذریعے اپنی سرگرمیوں کو جاری رکھے ہوئے ہے۔

مالی سال کے دوران تعمیراتی شعبہ مسلسل سست روی کا شکار رہا، سیاسی غیر یقینی صورتحال اور مالیاتی گنجائش میں کمی نے سرکاری اور نجی ترقیاتی سرگرمیوں کو متاثر کیا۔ حکومت کی جانب سے پبلک سیکٹر ڈویلپمنٹ پروگرام (PSDP) کے تحت بڑے منصوبوں کے اعلان کی توقع تھی، مگر معاشی اور سیاسی عدم استحکام کے باعث کئی منصوبے تاخیر کا شکار ہوئے، جس کا براہ راست اثر تعمیراتی شعبے پر پڑا۔

چیلنجز کے باوجود، بورڈ اور انتظامیہ کمپنی کے مستقبل کے بارے میں پُرامید ہیں۔ جی پی ایل مسابقتی نرخوں پر نئے تعمیراتی اور انفراسٹرکچر منصوبوں کے حصول کے لیے سرگرم ہے، جس سے آئندہ ادوار میں مالی کارکردگی بہتر ہونے کی امید ہے۔ ورکنگ کیپیٹل کی کمی بدستور بڑا چیلنج ہے، اور انتظامیہ ممکنہ مالی وسائل اور سہولیات کے حصول کے لیے کوششیں جاری رکھے ہوئے ہے تاکہ کمپنی بڑے منصوبے بھی سنبھال سکے۔

اظہارِ تشکر

بورڈ کی جانب سے، میں ہمارے شیئر ہولڈرز، سپلائرز اور کنٹریکٹرز کا شکریہ ادا کرتا ہوں جنہوں نے کمپنی کے بورڈ اور انتظامیہ پر مسلسل اعتماد کا اظہار کیا۔ میں ڈائریکٹرز کی قیمتی رہنمائی اور انتظامیہ و عملے کی محنت اور وابستگی پر بھی دلی ممنون ہوں، جن کی کوششیں کمپنی کی بحالی اور آئندہ ترقی کی بنیاد ہیں۔

لیفٹیننٹ جنرل علی قلی خان خٹک (ریٹائرڈ)

چیئرمین

تاریخ: 28 اکتوبر، 2025

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, 2025.

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	**2025 (Rupees)**	2024 (Rupees)
Contract Income	**-**	-
Contract Expenditure	**(706,759)**	(920,927)
Net contract (Loss)	**(706,759)**	(920,927)
Profit before taxation	**(43,375,648)**	2,453,177
Taxation	**(20,429,322)**	40,180,043
Profit	**(63,804,970)**	42,633,220

During the financial year 2024–25, the overall business environment remained difficult for the construction sector. The Company could not record any contract revenue during the period, as no new project was obtained and no contractual work was in progress. The continued slowdown in the national construction industry, tight liquidity conditions, and general market uncertainty made it difficult to secure new projects. Persistent political and economic instability also had a negative impact on business confidence and project financing across the country.

During the year, the Company successfully sold its Hyderabad plots for a total consideration of PKR 155 million. The sale proceeds were primarily utilized for the settlement of certain outstanding liabilities, while a major portion was extended as an interest-bearing loan to Gammon Pakistan Precast (Private) Limited for the construction of its warehouse shed. Part of the funds was also used for the renovation and value addition of the Gammon House building, aimed at improving its commercial utility and long-term rental potential.

The Auditors' Report highlighted certain areas requiring management attention, and the Company remains focused on addressing these matters in a timely and appropriate manner. Issues relating to contract assets are pending final settlement of bills with clients and will be adjusted once reconciliation is completed. Some closed projects extended beyond their planned timelines, resulting in additional losses, which will be accounted for progressively as irrecoverable receivables, subject to reliable confirmation and approval of the Board, and subsequently by the shareholders where required.

The management continues to make active efforts to obtain new projects. The main challenge remains the arrangement of bank guarantee and working capital facilities, which are essential for participation in large-scale public sector projects. Despite these limitations, the Company has been regularly participating in bidding for viable opportunities and is also exploring joint venture arrangements with financially strong partners to enhance its chances of securing future contracts. The Board remains hopeful that with the stabilization of the economy and gradual revival of the construction industry, the Company will be able to achieve business recovery and growth in the near future.

During the period, encouraging progress is seen concerning the Maritime Technologies Complex (MTC) Project at Fateh Jang, near Islamabad. As part of the machinery and equipment previously held at the MTC site is being recovered and shifted to the Company's CSD facility at Rawat, while an amount of PKR 6.9 million relating to pending work bill claims has been released by MTC during the first quarter of FY 2025–26. The management continues to pursue resolution of the remaining claims and final settlement through regular communication and coordination with the client.

The Old Bannu Road (OBR) Structure and Bridges Project remain under process on similar lines, with management maintaining active engagement with the concerned authorities for reconciliation and recovery of the outstanding receivables. The Company is utilizing all available resources to conclude both projects satisfactorily and secure the amounts due.

DIVIDEND

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

GENERAL ECONOMIC REVIEW

During the financial year ended June 30, 2025, Pakistan's economy continued to face serious challenges, although some signs of stability were seen toward the end of the year. The period remained difficult due to high inflation, slow industrial activity, and limited government spending. Despite the continuation of strict policies under the IMF program and the impact of global price increases, the overall economic condition was somewhat better than the previous year.

Inflation stayed high at around 24–25% during FY 2024–25, mainly because of higher prices of food, fuel, and electricity. The Pakistani Rupee remained more stable compared to the sharp decline seen in the earlier year, helped by a better balance in foreign exchange reserves and lower current account deficit. However, the cost of doing business remained very high due to energy shortages, high interest rates, and increased raw material costs.

According to the Government of Pakistan and the State Bank of Pakistan, the GDP growth for FY 2024–25 is estimated at about 2.4%, showing a small improvement mainly because of better results in the agriculture and services sectors, while industrial and construction sectors continued to struggle. Large-scale manufacturing showed only a minor recovery due to low demand and reduced export activity. The construction industry, which plays a key role in overall economic growth, remained slow because of less public development spending and higher project costs, limiting the start of new projects.

The Federal Board of Revenue (FBR) reported total tax collections of over PKR 9.4 trillion, which were still below the revised targets. The government continued with a tight fiscal policy, aiming to control inflation and maintain financial discipline. The industrial sector recorded a growth of around 1.5%, and the construction sector grew by about 3.8%, mainly through smaller private projects. The services sector, which makes up nearly 58% of the total economy, grew by around 2.5% due to moderate performance in trade, transport, and communication.

Pakistan's economy still faces major structural issues such as a large undocumented economy, low industrial investment, and high dependency on imports. These long-standing issues continue to affect sustainable economic growth.

In this overall situation, Gammon Pakistan Limited continued to face challenges in obtaining new contracts during the year under review. The delay and reduction in public development works, along with high material and financing costs, kept business activity low in the construction sector. Despite these difficulties, the Company stayed focused on maintaining its operational capability, managing available resources carefully, and giving more attention to its precast operations and related construction services. These efforts are aimed at keeping the Company active, improving efficiency, and protecting shareholder value in a very difficult business environment.

FUTURE PROSPECTS

The Company continued to face challenges in obtaining new projects due to slow activity in the construction sector and limited government development spending. Unfortunately, no new contracts were secured during the period; however, the Company remained operational with a focus on managing its ongoing administrative and maintenance activities efficiently. The management also worked on strengthening relationships with clients and exploring potential opportunities in both public and private sectors.

To maintain business continuity, the Company has placed greater emphasis on precast construction technology through its related company, Gammon Pakistan Precast (Private) Limited. The use of precast structures provides a faster, more cost-effective, and durable construction solution, which aligns with future market needs. The Company aims to expand this line of business and promote custom-built precast housing and related infrastructure solutions as a key growth area.

Looking ahead, the Company expects gradual improvement in the construction sector as economic stability improves and development spending resumes. Gammon Pakistan Limited remains committed to maintaining financial discipline, improving operational efficiency, and positioning itself to take advantage of upcoming opportunities in infrastructure, housing, and precast construction works.

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 accounts.

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, 2025, except for those disclosed in the financial statements.

9. No trade in the shares of the Company was carried-out by the Directors, CEO, CFO, Company Secretary, their spouses and minor children during the year ended June 30, 2025.

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 4 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 (HIA). 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 Human Resource and Remuneration Committee is responsible for reviewing and recommending all elements of the Company’s human resource policies, including matters relating to compensation, employee development, and the remuneration structure of senior management. The Committee also oversees succession planning and ensures that the Company’s remuneration framework remains fair, transparent, and aligned with its business objectives and regulatory requirements.

The Chief Executive Officer of the Company serves as a member of the Committee and attends its meetings whenever held during the year. During the financial year 2024–25, the Committee did not hold any meeting, as there was no significant business activity or organizational change requiring revision in compensation or policy matters. However, the Committee continues to monitor the Company’s human resource framework and will convene as necessary to review any future adjustments in line with business needs and applicable regulations.

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 2024-2025

During the year 2024-2025 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	-	0
4.	Mr. Muhammad Kuli Khan Khattak	✓	-	4/4	4	-

5.	Mr. Sikandar Kuli Khan Khattak	✓	✓	2/4	1	0
6.	Mr. Kamal Abdullah Malik	✓	-	4/4	4	-
7.	Brig Humayun Malik (Retd)	-	✓	3/4	-	0

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 2024-25, please refer notes 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, 2025 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 30 June, 2025.

GOVERNMENT SECTOR	(In Million PKR)
Income Tax paid (Note 15 to the Financial Statements)	8.304
Power & Fuel (Note 26 to the Financial Statements)	1.368

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 falls within the ambit of SBP "Incentive Scheme" for the recovery of loan defaults vide BPRD Circular no. 19 and, as such, liable to pay only Rs.35.122 million in full and final settlement of its outstanding liability and provision for the same has already made in financial statements.

APPOINTMENT OF AUDITORS

The Company's Auditors M/S Rizwan & Co 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

Director

گیمن پاکستان لمیٹڈ

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2025ء کو ختم 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:۔

	2025ء (روپے)	2024ء (روپے)
پراجیکٹس سے آمدن	**-**	
پراجیکٹس کا خرچ	**(706,759)**	(920,927)
مجموعی نقصان	**(706,759)**	(920,927)
قبل از ٹیکس منافع / نقصان	**(43,375,648)**	2,453,177
ٹیکس	**(20,429,322)**	40,180,043
بعد از ٹیکس منافع / نقصان	**(63,804,970)**	42,633,220

مالی سال 25-2024 کے دوران تعمیراتی شعبے کے لیے مجموعی کاروباری ماحول مشکل رہا۔ کمپنی اس مدت کے دوران کوئی معاہداتی آمدنی ریکارڈ نہیں کرسکی کیونکہ کوئی نیا منصوبہ حاصل نہیں ہوا اور نہ ہی کوئی معاہداتی کام جاری تھا۔ قومی تعمیراتی صنعت میں مسلسل سست روی، لیکویڈیٹی کی تنگ صورتحال اور عمومی مارکیٹ کی غیر یقینی حالت نے نئے منصوبے حاصل کرنا مشکل بنا دیا۔ سیاسی اور معاشی عدم استحکام نے بھی کاروباری اعتماد اور منصوبہ جاتی فنانسنگ پر منفی اثر ڈالا۔

سال کے دوران، کمپنی نے کامیابی کے ساتھ اپنے حیدرآباد کے پلاٹ کل 155 ملین روپے کے عوض فروخت کیے۔ فروخت سے حاصل ہونے والی رقم بنیادی طور پر کچھ بقیہ واجبات کی ادائیگی کے لیے استعمال کی گئی، جبکہ ایک بڑی رقم گیمن پاکستان پری کاسٹ (پرائیویٹ) لمیٹڈ کو اس کے گودام کے شیڈ کی تعمیر کے لیے سود پر مبنی قرض کی صورت میں دی گئی۔ فنڈز کا ایک حصہ گیمن ہاؤس کی عمارت کی تزئین و آرائش اور ویلیو ایڈیشن کے لیے بھی استعمال کیا گیا تاکہ اس کی تجارتی افادیت اور طویل مدتی کرایہ جاتی امکانات کو بہتر بنایا جا سکے۔

آڈیٹرز کی رپورٹ میں کچھ ایسے معاملات کی نشاندہی کی گئی جن پر انتظامیہ کی توجہ درکار ہے، اور کمپنی ان امور کو بروقت اور مناسب طریقے سے حل کرنے پر توجہ مرکوز کیے ہوئے ہے۔ معاہداتی اثاثوں سے متعلق امور کلائنٹس کے ساتھ بلوں کی حتمی تصفیہ کے منتظر ہیں اور مفاہمت مکمل ہونے پر ان میں ایڈجسٹمنٹ کی جائے گی۔ کچھ بند شدہ منصوبے اپنی متوقع مدت سے زیادہ طویل ہو گئے جس کے نتیجے میں اضافی نقصانات ہوئے۔ یہ نقصانات بتدریج ناقابلِ وصول واجبات کے طور پر شمار کیے جائیں گے، بشرطِ تصدیقِ ثبوت اور بورڈ کی منظوری، اور جہاں ضرورت ہو، حصص یافتگان کی منظوری کے بعد۔

انتظامیہ نئے منصوبے حاصل کرنے کے لیے سرگرم کوششیں جاری رکھے ہوئے ہے۔ اہم چیلنج بینک گارنٹی اور ورکنگ کیپیٹل کی سہولیات کا انتظام ہے جو بڑے پیمانے کے عوامی منصوبوں میں شمولیت کے لیے ضروری ہیں۔ ان محدودات کے باوجود کمپنی قابلِ عمل مواقع کے لیے بولی کے عمل میں باقاعدگی سے حصہ لے رہی ہے اور مالی طور پر مستحکم شراکت داروں کے ساتھ جوائنٹ وینچر انتظامات پر بھی غور کر رہی ہے تاکہ مستقبل کے معاہدے حاصل کرنے کے امکانات کو بڑھایا جا سکے۔ بورڈ پر امید ہے کہ معیشت کے استحکام اور تعمیراتی صنعت کی بتدریج بحالی کے ساتھ کمپنی کاروباری بحالی اور ترقی حاصل کرنے کے قابل ہو جائے گی۔

