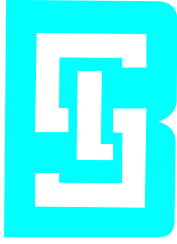


BIBOJEE GROUP



79TH ANNUAL REPORT 2026



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
79th ANNUAL REPORT
JUNE 30, 2026

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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 [79th Annual General Meeting](#) of Gammon Pakistan Limited (the Company) will be held at Gammon House, 400/2, Peshawar Road, Rawalpindi on [Wednesday, October 28, 2026](#) at [11:00 A.M.](#) to transact the following business.

ORDINARY BUSINESS

1. To confirm the Minutes of the [78th Annual General Meeting](#) held on [November 27, 2025](#).
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the [year ended, June 30, 2026](#) together with the Directors' and Auditors' reports thereon.
3. To appoint Auditors of the Company for the year [to be ending on June 30, 2027](#) and to fix their remuneration.
4. To elect the Board of Directors in accordance with Section 159 of the Companies Act, 2017. The Board of Directors had fixed the number of Directors at [Seven \(7\)](#) of this term of three years, commencing from November 01, 2026. The names of retiring Directors are as under:

- I. Mr. Ali Kuli Khan Khattak
- II. Mr. Khalid Kuli Khan Khattak
- III. Mr. Muhammad Kuli Khan Khattak
- IV. Mr. Sikandar Kuli Khan Khattak
- V. Mrs. Ayesha Alamzeb Durrani
- VI. Mr. Kamal Abdullah Malik
- VII. Mr. Humayun Malik

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

BY ORDER OF THE BOARD

GHULAM MURTAZA KHURSHID
for COMPANY SECRETARY

Rawalpindi

Date: [October 06, 2026](#)

NOTES:

BOOK CLOSURE

The share transfer books of the Company will be [closed from October 22, 2026 to October 28, 2026](#), 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 [October 20, 2026](#) 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.

FILING OF THE CONSENT LETTER

Any person who seeks to contest an Election to the office of Directors shall, whether he is retiring Director or otherwise, file with the company at its registered office **not later than fourteen days before the date of Annual General Meeting**, a notice of his/her intention to offer himself/herself for the Election of Directors in terms of Section 178 (3) of the Companies Ordinance, 1984 together with the relevant declarations as required under the Code of Corporate Governance.

E-VOTING

Pursuant to SECP S.R.O No. 43(1)/2016 dated January 22, 2016, the members can also exercise their right to vote through **e-voting, by giving their consent in writing at least 10 days before the date of meeting** to the Company on the appointment of Execution Officer by the intermediary as a Proxy.

PARTICIPATION IN ANNUAL GENERAL MEETING

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

INSTRUCTIONS 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 valid, 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 at the time of the meeting (unless it has been provided earlier).

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 valid 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 valid 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

نوٹس دیا جاتا ہے کہ گیمن پاکستان لمیٹڈ (کمپنی) کا 79 واں سالانہ اجلاس عام بروز بدھ، 28 اکتوبر 2026 کو صبح 11:00 بجے گیمن ہاؤس، 400/2، پشاور روڈ، راولپنڈی میں منعقد ہوگا، جس میں درج ذیل امور زیر غور لائے جائیں گے۔

عمومی امور

- 1- 78 ویں سالانہ اجلاس عام، منعقدہ 27 نومبر 2025، کے منٹس کی توثیق کرنا۔
 - 2- 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کو، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ، وصول کرنا، زیر غور لانا اور منظور کرنا۔
 - 3- 30 جون 2027 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز مقرر کرنا اور ان کا معاوضہ طے کرنا۔
 - 4- کمپنیز ایکٹ 2017 کے سیکشن 159 کے مطابق بورڈ آف ڈائریکٹرز کا انتخاب کرنا۔
بورڈ آف ڈائریکٹرز نے تین سال کی اس مدت کے لیے، جو 01 نومبر 2026 سے شروع ہوگی، ڈائریکٹرز کی تعداد سات (7) مقرر کی ہے۔ ریٹائر ہونے والے ڈائریکٹرز کے نام درج ذیل ہیں:
- 1- علی قلی خان خٹک
 - 2- خالد قلی خان خٹک
 - 3- محمد قلی خان خٹک
 - 4- سکندر قلی خان خٹک
 - 5- محترمہ عائشہ عالمزیب درانی
 - 6- کمال عبداللہ ملک