مدت کے دوران میر ٹائم ٹیکنالوجیز کمپلیکس (MTC) منصوبے، فتح جنگ (اسلام آباد کے قریب)، کے حوالے سے حوصلہ افزا پیش رفت دیکھی گئی۔ MTC سائٹ پر موجود کچھ مشینری اور آلات کو بازیافت کر کے کمپنی کی CSD فیسلٹی، روات میں منتقل کیا جا رہا ہے، جبکہ MTC نے مالی سال 26-2025 کی پہلی سہ ماہی کے دوران بقیہ کام کے بلوں سے متعلق 6.9 ملین روپے کی رقم جاری کی ہے۔ انتظامیہ باقی دعووں اور حتمی تصفیے کے لیے کلائنٹ کے ساتھ باقاعدہ رابطے اور ہم آہنگی کے ذریعے پیش رفت جاری رکھے ہوئے ہے۔

اولڈ بنوں روڈ (OBR) ڈھانچے اور پلوں کا منصوبہ بھی اسی نوعیت کے عمل کے تحت زیرِ کار ہے، جہاں انتظامیہ متعلقہ حکام کے ساتھ بقایا جات کی مفاہمت اور وصولی کے لیے فعال طور پر رابطے میں ہے۔ کمپنی دونوں منصوبوں کو کامیابی سے مکمل کرنے اور واجب الادا رقم کی وصولی کے لیے تمام دستیاب وسائل استعمال کر رہی ہے۔

<u>ڈیویڈنڈ</u>

بورڈ نے سال کے لیے کسی ڈویڈنڈ کی سفارش نہیں کی کیونکہ معاہداتی آمدنی میں نقصان کی صورتحال برقرار رہی۔

<u>عام اقتصادی جائزہ</u>

مالی سال جو 30 جون 2025 کو ختم ہوا، اس کے دوران پاکستان کی معیشت کو شدید چیلنجز کا سامنا رہا، اگرچہ سال کے آخر میں کچھ استحکام کے آثار ظاہر ہوئے۔ اس عرصے کے دوران بلند مہنگائی، صنعتی سرگرمیوں میں سست روی اور محدود سرکاری اخراجات کے باعث حالات مشکل رہے۔ آئی ایم ایف پروگرام کے تحت سخت پالیسیوں کے تسلسل اور عالمی قیمتوں میں اضافے کے باوجود، مجموعی معاشی حالت پچھلے سال کے مقابلے میں کچھ بہتر رہی۔

مالی سال 25–2024 کے دوران افراطِ زر تقریباً 24 تا 25 فیصد کی بلند سطح پر برقرار رہا، جس کی بنیادی وجوہات خوراک، ایندھن اور بجلی کی بڑھتی ہوئی قیمتیں تھیں۔ پاکستانی روپے کی قدر پچھلے سال کے مقابلے میں نسبتاً مستحکم رہی، جس میں زرِمبادلہ کے ذخائر میں بہتری اور کرنٹ اکاؤنٹ خسارے میں کمی کا کردار رہا۔ تاہم کاروبار کرنے کی لاگت بدستور بہت زیادہ رہی کیونکہ توانائی کی قلت، بلند شرحِ سود اور خام مال کی بڑھتی ہوئی قیمتوں نے لاگت میں اضافہ کیا۔

حکومتِ پاکستان اور اسٹیٹ بینک کے مطابق، مالی سال 25–2024 کے دوران جی ڈی پی میں تقریباً 2.4 فیصد اضافہ متوقع ہے، جو زیادہ تر زرعی اور خدمات کے شعبوں کی بہتر کارکردگی کے باعث ہے، جبکہ صنعتی اور تعمیراتی شعبے مشکلات کا شکار رہے۔ بڑی صنعتوں کی پیداوار میں معمولی بہتری دیکھی گئی، کیونکہ طلب میں کمی اور برآمدات میں کمی نے رکاوٹ پیدا کی۔ تعمیراتی صنعت، جو مجموعی اقتصادی ترقی میں اہم کردار ادا کرتی ہے، سرکاری ترقیاتی اخراجات میں کمی اور منصوبوں کی بلند لاگت کے باعث سست روی کا شکار رہی، جس سے نئے منصوبوں کا آغاز محدود ہو گیا۔

فیڈرل بورڈ آف ریونیو (FBR) نے 9.4 ٹریلین روپے سے زائد محصولات جمع کرنے کی اطلاع دی، تاہم یہ رقم ترمیم شدہ اہداف سے کم رہی۔ حکومت نے مالیاتی نظم وضبط برقرار رکھنے اور مہنگائی پر قابو پانے کے لیے سخت مالیاتی پالیسی برقرار رکھی۔ صنعتی شعبے میں تقریباً 1.5 فیصد اور تعمیراتی شعبے میں تقریباً 3.8 فیصد اضافہ ریکارڈ کیا گیا، جو زیادہ تر چھوٹے نجی منصوبوں کے ذریعے حاصل ہوا۔ خدمات کا شعبہ، جو معیشت کا تقریباً 58 فیصد حصہ ہے، تجارتی، ٹرانسپورٹ اور مواصلاتی سرگرمیوں کی معتدل کارکردگی کے باعث تقریباً 2.5 فیصد بڑھا۔

پاکستان کی معیشت کو اب بھی بڑے ساختی مسائل کا سامنا ہے، جیسے کہ غیر دستاویزی معیشت کا بڑا حجم، صنعتی سرمایہ کاری کی کمی، اور درآمدات پر انحصار۔ یہ دیرینہ مسائل پائیدار اقتصادی ترقی میں رکاوٹ بنے ہوئے ہیں۔

اس مجموعی صورتحال میں، گیمن پاکستان لمیٹڈ کو زیرِ جائزہ سال کے دوران نئے معاہدے حاصل کرنے میں مشکلات کا سامنا رہا۔ عوامی ترقیاتی منصوبوں میں تاخیر اور کمی، نیز مواد اور فنانسنگ کی بلند لاگت کے باعث تعمیراتی شعبے میں کاروباری سرگرمیاں محدود رہیں۔ ان مشکلات کے باوجود، کمپنی نے اپنی عملی صلاحیت برقرار رکھنے، دستیاب وسائل کو محتاط انداز میں منظم کرنے، اور اپنی پری کاسٹ آپریشنز اور متعلقہ تعمیراتی خدمات پر زیادہ توجہ دینے پر توجہ مرکوز رکھی۔ یہ کوششیں کمپنی کو فعال رکھنے، کارکردگی میں بہتری لانے، اور حصص یافتگان کی قدر کو مشکل کاروباری حالات میں محفوظ رکھنے کے لیے کی جا رہی ہیں۔

مستقبل کا نقطہ نظر

کمپنی تعمیراتی شعبے میں سست روی اور حکومت کی محدود ترقیاتی اخراجات کی وجہ سے نئے منصوبے حاصل کرنے میں مشکلات کا سامنا کرتی رہی۔ بدقسمتی سے، اس دوران کوئی نیا معاہدہ حاصل نہیں کیا گیا؛ تاہم، کمپنی اپنی جاری انتظامی اور دیکھ بھال کی سرگرمیوں کو مؤثر طریقے سے منظم کرنے پر توجہ مرکوز رکھتے ہوئے فعال رہی۔ انتظامیہ نے کلائنٹس کے ساتھ تعلقات مضبوط کرنے اور عوامی اور نجی شعبوں میں ممکنہ مواقع تلاش کرنے پر بھی کام کیا۔

کاروباری تسلسل کو برقرار رکھنے کے لیے، کمپنی نے اپنی متعلقہ کمپنی، گیمن پاکستان پری کاسٹ (پرائیویٹ) لمیٹڈ، کے ذریعے پری کاسٹ تعمیراتی ٹیکنالوجی پر زیادہ زور دیا ہے۔ پری کاسٹ ڈھانچے استعمال کرنے سے تیز، زیادہ کفایتی اور پائیدار تعمیراتی حل فراہم ہوتا ہے، جو مستقبل کی مارکیٹ کی ضروریات سے ہم آہنگ ہے۔ کمپنی اس کاروباری لائن کو بڑھانے اور کسٹم بلٹ پری کاسٹ ہاؤسنگ اور متعلقہ انفراسٹرکچر حل کو کلیدی ترقیاتی شعبے کے طور پر فروغ دینے کا ارادہ رکھتی ہے۔

آئندہ کے لیے، کمپنی توقع کرتی ہے کہ اقتصادی استحکام میں بہتری اور ترقیاتی اخراجات کے دوبارہ شروع ہونے کے ساتھ تعمیراتی شعبے میں بتدریج بہتری آئے گی۔ گیمن پاکستان لمیٹڈ مالیاتی نظم وضبط برقرار رکھنے، عملی کارکردگی میں بہتری لانے اور انفراسٹرکچر، ہاؤسنگ اور پری کاسٹ تعمیراتی کاموں میں آنے والے مواقع سے فائدہ اٹھانے کے لیے خود کو تیار رکھنے کے لیے پرعزم ہے۔

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 اوراداروں میں اپنایا گیا ہے۔
5۔ اندرونی کنٹرول کا نظام درست ہے اوراسے 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 2025 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 2025 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 مئوثر 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 مئوثر 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 25-2024 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

ہیومن ریسورس اور ریمونریشن کمیٹی کمپنی کی ہیومن ریسورس پالیسیز کے تمام عناصر کا جائزہ لینے اور سفارش کرنے کی ذمہ دار ہے، جس میں معاوضے، ملازمین کی ترقی، اور سینئر مینجمنٹ کے ریمونریشن ڈھانچے کے امور شامل ہیں۔ کمیٹی جانشینی کی منصوبہ بندی کی نگرانی بھی کرتی ہے اور اس بات کو یقینی بناتی ہے کہ کمپنی کا ریمونریشن فریم ورک منصفانہ، شفاف اور اس کے کاروباری مقاصد اور ریگولیٹری تقاضوں کے مطابق رہے۔

کمپنی کے چیف ایگزیکٹو آفیسر کمیٹی کے رکن کے طور پر خدمات انجام دیتے ہیں اور سال کے دوران اس کی میٹنگز میں شرکت کرتے ہیں۔ مالی سال 25–2024 کے دوران، کمیٹی کی کوئی میٹنگ نہیں ہوئی، کیونکہ معاوضے یا پالیسی کے معاملات میں کسی اہم کاروباری سرگرمی یا تنظیمی تبدیلی کی ضرورت نہیں تھی۔ تاہم، کمیٹی کمپنی کے ہیومن ریسورس فریم ورک کی نگرانی جاری رکھتی ہے اور مستقبل میں کاروباری ضروریات اور متعلقہ قوانین کے مطابق کسی بھی ایڈجسٹمنٹ کا جائزہ لینے کے لیے میٹنگ بلائے گی۔

کمیٹی کے ارکان کے نام مندرجہ ذیل ہیں:

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

سال 25-2024 کے دوران بورڈ اور اسکی کمیٹیوں کے اجلاس

سال 25-2024 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:

نمبر شمار	ڈائریکٹر کے نام	کمیٹی کے ممبران: بورڈ آڈٹ کمیٹی	کمیٹی کے ممبران: انسانی وسائل اور معاوضے کی کمیٹی	حاضری: بورڈ	حاضری: بورڈ آڈٹ کمیٹی	حاضری: 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	-	0
4۔	جناب محمد قلی خان خٹک	✓	-	4/4	4	-
5۔	جناب سکندر قلی خان خٹک	✓	✓	2/4	1	0
6۔	جناب کمال عبداللہ	✓	-	4/4	4	-
7۔	بریگیڈ یئر ہمایوں ملک (ریٹائرڈ)	-	✓	3/4	-	0

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 مجوعی طور پر افرادی 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 25-2024 میں ڈائریکٹرز اور سی ای او کے معاوضے کے بارے میں معلومات کے لیے، براہ کرم اس سالانہ رپورٹ کے نوٹس کو دیکھیں۔

آپریٹنگ اور مالی اعداد و شمار (گزشتہ چھ سال کے)

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

شیئر ہولڈر کا پیٹرن

30 جون 2025ء 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 2025 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 15 برائے مالیاتی بیانات)	8.304
	بجلی اور گیس کی مد میں (نوٹ 26 برائے مالیاتی بیانات)	1.368

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 کے خیال میں یہ کیس اسٹیٹ بینک آف پاکستان (SBP) کے "انسینٹو اسکیم" کے دائرہ کار میں آتا ہے جو قرض کی عدم ادائیگی کی وصولی کے لیے BPRD سرکلر نمبر 19 کے تحت ہے، اور اس کے مطابق کمپنی صرف 35.122 ملین روپے مکمل اور حتمی تصفیے کے طور پر ادا کرنے کی پابند ہے، اور اس کے لیے مالیاتی بیانات میں پہلے ہی پروویژن کر دیا گیا ہے۔

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

ڈائریکٹر

FORM-20

Pattern of shareholding

[Pursuant to Section 227(2)(f) of the Companies Act, 2017 read with Regulation 30 of the Companies Regulations, 2024]

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 **3 0 | 0 6 | 2 0 2 5**

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)	
	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	72.06
2.3.3	NIT and ICP	11401	0.0403
2.3.4	Banks Development Financial Institutions, Non-Banking Financial Institutions.	250	0.00088
2.3.5	Insurance Companies	109	0.00038
2.3.6	Modarabas and Mutual Funds	301	0.00106
2.3.7	Shareholders 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)	7023	0.0248

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, 2025**

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, 2025.

b) HR Nomination and Remuneration Committee

No meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2025.

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	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	30

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
	of effectiveness of risk management procedures and present a report to the Board.	satisfactorily, alongside the integrity of 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 directors, 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	The Company has established an internal mechanism for handling workplace harassment complaints in compliance with the Protection against Harassment of Women at the Workplace Act, 2010, and has incorporated measures promoting equal opportunity, diversity, and ethical conduct. Oversight of environmental, social, and	10A

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
	2019, through its notification "S.R.O. 920(I)/2024. The amendments to Regulation 10 (and related sub-regulations), adding specific sub-clauses (for example an anti-harassment clause added as a new sub-paragraph) to address sustainability risk and opportunities.	governance (ESG) initiatives has also been integrated into the Company's governance framework and compliance thereof.	

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

Director

Date: October 28, 2025
Rawalpindi

Rizwan & Company
CHARTERED ACCOUNTANTS

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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, 2025 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 2025.

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.
- No meeting of HR and Remuneration Committee was held during the year ended June 30, 2025 as stated in paragraph 14(b) of the Statement of Compliance.

Rizwan & Co

RIZWAN AND COMPANY
Chartered Accountants

ISLAMABAD 05 NOV 2025
Date:

UDIN: CR202510101b5PtQhpTr

Lahore Karachi Islamabad

Rizwan & Company
CHARTERED ACCOUNTANTS

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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, 2025, 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, 2025 and of the loss, 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 44.46 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 21.2 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 45.2 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 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, 2025, the Company has not recognized any amount as revenue from projects. However, the Company recognized an amount of Rs. 37.51 million as Rental income from investment property during the year (2024 – Rs.33.24 million). We considered revenue recognition as a key audit matter due to significant management judgment, fair value assessment and estimation involved. Refer to note 4.17 to the financial statements	Our audit procedures amongst others, included the following: - Obtained understanding of the internal processes used to record income earned and 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 fair value assessment of rental property and management's estimates of delivered projects by comparing the actual results to previous estimates; - Performed test of detail procedures over actual income earned and 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.	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

As the financial statements are based on 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: 05 NOV 2025
Date:

UDIN: AR202510101B3LxWFN9M

GAMMON PAKISTAN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2025

GAMMON PAKISTAN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	NOTE	2025	2024
ASSETS			
NON CURRENT ASSETS		Rupees	
Property, plant and equipment			
Operating fixed assets	5	**126,881,653**	264,259,416
Investment property	6	**365,339,500**	357,646,440
Long term investments	7	**189,340,000**	189,340,000
Long term security deposits	8	**1,350,600**	3,750,600
Deferred taxation	20	**-**	10,866,023
		682,911,753	825,862,479
CURRENT ASSETS			
Stores, spares and loose tools	9	**12,354,604**	12,333,504
Contract receivables	10	**44,457,835**	45,065,957
Contract asset	11	**65,049,779**	65,049,779
Loans and advances	12	**84,637,299**	19,982,207
Other receivables	13	**2,597,489**	909,156
Tax refunds due from Government	14	**94,600,838**	90,496,383
Taxation - net	15	**8,304,681**	4,104,455
Cash and bank balances	16	**1,946,260**	3,101,414
		313,948,785	241,042,855
TOTAL ASSETS		**996,860,538**	1,066,905,334
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	**111,066,181**	382,426,284
		126,446,511	397,806,614
Revenue reserve			
Accumulated profit		**376,040,628**	167,280,714
TOTAL EQUITY		**785,149,449**	847,749,638
NON-CURRENT LIABILITIES			
Deferred liability	19	**4,642,963**	6,402,590
Deferred taxation	20	**9,599,887**	-
		14,242,850	6,402,590
CURRENT LIABILITIES			
Trade and other payables	21	**165,966,468**	181,251,334
Unclaimed dividends	22	**1,442,230**	1,442,230
Joint venture partner's advances	23	**30,059,542**	30,059,542
		197,468,240	212,753,106
TOTAL EQUITY AND LIABILITIES		**996,860,538**	1,066,905,334
CONTINGENCIES AND COMMITMENTS	24	**-**	-

The annexed notes from 1 to 46 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, 2025

	NOTE	2025	2024
		Rupees	
Contract income		-	-
Contract expenditure	25	(706,759)	(920,927)
Net contract (Loss)		(706,759)	(920,927)
Operating expenses			
General and administrative expenses	26	(64,688,824)	(33,950,830)
Other operating expenses	27	(38,599,125)	(745,444)
		(103,287,949)	(34,696,274)
Other income	28	52,931,683	35,135,384
Net operating (loss)		(51,063,024)	(481,817)
Bank charges	29	(5,684)	(3,828)
Net fair value gain on investment property	30	7,693,060	3,441,280
(Loss)/ Profit before minimum taxes and final taxes		(43,375,648)	2,955,635
Minimum taxes	31	-	(502,458)
(Loss)/profit before income tax		(43,375,648)	2,453,177
Income Tax	32	(20,429,322)	40,180,043
(Loss)/profit after taxation		(63,804,970)	42,633,220
Earning per share:			
(Loss)/ Earning per share - basic and diluted	33	(2.26)	1.51

The annexed notes from 1 to 46 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, 2025

	NOTE	2025	2024
		Rupees	
(Loss)/Profit after taxation		**(63,804,970)**	42,633,220
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Revaluation surplus on property, plant and equipment	**18**	**1,499,765**	589,256
Related deferred tax impact	**18**	**(36,588)**	12,106
		1,463,177	601,362
(Loss)/Gain on remeasurement of defined benefit liability	**19.4**	**(258,396)**	158,987
Total other comprehensive income for the year		**1,204,781**	760,349
Total comprehensive income for the year		**(62,600,189)**	43,393,569

The annexed notes from 1 to 46 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, 2025

		Share capital	Reserves			
			Capital		Revenue	
	NOTE	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, 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
Total comprehensive income for the year ended June 30, 2025						
Net loss for the year		**-**	**-**	**-**	**(63,804,970)**	**(63,804,970)**
Revaluation of property, plant and equipment - net of deferred tax		**-**	**-**	**1,463,177**	**-**	**1,463,177**
Loss on remeasurement of defined benefit liability		**-**	**-**	**-**	**(258,396)**	**(258,396)**
		-	**-**	**1,463,177**	**(64,063,366)**	**(62,600,189)**
Transfer from revaluation surplus on property, plant and equipment:						
- on account of incremental depreciation-net of deferred tax	**18**	**-**	**-**	**(1,884,181)**	**1,884,181**	**-**
- upon disposal of revalued property, plant and equipment		**-**	**-**	**(270,939,099)**	**270,939,099**	**-**
Balance as at June 30, 2025		**282,662,310**	**15,380,330**	**111,066,181**	**376,040,628**	**785,149,448**

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, 2025

	NOTE	2025	2024
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before working capital changes	35	(14,407,909)	826,409
Changes in working capital:			
Decrease / (increase) in current assets			
Stores, spares and loose tools		(21,100)	(62,850)
Contract receivables		608,122	-
Loans and advances		(61,800,228)	18,271,284
Other receivables		(1,688,333)	(112,356)
Increase/(Decrease) in current liabilities			
Trade and other payables		(15,284,866)	17,385,345
		(78,186,405)	35,481,423
Cash (used in)/generated from operations		(92,594,314)	36,307,832
Bank charges paid	29	(5,684)	(3,828)
Income tax paid	15	(8,304,681)	(4,606,913)
Gratuity paid	19.3	(2,160,181)	(1,210,272)
		(10,470,546)	(5,821,013)
Net cash (used in)/generated from operating activities		(103,064,860)	30,486,819
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition in operating fixed assets	5	(55,490,294)	(289,701)
Proceeds from disposal of Hyderabad land		155,000,000	-
Proceeds on realization of defence saving certificates	7	-	1,300,413
Return / (Acquisition) in long term security deposits	8	2,400,000	(2,550,000)
Shares acquired from conversion of loan to equity		-	(27,967,000)
Net cash generated from/(used in) investing activities		101,909,706	(29,506,288)
Net (decrease)/ increase in cash and cash equivalents		(1,155,154)	980,531
Cash and cash equivalents at the beginning of the year		3,101,414	2,120,883
Cash and cash equivalents at the end of the year	16	1,946,260	3,101,414

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.

During the current year ,Gammon Pakistan Limited has been placed in the “Non-Compliant Segment” by PSX vide notice N-496 on May 14, 2025, under Regulation 5.11.1(a) for suspension of core business operations. As a consequence the share registrar has been advised to freeze shares of the sponsors, directors and senior management of the company. This does not effect the general public.

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,
2	Rawalpindi	Mouza Chur Harpal, Near Chur Chowk, Main Peshawar Road,

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
- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan 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 and IFAS, 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 & 19
- 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 & 32.

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, 2024. However, these amendments do not have any significant impact on the Company's financial statements.

	Effective Date
a) IAS 1 : Classification of liabilities as current or non current	January 1 , 2024

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a Company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a Company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

Effective Date

b) IFRS 16 : Sale and leaseback transaction **January 1 , 2024**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered

Effective Date

c) Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements **January 1 , 2024**

The International Accounting Standards Board (IASB) issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures in May 2023, effective for annual reporting periods beginning on or after 1 January 2024. The amendments introduce additional disclosure requirements and signposts within existing disclosure provisions that require entities to provide qualitative and quantitative information about supplier finance arrangements, including their nature, terms and conditions, the carrying amounts and presentation of related financial liabilities, the range of payment due dates for payables under such arrangements, and a reconciliation of changes in those liabilities during the reporting period. The purpose of these amendments is to enhance transparency and enable users of financial statements to understand the effects of supplier finance arrangements on an entity’s liabilities, cash flows, and liquidity risk exposure.

'The above mentioned amendments to published approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current and future periods.

3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2024 and have not been early adopted by the Company:

Effective Date

a) IAS 21 : Lack of exchangeability **January 1 , 2025**

Amendments to IAS 21 ‘The effects of Changes in Foreign Exchange Rates’ address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.

Effective Date
January 1 , 2026

b) IFRS 7 : Classification and Measurement of Financial Instruments Disclosure
IFRS 9 : Financial Instruments

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

Effective Date
c) IFRS 18 : Presentation and Disclosure in Financial Statements **January 1 , 2027**

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

Effective Date
d) IFRS S1 : General Requirements for Disclosure of Sustainability-Related Financial Information **July 1 , 2025**
IFRS S2 : Climate-Related Disclosures

These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published 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 for accounting periods beginning on or after 01 July 2024 that are not yet effective and 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 28.

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

The assets that are subject to depreciation or amortisation 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 amortisation, 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.

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid/payable in excess of the calculation based on taxable income is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21 / IAS 37.

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 simultaneously.

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	Solar System with Grid	Total
	Rupees								
Year ended June 30, 2025									
Net carrying value basis									
Opening book value	252,756,400	8,052,160	1,878,672	612,710	592,292	258,104	109,078	-	264,259,416
Additions	-	35,449,494	7,300,000	191,300	231,000	9,847,500	-	2,487,000	55,506,294
Revaluation surplus/(deficit)	1,373,600	126,165	-	-	-	-	-	-	1,499,765
Deletions - NBV	(191,914,000)	(1,000,000)	-	-	(8,000)	-	-	-	(192,922,000)
Depreciation charge	-	(259,319)	(678,979)	(196,694)	(185,462)	(44,505)	(27,780)	(69,083)	(1,461,822)
Closing net book value	62,216,000	42,368,500	8,499,693	607,316	629,830	10,061,099	81,298	2,417,917	126,881,653
Gross carrying value basis									
Cost/revalued amount	62,216,000	42,627,819	14,642,012	2,275,488	1,952,644	13,277,279	418,200	2,487,000	139,896,442
Deletions	-	(13,750)	-	-	(16,000)	-	-	-	(29,750)
Revaluation adjustments	-	(245,569)	-	-	-	-	-	-	(245,569)
	62,216,000	42,368,500	14,642,012	2,275,488	1,936,644	13,277,279	418,200	2,487,000	139,621,123
Accumulated depreciation	-	(259,319)	(6,142,319)	(1,668,172)	(1,314,814)	(3,216,180)	(336,902)	(69,083)	(13,006,789)
Deletions	-	13,750	-	-	8,000	-	-	-	21,750
Revaluation adjustments	-	245,569	-	-	-	-	-	-	245,569
	-	-	(6,142,319)	(1,668,172)	(1,306,814)	(3,216,180)	(336,902)	(69,083)	(12,739,470)
	62,216,000	42,368,500	8,499,693	607,316	629,830	10,061,099	81,298	2,417,917	126,881,653
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
Depreciation rate % per Annum	-	2.5 to 2.8	6 to 30	9 to 18	12 to 15	9 to 18	6 to 24	33.33	

5.1 Freehold land and building on freehold land of the Company is located at Mouza Chuhr Harpal, Near Chuhr Chowk, Main Peshawar Road, Rawalpindi Cantt measuring 5.1 Kanal Details of workshop and residential buildings of the company constructed on this land are as follows:

LOCATION	PARTICULAR	COVERED AREA (In Sq. Ft)
Mouza Chur Harpal, Near Chur Chowk, Main Peshawar Road, Rawalpindi Cantt.	**Gammon house Head office**	**4,004**

5.2 The Company disposed of its freehold land located at Taluka Qasimabad, District Hyderabad, measuring approximately 5.8 Kanal, comprising four open plots situated at Deh Sari, Doraja Colony, Opposite Eid Gah & Indus Gas Housing Society, Main Wadhoo Wah Road, Qasimabad Flyover, National Highway. The land was sold to an independent third party, Mr. Siraj Din, at arm's length and in accordance with prevailing market terms and conditions, pursuant to shareholders' authorization for sale at maximum realizable value.

5.3 Depreciation has been allocated as follows:

	NOTE	2025	2024
		Rupees	
Contract expenditure	25	706,759	781,547
General and administrative expenses	26	755,063	833,897
		1,461,822	1,615,444

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, 2025
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. 88,896,736/-.