7۔ ہمایوں ملک

چیئر کی اجازت سے کسی بھی دیگر امر پر غور کرنا۔

بحکم بورڈ

غلام مرتضیٰ خورشید

برائے کمپنی سیکرٹری

راولپنڈی

تاریخ: 06 اکتوبر 2026

نوٹس

بک کلوزر (شیئر ٹرانسفر بکس کی بندش)

کمپنی کی شیئر ٹرانسفر بکس 22 اکتوبر 2026 سے 28 اکتوبر 2026 تک، دونوں دن شامل، بند رہیں گی۔ کمپنی کے شیئرز رجسٹرار، 5-C، Vision Consulting Limited، ایل ڈی اے فلیٹس، لارنس روڈ، لاہور کے دفتر میں 20 اکتوبر 2026 کو کاروبار کے اختتام تک موصول ہونے والے ٹرانسفرز کو اہلیت کے مقصد کے لیے بروقت موصول شدہ تصور کیا جائے گا۔

پتے کی تبدیلی اور فولیوز کا انضمام

کمپنی کے ممبران سے درخواست کی جاتی ہے کہ اپنے پتے میں کسی بھی تبدیلی کی فوری اطلاع دیں، اور اگر کسی ممبر کے پاس ایک سے زیادہ فولیو نمبر ہوں تو ان کے انضمام کی درخواست کریں۔

رضامندی کے خط کا جمع کرانا

کوئی بھی شخص جو ڈائریکٹر کے عہدے کے انتخاب میں حصہ لینا چاہتا ہو، چاہے وہ ریٹائر ہونے والا ڈائریکٹر ہو یا کوئی اور، اسے کمپنیز آرڈیننس 1984 کے سیکشن 178(3)

اور کوڈ آف کارپوریٹ گورننس کے تحت مطلوبہ متعلقہ اعلانات کے ساتھ، سالانہ عمومی اجلاس کی تاریخ سے کم از کم چودہ دن پہلے، کمپنی کے رجسٹرڈ دفتر میں ڈائریکٹرز کے انتخاب کے لیے اپنی خواہش ظاہر کرنے کا نوٹس جمع کروانا ہوگا۔

ای ووٹنگ

SECP کے S.R.O نمبر (I) 2016/43 مؤرخہ 22 جنوری 2016 کے مطابق، ممبران اجلاس کی تاریخ سے کم از کم 10 دن پہلے، انٹرمیڈیری کی جانب سے ایگزیکوشن آفیسر کی بطور پراکسی تقرری پر کمپنی کو تحریری رضامندی دے کر، ای ووٹنگ کے ذریعے بھی اپنے حق رائے دہی کا استعمال کر سکتے ہیں۔

سالانہ عمومی اجلاس میں شرکت

اجلاس میں شرکت اور ووٹ دینے کا اہل کوئی بھی ممبر اپنی جگہ شرکت اور ووٹ دینے کے لیے کسی دوسرے ممبر کو بطور پراکسی مقرر کرنے کا حق رکھتا ہے، اور پراکسی فارم اجلاس سے کم از کم 48 گھنٹے پہلے کمپنی کو موصول ہو جانا چاہیے۔

CDC اکاؤنٹ ہولڈرز کے لیے ہدایات

CDC اکاؤنٹ ہولڈرز کو مزید درج ذیل ہدایات پر عمل کرنا ہوگا، جیسا کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے سرکلر نمبر 1 مؤرخہ 26 جنوری 2000 میں بیان کیا گیا ہے۔

اجلاس میں شرکت کے لیے:

- 1۔ انفرادی صورت میں، اکاؤنٹ ہولڈر اور/یا وہ شخص جس کے سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور جن کی رجسٹریشن تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہوں، اجلاس میں شرکت کے وقت اپنا معتبر، اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا معتبر اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرے گا۔

2- کارپوریٹ ادارے کی صورت میں، نامزد نمائندے کے تصدیق شدہ نمونہ دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ اجلاس کے وقت پیش کیا جائے گا (اگر پہلے سے فراہم نہ کیا گیا ہو)۔

پراکسی مقرر کرنے کے لیے:

- 1- انفرادی صورت میں اکاؤنٹ ہولڈر اور/یا وہ شخص جس کے سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور جن کی رجسٹریشن تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہوں، مذکورہ بالا تقاضوں کے مطابق پراکسی فارم جمع کروائیں گے۔
- 2- پراکسی فارم کی تصدیق دو گواہان کریں گے، جن کے نام، پتے اور CNIC نمبرز فارم پر درج کیے جائیں گے۔
- 3- مستفید مالکان اور پراکسی کے معتبر CNIC یا معتبر پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ فراہم کی جائیں گی۔
- 4- پراکسی اجلاس کے وقت اپنا معتبر اصل CNIC یا معتبر اصل پاسپورٹ پیش کرے گا۔
- 5- کارپوریٹ ادارے کی صورت میں، نمونہ دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ پراکسی فارم کے ساتھ کمپنی کو جمع کروایا جائے گا (اگر پہلے سے فراہم نہ کیا گیا ہو)۔

کوئی بھی شیئر ہولڈر جو طبیعت ناساز محسوس کرے یا جیسے کھانسی، فلو اور/یا بخار جیسی علامات ہوں، اسے ویڈیو لنک کے ذریعے الیکٹرانک ذرائع سے اجلاس میں شرکت کرنے کی ترغیب دی جاتی ہے۔ ممبران <https://zoom.us/download> سے ایپ/سافٹ ویئر ڈاؤن لوڈ کر کے ویڈیو لنک کے ذریعے لاگ ان کر کے اجلاس کی کارروائی میں شرکت کر سکتے ہیں۔ شیئر ہولڈرز سے درخواست ہے کہ وہ اجلاس سے کم از کم دس (10) ورکنگ دن پہلے درج ذیل تفصیلات کے ساتھ gammon1@dsl.net.pk پر ای میل کے ذریعے اپنی رجسٹریشن کروائیں:

شیئر ہولڈر کا نام	CNIC نمبر	فولیو نمبر	موبائل / سیل نمبر	ای میل ایڈریس

اجلاس کا ویڈیو لنک ممبران کو ان کے فراہم کردہ ای میل ایڈریسز پر بھیجا جائے گا تاکہ وہ مقررہ تاریخ اور وقت پر اجلاس میں شرکت کر سکیں۔ شناختی عمل کے بعد شرکاء کو اجلاس میں شامل ہونے کے قابل بنانے کے لیے لاگ ان کی سہولت اجلاس کے وقت سے تیس (30) منٹ پہلے کھولی جائے گی۔

CHAIRMAN REVIEW

It gives me great pleasure to present the review of the financial year ended June 30, 2026, highlighting the overall performance of Gammon Pakistan Limited (“GPL” or “the Company”) 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 2025-26, remaining 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 and closely monitored the Company's performance throughout the year, including its engagement with the matters raised by the Company's auditors and the status of the Company's placement in the PSX Non-Compliant Segment, as explained below. During the year under review, four meetings of the Board and four meetings of the Audit Committee were held. No meeting of the Human Resource and Remuneration Committee was held, there being no significant organizational or compensation related matter requiring the Committee's deliberation during the year. The Board ensured that its sub-committees continued to function effectively and in accordance with their respective terms of reference.

Strong corporate governance practices continue to form the foundation of the Company's operations, with the Board embedding principles of transparency, accountability, and integrity into the Company's culture. The Company's risk management framework, internal control systems, and internal audit function remain in practice, and have been directed to be further strengthened in light of this year's audit observations. In accordance with the Code of Corporate Governance, the Board carried out its annual self-evaluation for 2025-26, and I am pleased to report that the overall performance of the Board and its committees, assessed against the approved evaluation criteria, remained satisfactory.

REVIEW OF BUSINESS PERFORMANCE

The Company's core contracting business remained dormant during the year, with no new construction contract secured, continuing a pattern now in its sixth consecutive year. Despite this, GPL recorded a profit after taxation of Rs. 26.791 million for the year, against a loss of Rs. 63.805 million last year, driven principally by a net fair value gain on investment property and a favourable tax movement, rather than a resumption of core contracting revenue. The Board wishes to be transparent with shareholders that the Company's underlying operating challenge persists, even as its overall financial position has improved.