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

	2025 Rupees
Freehold land	120,988
Buildings on freehold land	38,382,066
Plant and machinery	8,623,263
Furniture and fixture	1,161,988
Computers and accessories	1,282,307
Motor vehicles, cycles and boats	10,119,655
Construction equipment	273,403

6 INVESTMENT PROPERTY

	NOTE	2025 Rupees	2024 Rupees
Carrying amount as at June 30, Gammon House - land and building	6.1	365,339,500	357,646,440

6.1 The movement in this account is as follows:

	NOTE	2025	2024
Opening balance		357,646,440	479,831,160
Less: Transfer during the year	6.2	-	(121,626,000)
Net fair value gain / (loss) on revaluation shown in profit and loss account	6.4	7,693,060	(558,720)
		365,339,500	357,646,440

6.2 In the previous year, the Company had transferred barren land at Chak Beli, measuring 209.70 Kanals, to Gammon Pakistan Precast (Private) Limited (GPPL) against the issuance of 12,162,600 shares of Rs. 10 each as non-cash consideration, valued at Rs. 121.63 million based on an independent revaluation.

6.3 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 billboards at Gammon House, which were treated as additions to investment property.

6.4 As of June 30, 2025, the company revalued all of its investment properties through an independent valuer, Impulse (Private) Limited. The revaluation resulted in a net fair value gain of Rs. 7,693,060 (2024: net fair value loss of Rs. 558,720).

Forced sale value of the investment property at date of statement of financial position is assessed at Rs 310,538,264 / -.

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

7 LONG TERM INVESTMENTS

Unquoted

Subsidiary

Gammon Pakistan Precast (Private) Limited with 69.99% Holding (2024: 69.99%).	**7.1**	**189,340,000**	189,340,000

7.1 It represents the shareholding of the Company in Gammon Pakistan Precast (Private) Limited, making it a subsidiary effective from November 16, 2021. There is no change in the shareholding during the current year (2024: 69.99%).

8 LONG TERM SECURITY DEPOSITS

	2025	2024
	Rupees	
Tender money deposit	**150,000**	**2,550,000**
Others security deposits	**1,200,600**	**1,200,600**
	1,350,600	**3,750,600**

8.1 It represent deposits against receipt of non-financial services. These are carried at nominal value as effect by amortization is not material in respect of these financial statements.

9 STORES, SPARES AND LOOSE TOOLS

Consumable materials		**176,655**	176,655
Stores	**9.1 & 9.2**	**11,388,313**	11,367,213
Spares		**569,019**	569,019
Loose tools		**20,575**	20,575
Other stocks		**200,042**	200,042
		12,354,604	12,333,504

9.1	Balance as at June 30,	**22,389,169**	22,368,069
	Impairment - obsolete and slow moving item	**(11,000,856)**	(11,000,856)
		11,388,313	11,367,213

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	2025 Rupees	2024 Rupees
10	**CONTRACT RECEIVABLES**			
	Owned			
	Unsecured - considered good			
	Against billings:			
	- completed contracts		**76,107,566**	76,107,565
	Provision for expected credit loss	**10.1**	**(73,512,276)**	(73,512,276)
			2,595,290	2,595,289
	Against retention money:			
	- completed contracts		**79,929,396**	80,537,519
	Provision for expected credit loss	**10.1**	**(38,066,851)**	(38,066,851)
			41,862,545	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)
			-	-
			44,457,835	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	2025 Rupees	2024 Rupees
Opening balance		**141,570,060**	141,570,060
(Reversed)/charged during the year		**-**	-
		141,570,060	141,570,060

		NOTE	2025	2024
11	**CONTRACT ASSET**			
	Under the following captions:			
	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

Unsecured - considered good			
To employees / project managers for expenses		**667,908**	1,038,873
To Gammon Pakistan Precast (Private) Limited	**12.1**	**72,850,322**	8,292,626
To suppliers		**8,163,348**	7,694,988
To sub - contractors		**2,955,720**	2,955,720
		84,637,299	19,982,207
Doubtful advances		**26,387,232**	26,387,232
		111,024,531	46,369,439
Provision for expected credit loss	**12.2**	**(26,387,232)**	(26,387,232)
		84,637,299	19,982,207

12.1 This represents the short term borrowing provided to Gammon Pakistan Precast (Private) Limited under loan agreement dated April 1,2024 which was modified with effect from July 1,2024.The terms of loan carries interest at per day KIBOR plus 0.25% and is repayable in accordance with the mutually agreed terms and conditions. The maximum aggregate balance calculated with regards to the month-end balance is Rs. 71,104,098.

12.2 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	2025	2024
		Rupees	
Opening balance		**26,387,233**	26,387,233
(Reversed)/charge during the year		**-**	-
		26,387,233	26,387,233

13 OTHER RECEIVABLES

Unsecured:			
- Considered good			
Other receivables	**13.1**	**2,597,489**	909,156

13.1 This amount includes rental income receivable from related parties as follows:

	NOTE	2025	2024
		Rupees	
Janana De Malucho Textile Limited		**146,410**	146,410
Bannu Woolen Mills Limited		**109,508**	163,468
Ghandhara Industry		**563,680**	-
Kisa Khani kabab (Pvt) Limited		**1,200,000**	-
		2,019,598	309,878

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

1-90 days	**2,019,598**	309,878
90-180 days	**-**	-
Over 180 days	**-**	-
	2,019,598	309,878

13.3 Maximum balance due from related party at end of any month during the year is Rs. 1,270,532 (2024: Rs. 2,030,117).

	NOTE	2025	2024
		Rupees	
14 TAX REFUNDS DUE FROM GOVERNMENT			
Considered good			
Balance as at July 01,		**90,496,383**	85,272,052
Advance income tax adjusted	**15**	**4,104,455**	5,224,331
		94,600,838	90,496,383
15 TAXATION - NET			
Balance as at July 01,		**4,104,455**	5,224,331
Transferred to tax refunds due from Government	**14**	**(4,104,455)**	(5,224,331)
		-	-
Provision for taxation	**31**	**-**	(502,458)
Advance income tax		**8,304,681**	4,606,913
		8,304,681	4,104,455
16 CASH AND BANK BALANCES			
Cash in hand		**1,020,385**	**418,266**
Cash at bank: local currency			
- Current accounts	**16.1**	**25,927**	**1,783,200**
- Savings accounts	**16.2**	**10,505**	**10,505**
- Deposit accounts	**16.3**	**889,443**	**889,443**
		925,875	**2,683,148**
		1,946,260	**3,101,414**

16.1 It include Rupees 7,995/- (2024: 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 The PLS accounts remained dormant during the year. Consequently, no profit was accrued or credited to these accounts, and their balances remained unchanged from those reported in the previous year (2024: profit rates ranged from 19.5% to 21%).

16.3 The entire balance as at June 30, 2025 and June 30, 2024 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 2025	2024		NOTE	2025 Rupees	2024
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**

	NOTE	2025	2024
Bibojee Services (Private) Limited - Parent Company			
20,369,056 (2024: 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 (2024: 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 (2024: 72.06% shares) in Gammon Pakistan Limited as at June 30, 2025.

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 (2024: 30,000,000) ordinary shares of Rs. 10/- each amounting to Rs. 300,000,000 (2024: 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	2025 Rupees	2024
Balance brought forward		**388,444,139**	436,777,683
Add: Revaluations during the year		**1,499,765**	589,256
Less:			
Transferred to equity in respect of incremental depreciation charged during the year - net of deferred tax		**1,884,181**	1,441,959
Revaluation adjustment due to transfer of asset		**270,939,099**	45,547,870
Related deferred tax liability during the year transferred to profit and loss account		**941,830**	1,932,971
		273,765,110	48,922,800
		116,178,794	388,444,139

Less: Related deferred tax effect :

Opening balance - as previously reported	**6,017,855**	7,962,931
Revaluation during the year	**36,588**	(12,106)
Revaluation adjustment due to transfer of asset	**(172,235)**	(1,344,001)
Incremental depreciation charged during the year transferred to profit and loss account	**(769,595)**	(588,969)
	5,112,613	6,017,855
	111,066,181	382,426,284

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, 2025 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	2025	2024
		Rupees	
Present value of the defined benefit obligation	**19.3**	**1,007,203**	606,649
Benefits due but not paid during the year	**19.3**	**3,635,760**	5,795,941
		4,642,963	6,402,590

19.3 Reconciliation of net defined benefit liability

Present value of defined benefit obligations	**606,649**	1,493,221
Benefits due but not paid as at June 30,	**5,795,941**	6,059,213
Service cost	**52,677**	53,710
Interest on defined benefit obligations	**89,481**	165,705
Benefits paid during the year	**(2,160,181)**	(1,210,272)
Benefit due but not paid at the year end	**(3,635,760)**	(5,795,941)
Actuarial loss/(gain)	**258,396**	(158,987)
	1,007,203	606,649

19.4 Remeasurement chargeable to statement of other comprehensive income

Remeasurement (gain) / loss on defined obligation due to:

Actuarial (gain) due to Change in financial assumptions	**(517)**	(430)
Actuarial loss/(gain) due to experience adjustment	**258,913**	(158,557)
	258,396	(158,987)

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

Current service costs	**52,677**	53,710
Interest cost	**89,481**	165,705
	142,158	219,415

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

Opening defined benefit obligation	**6,402,590**	7,552,434
Service cost	**52,677**	53,710
Interest cost	**89,481**	165,705
Actuarial (gains)	**258,396**	(158,987)
Benefits paid	**(2,160,181)**	(1,210,272)
	4,642,963	6,402,590

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, 2025	11.75%
Future salary increases	10.75%
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	3 Years
Average duration of liability	3 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:

	2025	2024	2023	2022	2021
	Rupees				
Present value of defined benefit obligation	**1,007,203**	606,649	1,493,221	3,030,550	4,319,738

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, 2026 is estimated to be Rs. 176,686.

19.11 **Sensitivity analysis**

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

	2025	
	1 % increase in assumption	**1 % decrease in assumption**
	Rupees	
Discount rate	**975,832**	**1,037,710**
Salary increase	**1,039,444**	**975,735**

19.12 **Expected future payments**

Within one year	**988,874**
More than one year but less than five years	**3,734,410**
Above five years	**-**
	4,723,284

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	2025 Rupees	2024 Rupees
Deferred tax	20.1	**9,599,887**	(10,866,023)
Tax rate		**29%**	29%

20.1 Deferred tax Asset-net

20.1.1 Analysis of change in deferred tax

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

	NOTE	2025 Rupees	2024 Rupees
Opening balance		**(10,866,023)**	29,326,126
Charged to statement of profit or loss	32	**20,429,322**	(40,180,043)
Charged to other comprehensive income	18	**36,588**	(12,106)
		9,599,887	(10,866,023)

20.1.2 Net deferred tax liability is comprised of as follows:

	2025 Rupees	2024 Rupees
Deferred tax liabilities		
Accelerated tax depreciation allowed	**94,172,294**	66,399,356
Surplus on revaluation of PPE	**5,112,611**	6,017,855
	99,284,905	72,417,211
Deferred tax asset		
Provision for doubtful receivables	**(41,055,317)**	(41,055,317)
Provision for doubtful loan and advances	**(7,652,297)**	(7,652,299)
Deferred tax asset on brought forward losses	**(29,445,420)**	(22,533,342)
Provision for overseas loan	**(10,185,525)**	(10,185,525)
Gratuity payable	**(1,346,459)**	(1,856,751)
	(89,685,018)	(83,283,234)
	9,599,887	(10,866,023)

20.2 Deferred tax asset of Rs. 29,445,420 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 (2024: Rs. 22,533,342)

	NOTE	2025	2024
		Rupees	
21 TRADE AND OTHER PAYABLES			
Directors current accounts	21.1	**26,577,114**	26,577,114
Sundry creditors		**37,248,580**	33,390,422
Advance rent		**2,539,864**	2,362,577
Due to sub-contractors		**16,999,998**	24,543,700
Accrued expenses		**36,190,143**	46,752,906
Due to employees and others	21.2	**6,444,973**	9,009,261
Taxes payable		**3,222,579**	1,727,895
Joint venture partners' share of profit		**1,620,715**	1,620,715
Workers welfare fund payable		**1.00**	144,244
Other provisions	21.3	**35,122,500**	35,122,500
		165,966,468	181,251,334

21.1 This includes advances paid by directors in order to meet day to day expenses from Chairman Gen.(Rtd) Mr. Ali kuli khan and Director Khalid Kuli Khan amounting to Rs. 22,553,800/- (2024: Rs.22,553,800) and Rs. 4,023,314/- (2024: Rs. 4,023,314) respectively which are interest free and reimbursable on demand.

21.2 This balance includes amounts aggregating Rs. 1.563 million (2024: 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.

21.3 These represent provisions made for the potential liability, in respect of borrowings of Saudi Riyals 2.50 million and Saudi Riyals 5 million during the year 1986 for the Saudi Operations of the Company, that the Company may have to incur as a result of settlement of overseas dues of National Bank of Pakistan in accordance with the Incentive Scheme under the State Bank of Pakistan's Circular No.19 of 05 June,1997 (For further detail please refer note 24.2(a) of these financial statements).

	NOTE	2025	2024
		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 (2024: 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 21.3 above) in the financial statements in accordance with the Incentive Scheme under the State Bank of Pakistan's Circular No. 19 of 05 June, 1997, the management is of the opinion that there is no further requirement for any provision on this account as no adverse effect is expected. The same has been endorsed by the Company's Board of Directors (BOD) and the legal advisor in his opinion. Furthermore, the BOD has agreed to settle any liability that may arise consequent upon the outcome of the above matter.

(b) Regarding tax year 2015 Best judgment assessment was made against the company under section 121 of the Income Tax Ordinance, 2001 determining tax chargeable at Rupees 46,282,156/- and tax payable of Rupees. 22,636,470/- The Commissioner Inland Revenue (Appeals) who upheld the assessment order of Deputy Commission Inland Revenue. Later on, the Appellate Tribunal Inland Revenue remanded back the case to the assessing officers which is yet to set for hearing. Legal counsel of the company is confident 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 (2024: Rs. 50.062 million).

25 CONTRACT EXPENDITURE

	NOTE	2025	2024
		Rupees	
Salaries and wages		-	86,800
Cartage, traveling and conveyance		-	36,900
Site auxiliary works and temporary hutting		-	3,200
Sundry expenses		-	12,480
Depreciation	5.3	706,759	781,547
		706,759	920,927

26 GENERAL AND ADMINISTRATIVE EXPENSES

	NOTE	2025	2024
Salaries and benefits		16,310,114	16,855,211
Staff retirement benefits - gratuity	19.5	142,158	219,415
Repair and maintenance		3,236,117	628,364
Rent, rates and taxes		12,043,611	4,924,320
Communication		515,289	237,602
Advertisement and publicity		153,620	275,500
Legal and professional charges		2,282,400	3,651,202
Power and electricity		1,368,804	1,068,002
Travelling and conveyance		2,847,686	1,650,478
Works in view		-	100,950
Fee and subscription		805,380	912,311
Other sundry expenses		24,228,582	2,593,578
Depreciation	5.3	755,063	833,897
		64,688,824	33,950,830

27 OTHER OPERATING EXPENSES

	NOTE	2025	2024
Auditor remuneration	27.1	685,125	685,125
Loss on sale of operating fixed assets		37,914,000	-
Worker welfare fund		-	60,319
		38,599,125	745,444

27.1 Auditor remuneration

	2025	2024
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

		2025	2024
28	**OTHER INCOME**	**Rupees**	
	Income from financial assets:		
	Profit on deposit and PLS accounts	**-**	1,305
	Gain realized on maturity of defense saving certificate	**-**	410,513
	Income from non-financial assets:		
	Rental income on investment property	**37,512,405**	33,241,083
	Gain on sale of operating fixed assets and investment property	**8,000**	66,125
	Markup on advances to subsidiary	**2,854,864**	460,508
	Gain on sale of obsolete stores & spares	**1,400,360**	955,850
	Miscellaneous income	**11,156,054**	-
		52,931,683	35,135,384

		2025	2024
29	**BANK CHARGES**		
	Bank charges	**5,684**	**3,828**

30 FAIR VALUE (LOSS)/GAIN ON INVESTMENT PROPERTY

30.1 The company, as of June 30, 2025, had revalued all of its investment property. The revaluation exercise was carried out by Impulse (Private) Limited, and the revaluation resulted in a net fair value gain amounting to Rs. 7,693,060 (2024: net fair value loss of Rs. 558,720). During the previous year, the Company also transferred investment property to its subsidiary, Gammon Pakistan Precast (Private) Limited, against the issuance of shares to enhance its investment in the subsidiary, recognizing a gain of Rs. 4.00 million on the transaction.

			2025	2024
31	**MINIMUM TAXES**	**NOTE**	**Rupees**	
	Minimum Taxes	**31.1**	**-**	**502,458**

31.1 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 4.15 .

			2025	2024
		NOTE	**Rupees**	
32	**TAXATION**			
	Current year		-	-
	Deferred tax		**20,429,322**	(40,180,043)
			20,429,322	(40,180,043)

32.1 No numeric tax rate reconciliation is presented in these financial statements for the year ended June 30, 2025 as the Company's income was taxable under separate taxation regime of the Income Tax Ordinance, 2001.

32.2 The applicable income tax rate for the Tax Year 2025 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.

33 EARING PER SHARE - BASIC AND DILUTED

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

		2025	2024
(Loss)/ Profit after tax	*RUPEES*	**(63,804,970)**	42,633,220
Weighted average number of ordinary shares at the end of the year	*NUMBERS*	**28,266,231**	28,266,231
Basic and diluted (loss)/ earning per share	*RUPEES*	**(2.26)**	1.51

33.1 **Earning per share comprises as follows:**

	2025	2024
Distributable profit	**(2.53)**	1.39
Undistributable - unrealized fair value gains	**0.27**	0.12
	(2.26)	1.51

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

34 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	2025	2024
			Rupees	
a) Subsidiary				
Gammon Pakistan Precast (Private) Limited	Shareholder	Shares acquired	**-**	188,840,000
		Loan Provided	**72,850,322**	8,252,815
		Repayment((through renovation of Parent company's building)	**44,581,494**	9,501,678

b) Associated Companies

Ghandhara Automobiles Limited	Common Directorship	Rental income	**5,032,851**	4,538,712
		Rental received	**(5,032,851)**	(4,538,712)
Ghandhara Industries Limited	Common Directorship	Rental income	**4,992,588**	4,502,109
		Rental received	**(4,428,908)**	(4,568,659)
Janana De Malucho Textile Mills Limited	Common Directorship	Rental income	**-**	73,205
		Rental received	**-**	-
Bannu Woollen Mills Limited	Common Directorship	Rental income	**6,978,524**	6,344,113
		Rental received	**(6,978,524)**	(6,541,302)
Kissa Khani (pvt) Limited	Common Directorship	Rental income	**1,200,000**	-
		Rental received	**-**	-

34.1 The status of outstanding balances of related parties as at June 30, 2025 are included in other receivable (note 13.1) and trade and other payables (note 21).

	NOTE	**2025**	2024
		Rupees	
35 PROFIT BEFORE WORKING CAPITAL CHANGES			
(Loss)/ Profit before taxation		**(43,375,648)**	2,955,635
Adjustment for:			
Depreciation	**5**	**1,461,822**	1,615,444
Staff retirement benefits - gratuity	**26**	**142,158**	219,415
Fair value gain on investment property	**30**	**(7,693,060)**	(3,441,280)
Loss on sale of operating fixed assets	**27**	**37,914,000**	-
Gain on disposal of fixed assets	**28**	**(8,000)**	(66,125)
Markup on advances to associated undertaking	**28**	**(2,854,864)**	(460,508)
Finance cost	**29**	**5,684**	3,828
		28,967,739	(2,129,226)
		(14,407,909)	826,409

36 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:

	2025				2024			
	Chief Executive	**Directors**	**Executives**	**Total**	Chief Executive	Directors	Executives	Total
	------------------------- Rupees -------------------------				------------------------- Rupees -------------------------			
Managerial remuneration	**-**	**-**	**3,773,847**	**3,773,847**	-	-	4,944,972	4,944,972
House rent	**-**	**-**	**754,775**	**754,775**	-	-	863,004	863,004
Medical	**-**	**-**	**754,764**	**754,764**	-	-	863,004	863,004
Utilities	**-**	**-**	**754,764**	**754,764**	-	-	863,004	863,004
Others allowances	**-**	**-**	**1,509,528**	**1,509,528**	-	-	1,916,736	1,916,736
Total	**-**	**-**	**7,547,678**	**7,547,678**	-	-	9,450,720	9,450,720
Number of persons	**1**	**7**	**2**	**10**	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.

37 FINANCIAL ASSETS AND LIABILITIES

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

	2025				
		Interest/mark up bearing			
	Total	Maturity upto one year	Maturity after one year	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	**1,350,600**	**-**	**-**	**-**	**1,350,600**
Contract receivables	**44,457,835**	**-**	**-**	**-**	**44,457,835**
Other receivables	**2,597,489**	**-**	**-**	**-**	**2,597,489**
Contract asset	**65,049,779**	**-**	**-**	**-**	**65,049,779**
Cash and bank balances	**1,946,260**	**899,948**	**-**	**899,948**	**1,046,312**
	304,741,963	**899,948**	**-**	**899,948**	**303,842,015**
Financial liabilities					
Financial liabilities carried at amortized cost					
Trade and other payables	**165,966,468**	**-**	**-**	**-**	**165,966,468**
Unclaimed dividends	**1,442,230**	**-**	**-**	**-**	**1,442,230**
Deferred liability	**4,642,963**	**-**	**-**	**-**	**4,642,963**
Joint venture partner's advances	**30,059,542**	**-**	**-**	**-**	**30,059,542**
	202,111,203	**-**	**-**	**-**	**202,111,203**
On balance sheet gap	**102,630,760**	**899,948**	**-**	**899,948**	**101,730,812**
Off Balance sheet Items					
Financial contingencies and commitments	**(136,794,238)**	**-**	**-**	**-**	**(136,794,238)**
Total Gap	**(34,163,478)**	**899,948**	**-**	**899,948**	**(35,063,426)**

	2024				
		Interest/mark up bearing			
	Total	Maturity upto one year	Maturity after one year	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 commit	(136,794,238)	-	-	-	(136,794,238)
Total Gap	(48,733,028)	899,948	-	899,948	(49,632,976)

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

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

38.1 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.

38.2 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. 114,381,577/- (2024: Rs. 117,458,640). The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	NOTE	**2025**	2024
		Rupees	
Long term security deposits	**8**	**1,350,600**	3,750,600
Contract receivables	**10**	**44,457,835**	45,065,957
Other receivables	**13**	**2,597,489**	909,156
Contract asset	**11**	**65,049,779**	65,049,779
Bank balances	**16**	**925,875**	2,683,148
		114,381,577	117,458,640

The aging of contract receivables at the reporting date is:

	2025	2024
Not past due	**-**	-
Past due 1-30 days	**-**	-
Past due 30-90 days	**-**	-
Past due 90 days	**44,457,835**	45,065,957
	44,457,835	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.

38.3 **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:

	2025						
	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	**165,966,468**	**165,966,468**	**165,966,468**	**-**	**-**	**-**	**-**
Unclaimed Dividend	**1,442,230**	**1,442,230**	**-**	**1,442,230**	**-**	**-**	**-**
Deferred Liability	**4,642,963**	**-**	**-**	**-**	**-**	**4,642,963**	**-**
Joint Venture partner's advance	**30,059,542**	**30,059,542**	**30,059,542**	**-**	**-**	**-**	**-**
	202,111,203	**197,468,240**	**196,026,010**	**1,442,230**	**-**	**4,642,963**	**-**

	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	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	-

38.4 **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 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 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.

39 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 Company for similar financial instruments, if relevant.

	June 30,2025		June 30,2024	
	Carrying Amount	**Fair value**	Carrying Amount	Fair Value
	Rupees			
Assets Carried at Amortized Cost				
Contract receivables	**44,457,835**	**44,457,835**	45,065,957	45,065,957
Contract asset	**65,049,779**	**65,049,779**	65,049,779	65,049,779
Loans and advances	**84,637,299**	**84,637,299**	19,982,207	19,982,207
Other receivables	**2,597,489**	**2,597,489**	909,156	909,156
Cash and bank balances	**1,946,260**	**1,946,260**	3,101,414	3,101,414
	198,688,662	**198,688,662**	134,108,513	134,108,513

	June 30,2025		June 30,2024	
	Carrying Amount	**Fair value**	Carrying Amount	Fair Value
	Rupees			
Liabilities Carried at Amortized Cost				
Trade and Other Payable	**165,966,468**	**165,966,468**	181,251,334	181,251,334
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
	197,468,240	**197,468,240**	212,753,106	212,753,106

As at June 30, 2025 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, 2025 carried out by external independent valuer M/s Impulse (Private) Limited.

	As at June 30,2025			
	Level 1	**Level 2**	**Level 3**	**Total**
	Rupees			
Assets				
Investment Property Carried at Fair Value	**-**	**-**	**365,339,500**	**365,339,500**
Freehold Land and Building	**-**	**-**	**104,584,500**	**104,584,500**
	-	**-**	**469,924,000**	**469,924,000**

	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

	NOTE	2025	2024
		Rupees	
Reconciliation of net increase in level 3 fair values:			
Fair value at beginning of the year		**618,455,000**	775,505,000
Additions during the year		**35,449,494**	-
Disposal / Transfer to subsidiary as consideration		**(192,914,000)**	(160,806,875)
Depreciation charged during the year	**5**	**(259,319)**	(273,661)
Remeasurement recognized in profit or loss		**7,693,060**	3,441,280
Remeasurement recognized in OCI		**1,499,765**	589,256
Fair value at end of the year		**469,924,000**	618,455,000

The Company has revalued its freehold land, buildings on June 30, 2025 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.

39.1 **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.

40 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.

41 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:

	NOTE	2025	2024
		Rupees	
Equity		**785,149,449**	847,749,638
Gearing ratio		**-**	-

42 JOINT VENTURES

42.1 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.

42.2 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	Profit sharing ratio
	Rs. in million	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%

43 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.

44 NUMBER OF EMPLOYEES

	2025	2024
Number of employees as at June 30,	**19**	17
Average number of employees during the year	**18**	17

45 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

45.1 MANAGEMENT ASSESSMENT OF GOING CONCERN

The Company has incurred operational loss of Rupees 51.06 million during the year, primarily due to the non-availability of profitable contracts/projects and the sale of Hyderabad land at a loss, which further increased the overall deficit. Despite this, the Company successfully met its day-to-day working capital requirements and administrative expenses through rental income from investment properties, while its recurring cash flows were strengthened with the addition of a new restaurant in one of its buildings, generating incremental rental income alongside existing tenants. Furthermore, liquidity was enhanced through the sale proceeds of the Hyderabad land, notwithstanding the associated loss. In view of these developments and the management’s focused efforts to re-profile operational activities and deploy available liquidity in a cost-efficient manner for machinery and related projects, the management remains confident in the Company’s ability to continue as a going concern. 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;

• Renovation and upgradation of property to enhance their usability and value.

45.2 **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.

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on ____28 Oct 2025____ by the Board of Directors of the Company.

46.1 **GENERAL**

Amounts presented 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**

Rizwan & Company
CHARTERED ACCOUNTANTS

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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, 2025, 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, 2025 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 44.46 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 11, 11.1, 12 and 25 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 23.2 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 24 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 48.2 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 26.2 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, 2025, the Holding Company has not recognized any amount as revenue from projects. However, the Holding Company recognized an amount of Rs. 37.51 million as Rental income from investment property during the year (2024 – Rs.33.24 million). We considered revenue recognition as a key audit matter due to significant management judgment, fair value assessment and estimation involved. Refer to note 5.17 & 27 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 fair value assessment of rental property and management's estimates of delivered projects by comparing actual results to previous estimates; - Performed test of detail procedures over actual income earned and 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: 06 NOV 2025
Date:

UDIN: AR202510101V5Hjmlzqy

GAMMON PAKISTAN LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
June 30, 2025

GAMMON PAKISTAN LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	NOTE	2025	2024
ASSETS			
		Rupees	
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	378,655,705	516,333,754
Investment property	7	365,339,500	357,646,440
Precommencement expenditure	8	5,831,832	6,196,321
Work in Progress		18,281,809	3,366,911
Long term security deposits	9	1,350,600	3,750,600
Deferred taxation	22	-	10,866,023
		769,459,445	898,160,049
CURRENT ASSETS			
Stores, spares and loose tools	10	23,962,629	21,537,189
Contract receivables	11	44,457,835	45,065,957
Contract asset	12	65,049,779	65,049,779
Loans and advances	13	19,103,298	18,145,255
Other receivables	14	16,139,017	4,015,220
Tax refunds due from Government	15	94,713,993	90,514,225
Advance Tax - net	16	8,602,131	4,199,768
Cash and bank balances	17	45,731,931	3,314,907
		317,760,613	251,842,300
TOTAL ASSETS		1,087,220,058	1,150,002,349
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	18	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	118,249,581	383,585,284
		133,629,911	398,965,614
Revenue reserve-Accumulated profit		351,419,912	145,523,982
Equity attributable to owners of the holding company		767,712,133	827,151,906
Non-controlling interest	20	78,090,767	78,094,677
		845,802,900	905,246,583
NON-CURRENT LIABILITIES			
Deferred liability	21	4,642,963	6,402,590
Deferred taxation		9,599,887	-
		14,242,850	6,402,590
CURRENT LIABILITIES			
Trade and other payables	23	193,153,061	203,472,646
Unclaimed dividends	24	1,442,230	1,442,230
Taxation		2,519,475	3,378,758
Joint venture partner's advances	25	30,059,542	30,059,542
		227,174,308	238,353,176
TOTAL EQUITY AND LIABILITIES		1,087,220,058	1,150,002,349
CONTINGENCIES AND COMMITMENTS	27	-	-

The annexed notes from 1 to 49 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, 2025

	NOTE	2025	2024
		Rupees	
Revenue	27	93,152,023	43,496,084
Contract expenditure/cost of good sold	28	(84,639,502)	(44,886,781)
Gross profit/ (loss)		8,512,521	(1,390,697)
Operating expenses			
General and administrative expenses	29	(73,338,987)	(48,803,214)
Other operating expenses	30	(38,799,125)	(945,444)
		(112,138,112)	(49,748,658)
Other income	31	50,906,922	34,991,829
Net operating profit/ (loss)		(52,718,669)	(16,147,527)
Finance Cost	32	(12,388)	(5,453)
Fair value gain on investment property	33	7,693,060	3,441,280
(Loss) before income taxes and minimum taxes		(45,037,997)	(12,711,700)
Minimum taxes	34	-	(1,046,159)
(Loss) before income taxes		(45,037,997)	(13,757,858)
Taxation	35	(21,634,867)	40,180,043
(Loss) / Profit after taxation		(66,672,864)	26,422,185
Loss or Profit attributable to:			
Equity holders of the holding company		(66,668,954)	29,162,661
Non-controlling interests	20	(3,910)	(2,740,476)
		(66,672,864)	26,422,185
(Loss) / Earnings per share:			
(Loss) / Earnings per share - basic and diluted	36	(2.36)	1.03

The annexed notes from 1 to 49 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, 2025

		Share capital	Reserves				
			Capital		Revenue		
	NOTE	Issued, subscribed and paid-up capital	Share premium reserve	Revaluation surplus on property, plant and equipment	Accumulated Profits	Non-controlling interest	Total
		----------Rupees----------					
Balance as at July 1, 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, 2024							
(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	19	-	-	(1,441,959)	1,441,959	-	-
- upon disposal of revalued property, plant and equipments		-	-	(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)
Share of net assets		-	-	-	-	81,140,000	81,140,000
		-	-	-	-	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
Total comprehensive income for the year ended June 30, 2024							
(Loss) for the year		**-**	**-**	**-**	**(66,668,954)**	**-**	**(66,668,954)**
Revaluation of property, plant and equipment - net of deferred tax		**-**	**-**	**7,487,577**	**-**	**-**	**7,487,577**
Gain on remeasurement of defined benefit liability		**-**	**-**	**-**	**(258,396)**	**-**	**(258,396)**
		-	**-**	**7,487,577**	**(66,927,350)**	**-**	**(59,439,773)**
Transfer from revaluation surplus on property, plant and equipment:							
- on account of incremental depreciation-net of deferred tax	19	**-**	**-**	**(1,884,181)**	**1,884,181**	**-**	**-**
- upon revaluation adjustment for transfer of property, plant and equipment		**-**	**-**	**(270,939,099)**	**270,939,099**	**-**	**-**
		-	**-**	**(272,823,280)**	**272,823,280**	**-**	**-**
Non-controlling interest:							
		-	**-**	**-**	**-**	**(3,910)**	**(3,910)**
Share of (loss) (30.01%)		**-**	**-**	**-**	**-**	**-**	**-**
Share of net assets		**-**	**-**	**-**	**-**	**(3,910)**	**(3,910)**
Balance as at June 30, 2025		**282,662,310**	**15,380,330**	**118,249,581**	**351,419,912**	**78,090,767**	**845,802,900**

The annexed notes from 1 to 49 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, 2025

	NOTE	2025	2024
		Rupees	
(Loss) / Profit after taxation		**(66,672,864)**	26,422,185
Other comprehensive income			
Item that will not be reclassified to profit and loss:			
Revaluation surplus on property, plant and equipment	**19**	**7,524,165**	2,907,257
Related deferred tax impact	**19**	**(36,588)**	12,106
		7,487,577	2,919,362
(Loss)/gain on remeasurement of defined benefit liability	**21.4**	**(258,396)**	158,987
Total other comprehensive income for the year		**7,229,181**	3,078,349
Total comprehensive (loss)/income for the year		**(59,443,683)**	29,500,534
Total comprehensive (loss)/income attributable to:			
Equity holders of the holding company		**(61,251,605)**	32,045,081
Non-controlling interests		**1,807,922**	(2,544,547)
		(59,443,683)	29,500,534

The annexed notes from 1 to 49 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, 2025

	NOTE	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before working capital changes	38	(2,980,035)	(8,514,748)
Changes in working capital:			
Decrease / (increase) in current assets			
Stores, spares and loose tools		(2,425,440)	(5,350,742)
Contract receivables		608,122	-
Loans and advances		(958,043)	(1,902,148)
Other receivables		(12,123,797)	1,058,506
Increase/(decrease) in current liabilities			
Trade and other payables		(10,319,585)	26,493,584
		(25,218,743)	20,299,200
Cash (used in) / generated from operations		(28,198,778)	11,784,452
Bank charges paid	32	(12,388)	(5,453)
Income tax paid		(10,666,959)	(4,702,225)
Gratuity paid		(2,160,181)	(1,210,272)
		(12,839,527)	(5,917,950)
Net cash (used in) / generated from operating activities		(41,038,305)	5,866,502
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	6	(59,245,773)	(1,896,201)
Proceeds from disposal of fixed assets		155,216,000	-
Work in progress		(14,914,898)	(2,663,553)
Long term investments		-	1,300,413
Return / (Acquisition) in long term security deposits		2,400,000	(2,550,000)
Net cash generated / (used in) investing activities		83,455,329	(5,809,341)
Net increase in cash and cash equivalents		42,417,024	57,161
Cash and cash equivalents at the beginning of the year		3,314,907	3,257,746
Cash and cash equivalents at the end of the year	17	45,731,931	3,314,907

The annexed notes from 1 to 49 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.

During the current year ,Gammon Pakistan Limited has been placed in the “Non-Compliant Segment” by PSX vide notice N-496 on May 14, 2025, under Regulation 5.11.1(a) for suspension of core business operations. As a consequence the share registrar has been advised to freeze shares of the sponsors, directors and senior management of the company. This does not effect the general public.

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.

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 Group company on July 1, 2024. However, these amendments do not have any significant impact on the Group Company's financial statements.

Effective Date

a) IAS 1 : Classification of liabilities as current or non current January 1 , 2024

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a Company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a Company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

Effective Date

b) IFRS 16 : Sale and leaseback transaction **January 1 , 2024**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered

Effective Date

c) Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements **January 1 , 2024**

The International Accounting Standards Board (IASB) issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures in May 2023, effective for annual reporting periods beginning on or after 1 January 2024. The amendments introduce additional disclosure requirements and signposts within existing disclosure provisions that require entities to provide qualitative and quantitative information about supplier finance arrangements, including their nature, terms and conditions, the carrying amounts and presentation of related financial liabilities, the range of payment due dates for payables under such arrangements, and a reconciliation of changes in those liabilities during the reporting period. The purpose of these amendments is to enhance transparency and enable users of financial statements to understand the effects of supplier finance arrangements on an entity’s liabilities, cash flows, and liquidity risk exposure.

'The above mentioned amendments to published approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current and future periods.

3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Group Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2024 and have not been early adopted by the Group Company:

Effective Date

a) IAS 21 : Lack of exchangeability **January 1 , 2025**

Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates' address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.

Effective Date

January 1 , 2026

b) IFRS 7 : Classification and Measurement of Financial Instruments Disclosure
IFRS 9 : Financial Instruments

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

Effective Date

c) IFRS 18 : Presentation and Disclosure in Financial Statements **January 1 , 2027**

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

		Effective Date
d)	**IFRS S1 : General Requirements for Disclosure of Sustainability-Related Financial Information**	**July 1 , 2025**

IFRS S2 : Climate-Related Disclosures

These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published 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 Company

There are other standards and amendments to published standards for accounting periods beginning on or after 01 July 2024 that are not yet effective and are considered not to be relevant or do not have any significant impact on the Group Company's financial statements and are therefore not detailed in these 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 revalues 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 amortisation 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 amortisation, 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.

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid/payable in excess of the calculation based on taxable income is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21 / IAS 37.

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	Solar System with Grid	Construction equipments	Total
	Rupees								
Year ended June 30, 2025									
Net carrying value basis									
Opening book value	403,904,400	22,478,552	88,126,623	620,903	771,810	322,388	-	109,078	516,333,754
Revaluation surplus/(deficit)	6,585,600	938,565	-	-	-	-	-	-	7,524,165
Additions	-	35,449,494	10,550,979	198,800	712,000	9,847,500	2,487,000	-	59,245,773
Transfers	-	-	-	-	-	-	-	-	-
Deletions - NBV	(191,914,000)	(1,000,000)	(180,000)	-	(8,000)	-	-	-	(193,102,000)
Depreciation charge	-	(590,448)	(10,182,265)	(199,351)	(224,155)	(52,905)	(69,083)	(27,780)	(11,345,987)
Closing net book value	218,576,000	57,276,163	88,315,337	620,352	1,251,655	10,116,983	2,417,917	81,298	378,655,705
Gross carrying value basis									
Cost/revalued amount	218,576,000	58,081,614	110,895,702	2,297,887	2,638,354	13,361,279	2,487,000	418,200	408,756,036
Deletions	-	(13,750)	-	-	(8,000)	-	-	-	(21,750)
Revaluation adjustments	-	(245,569)	-	-	-	-	-	-	(245,569)
	218,576,000	57,822,296	110,895,702	2,297,887	2,630,354	13,361,279	2,487,000	418,200	408,488,718
Accumulated depreciation	-	(805,452)	(22,580,365)	(1,677,535)	(1,378,699)	(3,244,296)	(69,083)	(336,902)	(30,092,331)
Deletions	-	13,750	-	-		-	-	-	13,750
Revaluation adjustments	-	245,569	-	-	-	-	-	-	245,569
	-	(546,133)	(22,580,365)	(1,677,535)	(1,378,699)	(3,244,296)	(69,083)	(336,902)	(29,833,013)
	218,576,000	57,276,163	88,315,337	620,352	1,251,655	10,116,983	2,417,917	81,298	378,655,705
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
Depreciation rate % per Annum	-	2.5 to 2.8	6 to 30	9 to 18	10 to 15	9 to 18	9 to 18	6 to 24	

6.1 Freehold land and building on freehold land of the Company is located at Mouza Chur Harpal, Near Chur Chowk, Main Peshawar Road, Rawalpindi Cantt measuring 5.1 Kanal Details of workshop and residential buildings of the company constructed on this land are as follows:

LOCATION	PARTICULAR		COVERED AREA (In Sq. Ft)
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	2025	2024
		Rupees	
Contract expenditure	28	10,210,045	5,982,354
General and administrative expenses	29	1,135,942	1,072,326
		11,345,987	7,054,680

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 30,2025
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. 88,896,736/-.

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

	2025
	Rupees
Freehold land	120,988
Buildings on freehold land	38,382,066
Plant and machinery	8,623,263
Furniture and fixture	1,161,988
Computers and accessories	1,282,307
Motor vehicles, cycles and boats	10,119,655
Construction equipment	273,403

7 INVESTMENT PROPERTY	**NOTE**	**2025**	2024
		Rupees	
Carrying amount as at June 30,			
Gammon House - land and building	**7.3**	**365,339,500**	357,646,440

7.1 The movement in this account is as follows:

		2025	2024
Opening balance		**357,646,440**	479,831,160
Less: Transfer during the year	**7.2**	**-**	(121,626,000)
Net fair value gain on revaluation shown in profit and loss account	**7.4**	**7,693,060**	(558,720)
Carrying amount as at June 30		**365,339,500**	357,646,440

7.2 In the previous year, the Company had transferred barren land at Chak Beli, measuring 209.70 Kanals, to Gammon Pakistan Precast (Private) Limited (GPPL) against the issuance of 12,162,600 shares of Rs. 10 each as non-cash consideration, valued at Rs. 121.63 million based on an independent revaluation.

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 billboards at Gammon House, which were treated as additions to investment property.

7.4 As of June 30, 2025, the company revalued all of its investment properties through an independent valuer, Impulse (Private) Limited. The revaluation resulted in a net fair value gain of Rs. 7,693,060 (2024: net fair value loss of Rs. 558,720).

Forced sale value of the investment property at date of statement of financial position is assessed at Rs 310,538,264 / -.

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

		NOTE	2025 Rupees	2024
8	**PRE-COMMENCEMENT EXPENDITURES**			
	Cost Incurred		**7,289,790**	7,289,790
			7,289,790	7,289,790
	Less: Accumulated Amortization		**(1,457,959)**	(1,093,469)
			5,831,832	6,196,321

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

		NOTE	2025 Rupees	2024
9	**LONG TERM SECURITY DEPOSITS**			
	Tender money deposit		**150,000**	2,550,000
	Others security deposits		**1,200,600**	1,200,600
			1,350,600	3,750,600

9.1 It represent deposits against receipt of non-financial services. These are carried at nominal value as effect by amortization is not material in respect of these financial statements.

		NOTE	2025	2024
10	**STORES, SPARES AND LOOSE TOOLS**			
	Consumable materials		**176,655**	176,655
	Stocks and Stores	**10.1 & 10.2**	**22,996,339**	20,570,898
	Spares		**569,019**	569,019
	Loose tools		**20,575**	20,575
	Other stocks		**200,042**	200,042
			23,962,629	21,537,189
10.1	Balance as at June 30		**33,997,195**	31,571,754
	Impairment - obsolete and slow moving item		**(11,000,856)**	(11,000,856)
			22,996,339	20,570,898

10.2 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	2025 Rupees	2024
11	**CONTRACT RECEIVABLES**			
	Owned			
	Unsecured - considered good			
	Against billings:			
	- completed contracts		**76,107,566**	76,107,565
	Provision for expected credit loss	**11.1**	**(73,512,276)**	(73,512,276)
			2,595,290	2,595,289
	Against retention money:			
	- completed contracts		**79,929,396**	80,537,519
	Provision for expected credit loss	**11.1**	**(38,066,851)**	(38,066,851)
			41,862,545	42,470,668

	NOTE	2025	2024
		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	**11.1**	**(29,990,933)**	(29,990,933)
		-	-
		44,457,835	45,065,957

11.1 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	2025	2024
		Rupees	
Opening balance		**141,570,060**	141,570,060
Charge during the year		**-**	-
		141,570,060	141,570,060

12 CONTRACT ASSET

Under the following captions:

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

12.1 **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

13 LOANS AND ADVANCES

Unsecured - considered good

	NOTE	2025	2024
To employees / project managers for expenses		**5,854,834**	6,789,177
To suppliers		**10,258,544**	8,400,358
To labour incharge		**34,200**	-
To sub - contractors		**2,955,720**	2,955,720
		19,103,298	18,145,255
Doubtful advances		**26,387,232**	26,387,232
		45,490,530	44,532,487
Provision for expected credit loss	**13.1**	**(26,387,232)**	(26,387,232)
		19,103,298	18,145,255

13.1 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	2025	2024
		Rupees	
Opening balance		**26,387,233**	26,387,233
Reversed/charged during the year		**-**	-
		26,387,233	26,387,233

14 OTHER RECEIVABLES

Unsecured:			
- Considered good			
Other receivables	14.1	**16,139,017**	4,015,220

14.1 This amount includes rental income receivable from related parties as follows:

	2025	2024
	Rupees	
Janana De Malucho Textile Limited	**146,410**	146,410
Ghandhara Industry Limited	**563,680**	-
Bannu Woolen Mills Limited	**109,508**	163,468
Kisa Khani kabab (Pvt) Limited	**1,200,000**	-
	2,019,598	309,878

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

1-90 days	**2,019,598**	309,878
90-180 days	**-**	-
Over 180 days	**-**	-
	2,019,598	309,878

14.3 Maximum balance due from related party at end of any month during the year is Rs. 1,270,532 (2024: Rs. 2,030,117).

15 TAX REFUNDS DUE FROM GOVERNMENT

Balance as at July 01,		**90,514,225**	85,272,052
Advance income tax	16	**4,199,768**	5,242,173
		94,713,993	90,514,225

16 TAXATION - NET

Balance as at July 01,	**4,199,768**	5,242,173
Transferred to tax refunds due from Government	**(4,199,768)**	(5,242,173)
	-	-
Provision for taxation	**-**	(502,458)
Advance income tax	**8,602,131**	4,702,226
	8,602,131	4,199,768

17 CASH AND BANK BALANCES

	NOTE	2025	2024
		Rupees	
Cash in hand		**2,184,334**	611,725
Cash at bank: local currency			
- Current accounts	17.1	**42,647,649**	1,803,234
- Savings accounts	17.2	**10,505**	10,505
- Deposit accounts	17.3	**889,443**	889,443
		43,547,597	2,703,182
		45,731,931	3,314,907

17.1 It include Rupees 7,995/- (2024: 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.

17.2 The PLS accounts remained dormant during the year. Consequently, no profit was accrued or credited to these accounts, and their balances remained unchanged from those reported in the previous year (2024: profit rates ranged from 19.5% to 21%).

17.3 The entire balance as at June 30, 2025 and June 30, 2024 is under a bank's lien against guarantees issued by the bank.

18 SHARE CAPITAL

Issued, subscribed and paid up capital

Number of ordinary				
2025	2024		**2025**	2024
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

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

Bibojee Services (Private) Limited - Parent of Holding Company			
20,369,056 (2024: 20,369,056) ordinary shares of Rs 10 each	**18.2**	**203,690,560**	203,690,560
Directors and their spouses / minor children			
95,855 (2024: 95,855) ordinary shares of Rs 10 each		**958,550**	958,550
		204,649,110	204,649,110

18.2 The parent company Bibojee Services (Private) Limited held 72.06% shares (2024: 72.06% shares) in Gammon Pakistan Limited as at June 30, 2025.

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

18.4 **Authorized share capital:**

This represents 30,000,000 (2024: 30,000,000) ordinary shares of Rs. 10/- each amounting to Rs. 300,000,000 (2024: Rs. 300,000,000).

19 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.

	2025	2024
Balance brought forward	**389,603,139**	436,777,682
Add: Revaluations during the year	**7,524,165**	1,748,257
Less:		
Transferred to equity in respect of incremental depreciation charged during the year - net of deferred tax	**1,884,181**	1,441,959
Revaluation adjustment due to transfer of asset	**270,939,099**	45,547,870
Related deferred tax liability during the year transferred to profit and loss account	**941,830**	1,932,971
	273,765,110	48,922,800
	123,362,194	389,603,139

Less: Related deferred tax effect :		
Opening balance - as previously reported	**6,017,855**	7,962,931
Revaluation during the year	**36,588**	(12,106)
Revaluation adjustment due to transfer of asset	**(172,235)**	(1,344,001)
Incremental depreciation charged during the year transferred to profit and loss account	**(769,595)**	(588,969)
	5,112,613	6,017,855
	118,249,581	383,585,284

20 NON-CONTROLLING INTEREST

20.1 Summary of non-controlling interest

Opening balance	**78,094,677**	(304,847)
Investment during the year	**-**	81,140,000
(Loss) for the year	**(3,910)**	(2,740,476)
	78,090,767	78,094,677

21 DEFERRED LIABILITY

21.1 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, 2025 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.

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

	NOTE	**2025**	2024
		Rupees	
Present value of the defined benefit obligation		**1,007,203**	606,649
Benefits due but not paid during the year		**3,635,760**	5,795,941
		4,642,963	6,402,590

21.3 Reconciliation of net defined benefit liability

Present value of defined benefit obligations	**606,649**	1,493,221
Benefits due but not paid as at June 30	**5,795,941**	6,059,213
Service cost	**52,677**	53,710
Interest on defined benefit obligations	**89,481**	165,705
Benefits paid during the year	**(2,160,181)**	(1,210,272)
Benefit due but not paid at the year end	**(3,635,760)**	(5,795,941)
Actuarial (gain)	**258,396**	(158,987)
	1,007,203	606,649

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

Remeasurement (gain) / loss on defined obligation due to:		
Actuarial (gain) / loss due to Change in financial assumptions	**(517)**	(430)
Actuarial (gain) / loss due to experience adjustment	**258,913**	(158,557)
	258,396	(158,987)

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

Current service costs	**52,677**	53,710
Interest cost	**89,481**	165,705
	142,158	219,415

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

Opening defined benefit obligation	**6,402,590**	7,552,434
Service cost	**52,677**	53,710
Interest cost	**89,481**	165,705
Actuarial (gains) / losses	**258,396**	(158,987)
Benefits paid	**(2,160,181)**	(1,210,272)
	4,642,963	6,402,590

21.7 **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, 2025	11.75%
Future salary increases	10.75%
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	3 Years
Average duration of liability	3 Years

21.8 **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:

	2025	2024	2023	2022	2021
	Rupees				
Present value of defined benefit	**1,007,203**	606,649	1,493,221	3,030,550	4,319,738

21.9 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.

21.10 The charge in respect of defined benefit plan for the year ending June 30, 2026 is estimated to be Rs. 176,686.

21.11 **Sensitivity analysis**

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

	2025	
	1 % increase in assumption	**1 % decrease in assumption**
	Rupees	
Discount rate	**975,832**	**1,037,710**
Salary increase	**1,039,444**	**975,735**

21.12 **Expected future payments**

Within one year	**988,874**
More than one year but less than five years	**3,734,410**
Above five years	**-**
	4,723,284

22 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	2025	2024
		Rupees	
Deferred tax	**22.1**	**9,599,887**	**(10,866,023)**
Tax rate		**29%**	**29%**

22.1 Deferred tax Asset-net

22.1.1 Analysis of change in deferred tax

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

	NOTE	2025	2024
		Rupees	
Opening balance		**(10,866,023)**	**29,326,126**
Charged to statement of profit or loss	**35**	**20,429,322**	**(40,180,043)**
Charged to other comprehensive income	**19**	**36,588**	**(12,106)**
		9,599,887	**(10,866,023)**

22.1.2 Net deferred tax liability is comprised of as follows:

	2025	2024
Deferred tax liabilities		
Accelerated tax depreciation allowed	**94,172,294**	66,399,356
Surplus on revaluation of PPE	**5,112,611**	6,017,853
Gratuity payable	**-**	-
	99,284,905	72,417,209
Deferred tax asset		
Provision for doubtful receivables	**(41,055,317)**	(41,055,317)
Provision for doubtful loan and advances	**(7,652,297)**	(7,652,297)
Deferred tax asset on brought forward losses	**(29,445,420)**	(22,533,342)
Provision for overseas loan	**(10,185,525)**	(10,185,525)
Gratuity payable	**(1,346,459)**	(1,856,751)
	(89,685,018)	(83,283,232)
	9,599,887	(10,866,023)

22.2 Deferred tax asset of Rs. 29,445,420 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 (2024: Rs. 22,533,342)

	NOTE	2025	2024
		Rupees	

23 TRADE AND OTHER PAYABLES

	NOTE	2025	2024
Directors current accounts	23.1	**38,077,114**	38,077,114
Sundry creditors		**39,140,557**	34,727,995
Advance rent		**2,539,864**	2,362,577
Due to sub-contractors		**16,999,998**	24,543,700
Accrued expenses		**48,979,082**	48,014,989
Due to employees and others	23.2	**6,444,973**	9,008,909
Advance from customers		**1,005,677**	8,122,008
Taxes payable		**3,222,579**	1,727,895
Joint venture partners' share of profit		**1,620,715**	1,620,715
Other provisions	23.3	**35,122,500**	35,122,500
Workers welfare fund payable		**1**	144,244
		193,153,061	203,472,646

23.1 This includes advances paid by directors in order to meet day to day expenses from Chairman Gen.(Rtd) Mr. Ali kuli khan and Director Khalid Kuli Khan amounting to Rs. 22,553,800/- (2024: Rs.22,553,800) and Rs. 4,023,314/- (2024: Rs. 4,023,314) respectively which are interest free and reimbursable on demand.

23.2 This balance includes amounts aggregating Rs. 1.563 million (2024: 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.

23.3 These represent provisions made for the potential liability, in respect of borrowings of Saudi Riyals 2.50 million and Saudi Riyals 5 million during the year 1986 for the Saudi Operations of the Company, that the Company may have to incur as a result of settlement of overseas dues of National Bank of Pakistan in accordance with the Incentive Scheme under the State Bank of Pakistan's Circular No.19 of 05 June,1997 (For further detail please refer note 26.2(a) of these financial statements).

	NOTE	2025	2024
		Rupees	

24 UNCLAIMED DIVIDENDS

	NOTE	2025	2024
Unclaimed dividend		**1,442,230**	1,442,230

25 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.

26 CONTINGENCIES AND COMMITMENTS

26.1 **Contingent assets**

The Holding Company had lodged a claim with National Highway Authority amounting Rs. 201.177 million (2024: 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.

26.2 **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 23.2 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 nonpayment of Rupees 68,290,380/- as provincial tax during the tax periods from June 2013 to March 2018. The case is pending before the Appellate Tribunal Punjab Revenue Authority. Legal counsel of the company is confident of a 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.

26.3 **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 (2024: Rs. 50.062 million).

(b) There were no commitments for capital expenditures as at the balance sheet date (2024: Nil).

		NOTE	2025	2024
			Rupees	
27	**REVENUE**			
	Sale		**93,152,023**	43,496,084

		NOTE	2025	2024
			Rupees	
28	**CONTRACT EXPENDITURE/COST OF GOOD SOLD**			
	Materials consumed		**51,857,080**	25,248,117
	Salaries and wages		**10,635,459**	1,740,731
	Maintenance and hiring of plants		**2,172,237**	1,998,332
	Entertainment		**2,794,007**	2,232,213
	Cartage, traveling and conveyance		**689,930**	257,140
	Site auxiliary works and temporary hutting		**938,714**	1,037,986
	Electricity		**1,073,017**	1,600,619
	Depreciation	**6.2**	**10,590,924**	6,220,783
	Petrol, oil and lubricants		**3,214,369**	3,332,066
	Sundry expenses		**673,766**	1,218,795
			84,639,502	44,886,781
29	**GENERAL AND ADMINISTRATIVE EXPENSES**			
	Salaries and benefits		**20,167,405**	26,715,669
	Staff retirement benefits - gratuity		**142,158**	219,415
	Repair and maintenance		**4,297,985**	1,682,268
	Rent, rates and taxes		**12,153,974**	4,940,513
	Telephone and fax		**597,648**	290,952
	Advertisement and publicity		**258,280**	354,055
	Petrol, oil and lubricants		**31,000**	346,250
	Legal and professional charges		**2,282,400**	4,046,530
	Power and electricity		**1,368,804**	1,068,002
	Travelling and conveyance		**3,050,757**	2,103,117
	Hiring of Machinery		**2,638,400**	1,810,860
	Works in view		**-**	100,950
	Fee and subscription		**873,162**	1,008,191
	Precommmencement expenditure		**364,490**	364,490
	Depreciation	**6.2**	**755,063**	833,897
	Other sundry expenses		**24,357,461**	2,918,056
			73,338,987	48,803,214
30	**OTHER OPERATING EXPENSES**			
	Auditor remuneration	**30.1 & 30.2**	**885,125**	885,125
	Loss on sale of operating fixed assets		**37,914,000**	-
	Worker welfare fund		**-**	60,319
			38,799,125	945,444

30.1 **Auditor remuneration**

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

30.2 **Gammon Pakistan Precast (Private) Limited**

Statutory audit	**192,500**	192,500
Out of pocket expenses	**7,500**	7,500
	200,000	200,000

31 OTHER INCOME

	NOTE	**2025**	2024
		Rupees	
Income from financial assets:			
Profit on deposit and PLS accounts		**-**	1,305
Gain realized on maturity of defense saving certificate		**-**	410,513
Income from non-financial assets:			
Rental income on investment property		**37,512,405**	33,241,083
Gain on sale of operating fixed assets and investment property		**8,000**	66,125
Gain on sale of obsolete fixed assets/stores & spares		**1,400,360**	955,850
Misc. Income		**11,156,054**	316,953
		50,076,819	34,991,829

32 FINANCE COST

Bank charges	**12,388**	5,453

33 FAIR VALUE GAIN ON INVESTMENT PROPERTY

The company, as of June 30, 2025, had revalued all of its investment property. The revaluation exercise was carried out by Impulse (Private) Limited, and the revaluation resulted in a net fair value gain amounting to Rs. 7,693,060 (2024: net fair value loss of Rs. 558,720). During the previous year, the Company also transferred investment property to its subsidiary, Gammon Pakistan Precast (Private) Limited, against the issuance of shares to enhance its investment in the subsidiary, recognizing a gain of Rs. 4.00 million on the transaction.

34 MINIMUM TAXES

	NOTE	**2025**	2024
		Rupees	
Minimum Taxes	**34.1**	**-**	1,046,159

34.1 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 5.15.

35 TAXATION

Current year	**-**	-
Deferred tax	**20,429,322**	(40,180,043)
	20,429,322	(40,180,043)

35.1 No numeric tax rate reconciliation is presented in these consolidated financial statements for the year ended June 30, 2025 as the income of the Group is subject to separate taxation regime under the Income Tax Ordinance, 2001.

35.2 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 2020. Therefore, deferred tax is computed at the rate of 29% applicable to the period when temporary differences are expected to be reversed / utilised.

36 (Loss) / 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:

		2025	2024
(Loss) / Profit attributable to shareholders of holding company	***RUPEES***	**(66,668,954)**	29,162,661
Weighted average number of ordinary shares at the end of the year	***NUMBERS***	**28,266,231**	28,266,231
Basic and diluted (loss) / earning per share	***RUPEES***	**(2.36)**	1.03

36.1 **Earnings per share comprises as follows:**

	2025	2024
Distributable loss	**(2.63)**	0.91
Undistributable - unrealised fair value gains	**0.27**	0.12
	(2.36)	1.03

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

37 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.

Name of the Related Party	Relationship	Transaction during the year	2025	2024
			Rupees	
Associated Companies				
Ghandhara Automobiles Limited	Common Directorship	Rental income	**5,032,851**	**4,538,712**
		Rental received	**(5,032,851)**	**(4,538,712)**
Ghandhara Industries Limited	Common Directorship	Rental income	**4,992,588**	**4,502,109**
		Rental received	**(4,428,908)**	**(4,568,659)**
Janana De Malucho Textile	Common Directorship	Rental income	**-**	**73,205**
		Rental received	**-**	**-**
Bannu Woollen Mills Limited	Common Directorship	Rental income	**6,978,524**	**6,344,113**
		Rental received	**(6,978,524)**	**(6,541,302)**
Kissa Khani (pvt) Limited	Common Directorship	Rental income	**1,200,000**	-
		Rental received	**-**	-

37.1 The status of outstanding balances of related parties as at June 30, 2025 are included in other receivable (note 14.1) and trade and other payables (note 23).

		NOTE	2025 Rupees	2024 Rupees
38	**PROFIT BEFORE WORKING CAPITAL CHANGES**			
	(Loss) before taxation		**(45,037,997)**	(12,711,700)
	Adjustment for:			
	Depreciation	**6**	**11,345,987**	7,054,680
	Precommencement expenditure	**29**	**364,490**	364,490
	Staff retirement benefits - gratuity	**21.5**	**142,158**	219,415
	Gain on sale of fixed assets/store, spares & loose tools as scrap	**31**	**(28,000)**	(66,125)
	Loss on sale of operating fixed assets		**37,914,000**	-
	Fair value gain on investment property	**7**	**(7,693,060)**	(3,441,280)
	Finance cost	**32**	**12,388**	5,453
	Workers welfare fund		**-**	60,319
			42,057,962	4,196,951
			(2,980,035)	(8,514,748)

39 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:

	2025				2024			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	Rupees				Rupees			
Managerial remuneration	-	-	4,973,847	4,973,847	-	-	5,344,972	5,344,972
House rent	-	-	754,775	754,775	-	-	863,004	863,004
Medical	-	-	754,764	754,764	-	-	863,004	863,004
Utilities	-	-	754,764	754,764	-	-	863,004	863,004
Others	-	-	1,509,528	1,509,528	-	-	1,916,736	1,916,736
Total	-	-	8,747,678	8,747,678	-	-	9,850,720	9,850,720
Number of persons	1	7	3	11	1	7	4	12

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.

40 FINANCIAL ASSETS AND LIABILITIES

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

	2025				
	Total	Interest/mark up bearing			Not interest / mark up bearing
		Maturity upto one year	Maturity after one year	Sub-total	
	Rupees				
Financial assets					
Financial assets carried at amortized cost					
Long term security deposits	**1,350,600**	**-**	**-**	**-**	**1,350,600**
Contract receivables	**44,457,835**	**-**	**-**	**-**	**44,457,835**
Other receivables	**16,139,017**	**-**	**-**	**-**	**16,139,017**
Contract asset	**65,049,779**	**-**	**-**	**-**	**65,049,779**
Cash and bank balances	**45,731,931**	**899,948**	**-**	**899,948**	**44,831,983**
	172,729,162	**899,948**	**-**	**899,948**	**171,829,213**
Financial liabilities					
Financial liabilities carried at amortized cost					
Trade and other payables	**193,153,061**	**-**	**-**	**-**	**193,153,061**
Unclaimed dividends	**1,442,230**	**-**	**-**	**-**	**1,442,230**
Deferred liability	**4,642,963**	**-**	**-**	**-**	**4,642,963**
Joint venture partner's advances	**30,059,542**	**-**	**-**	**-**	**30,059,542**
	229,297,796	**-**	**-**	**-**	**229,297,796**
On balance sheet gap	**(56,568,634)**	**899,948**	**-**	**899,948**	**(57,468,583)**
Off Balance sheet Items					
Financial contingencies and com	**(136,794,238)**	**-**	**-**	**-**	**(136,794,238)**
Total Gap	**(193,362,872)**	**899,948**	**-**	**899,948**	**(194,262,821)**

	2024				
	Total	Interest/mark up bearing			Not interest / mark up bearing
		Maturity upto one year	Maturity after one year	Sub-total	
	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)

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

41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

41.1 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.

41.2 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. 189,648,126/- (2024: Rs. 138,729,993). The carrying amounts of Group's financial assets exposed to credit risk at reporting date are as under:

		2025	2024
	NOTE	Rupees	
Long term security deposits	9	**1,350,600**	3,750,600
Contract receivables	11	**44,457,835**	45,065,957
Loans and advances	13	**19,103,298**	18,145,255
Other receivables	14	**16,139,017**	4,015,220
Contract asset	12	**65,049,779**	65,049,779
Bank balances	17	**43,547,597**	2,703,182
		189,648,126	138,729,993

The aging of contract receivables at the reporting date is:

	2025	2024
Not past due	-	-
Past due 1-30 days	-	-
Past due 30-90 days	-	-
Past due 90 days	**44,457,835**	45,065,957
	44,457,835	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.

41.3 **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:

	2025						
	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	**193,153,061**	**193,153,061**	**193,153,061**	**-**	**-**	**-**	**-**
Unclaimed Dividend	**1,442,230**	**1,442,230**	**-**	**-**	**1,442,230**	**-**	**-**
Deferred Liability	**4,642,963**	**-**	**-**	**-**	**-**	**4,642,963**	**-**
Joint Venture partner's advance	**30,059,542**	**30,059,542**	**30,059,542**	**-**	**-**	**-**	**-**
	229,297,796	**224,654,833**	**223,212,603**	**-**	**1,442,230**	**4,642,963**	**-**

	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	-

41.4 **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 26.2 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.

42 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 30,2025		June 30,2024	
	Carrying Amount	**Fair value**	Carrying Amount	Fair Value
	Rupees			
Assets Carried at Amortized Cost				
Contract receivables	**44,457,835**	**44,457,835**	45,065,957	45,065,957
Contract asset	**65,049,779**	**65,049,779**	65,049,779	65,049,779
Loans and advances	**19,103,298**	**19,103,298**	18,145,255	18,145,255
Other receivables	**16,139,017**	**16,139,017**	4,015,220	4,015,220
Cash and bank balances	**45,731,931**	**45,731,931**	3,314,907	3,314,907
	190,481,860	**190,481,860**	135,591,118	135,591,118

	June 30,2025		June 30,2024	
	Carrying Amount	Fair value	Carrying Amount	Fair Value
	Rupees			
Liabilities Carried at Amortized Cost				
Trade and Other Payable	**193,153,061**	**193,153,061**	203,472,646	203,472,646
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
	224,654,833	**224,654,833**	234,974,418	234,974,418

As at June 30, 2025 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, 2025 carried out by external independent valuer M/s Impulse (Private) Limited.

	As at June 30,2025			
	Level 1	Level 2	Level 3	Total
	Rupees			
Assets				
Investment Property Carried at Fair Value		-	**365,339,500**	**365,339,500**
Freehold Land and Building	-	-	**275,852,163**	**275,852,163**
	-	-	**641,191,663**	**641,191,663**

	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

	NOTE	2025	2024
		Rupees	
Reconciliation of net increase in level 3 fair values:			
Fair value at beginning of the year		**784,029,392**	779,262,396
Additions during the year		**35,449,494**	-
Disposal / Transfer to subsidiary as consideration		**(192,914,000)**	-
Depreciation charged during the year		**(590,448)**	(422,540)
Remeasurement recognized in profit or loss		**7,693,060**	3,441,280
Remeasurement recognized in OCI		**7,524,165**	1,748,257
Fair value at end of the year		**641,191,663**	784,029,392

The Holding Company has revalued its freehold land, buildings on June 30, 2025 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.

42.1 **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.

43 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.

44 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	2025	2024
		Rupees	
Equity		**845,802,900**	905,246,583
Gearing ratio		**-**	-

45 JOINT VENTURES

45.1 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.

45.2 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	Profit sharing ratio
	Rs. in million	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%

46 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.

47 NUMBER OF EMPLOYEES

	2025	2024
	Numbers	
As at June 30	**20**	19
Average during the year	**19**	19

48 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

48.1 MANAGEMENT ASSESSMENT OF GOING CONCERN

Further the Group has earned an operational (loss) during the current year amounting to Rs (52.718 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.

48.2 **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.

49 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on ____28 Oct 2025____ by the Board of Directors of the Company.

49.1 **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**

GENDER PAY GAP STATEMENT

UNDER CIRCULAR NO. 10 OF 2024 OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Name of company: Gammon Pakistan Limited

Year ended: June 30, 2025

Following is the gender pay gap calculated for the year ended 30 June, 2024:

i. Mean Gender pay gap: 100%
ii. Median Gender pay gap: 100%
iii. The Company offers its employees equitable compensation based on their individual profile and performance without any discrimination with respect to their gender.

For and on behalf of the Board of Directors of the Company.

Chief Executive Officer **Director**

SUMMARY OF KEY OPERATING DATA

(Amounts are in Million PKR)

	2020	2021	2022	2023	2024	2025
PROFIT OR LOSS ACCOUNT						
Contract income	184.639	75.716	24.331	6.677	NIL	NIL
Net Contract profit /(loss)	11.124	(23.21)	(1.91)	(10.126)	(0.92)	(706.759)
BALANCE SHEET						
Shareholders' equity	785.77	792.354	793.869	804.356	847.749	785.149
Operating Fixed Assets	288.573	293.153	299.085	300.176	264.259	126.881
Current Assets	356.703	292.19	267.7	253.59	251.908	313.948
Current Liabilities	269.16	225.018	212.595	195.367	212.753	197.468
Cash and Cash Equivalents at year end	1.204	5.543	1.206	2.12	3.101	1.946

SAY NO TO CORRUPTION