Pakistan's economy recorded GDP growth of approximately 3.7 percent in FY 2025-26, with the construction sector growing by around 5.73 percent, supported by gradually improving development spending and a State Bank policy rate held at 11.5 percent. While this recovery

is encouraging, GPL continued to face difficulty securing new, feasible projects, owing to elevated financing costs and cautious client spending. The Government's FY 2026-27 development budget of Rs. 3.669 trillion, including a Rs. 1 trillion PSDP allocation, is expected to gradually improve opportunities for contractors over the coming year.

The Maritime Technologies Complex Project was finally closed out during the year, while recovery efforts on the Old Bannu Road Project continue. The Board remains confident that these measures, together with gradually improving sector conditions, position the Company for a measured and sustainable recovery.

PSX NON-COMPLIANT SEGMENT STATUS

Shareholders are advised that, pursuant to PSX Notice No. PSX/N-496 dated May 13, 2025, issued under Regulation 5.11.1(a) of the PSX Regulations in relation to the suspension of the Company's core business operations, GPL remained placed in the Non-Compliant Segment of the Pakistan Stock Exchange throughout the year under review. Consequently, trading in the Company's shares remains suspended.

The Board regards this matter with the seriousness it warrants and recognizes that resumption of normal trading can only follow genuine, demonstrable resumption of the Company's core business activity. The operational measures described above, together with continued engagement with PSX and SECP on the Company's compliance status, reflect the Board's commitment to working, in a measured and sustainable manner, towards eventual rectification of this status and restoration of normal trading in the Company's shares, in the best interest of all shareholders.

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, particularly through a period requiring patience and resilience. 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 06, 2026

چیئرمین کا جائزہ

مجھے یہ رپورٹ پیش کرتے ہوئے بے حد خوشی محسوس ہو رہی ہے جو 30 جون 2026 کو ختم ہونے والے مالی سال کا جائزہ ہے، جس میں گیمن پاکستان لمیٹڈ ("GPL" یا "کمپنی") کی مجموعی کارکردگی اور اس کے بورڈ آف ڈائریکٹرز ("بورڈ") کے اس فعال کردار کو اجاگر کیا گیا ہے جو انتظامیہ کو حکمت عملی کی رہنمائی، مؤثر نگرانی اور ہدایات فراہم کرنے میں ادا کیا گیا، تاکہ وہ اپنی ذمہ داریاں مؤثر انداز میں اور کمپنی و اس کے اسٹیک ہولڈرز کے بہترین مفاد میں نبھا سکے۔

بورڈ کی کارکردگی کا جائزہ

بورڈ آف ڈائریکٹرز نے مالی سال 2025-26 کے دوران کمپنی کے مجموعی انتظام اور کاروباری امور کی رہنمائی میں ایک فعال اور مؤثر کردار ادا کرنا جاری رکھا، اور کمپنیز ایکٹ 2017، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور دیگر تمام قابل اطلاق قوانین و ضوابط کے مطابق اپنی فائیدوشری ذمہ داریاں نبھانے کے لیے مکمل طور پر پرعزم رہا۔

بورڈ نے انتظامیہ کو واضح حکمت عملی کی سمت فراہم کی اور سال بھر کمپنی کی کارکردگی کی قریب سے نگرانی کی، جس میں کمپنی کے آڈیٹرز کی جانب سے اٹھائے گئے امور اور PSX کے نان-کمپلائنٹ سیگمنٹ میں کمپنی کی موجودگی کی صورتحال پر بورڈ کی مصروفیت بھی شامل ہے، جیسا کہ ذیل میں بیان کیا گیا ہے۔ زیر جائزہ سال کے دوران بورڈ کے چار اجلاس اور آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ہیومن ریسورس اینڈ ریمیونریشن کمیٹی کا کوئی اجلاس منعقد نہیں ہوا، کیونکہ سال کے دوران کمیٹی کی غور طلب کوئی اہم تنظیمی یا معاوضے سے متعلق امر درپیش نہیں آیا۔ بورڈ نے یہ یقینی بنایا کہ اس کی ذیلی کمیٹیاں اپنے اپنے دائرہ کار کے مطابق مؤثر طریقے سے کام کرتی رہیں۔

مضبوط کارپوریٹ گورننس کے طریقہ کار کمپنی کے کاروبار کی بنیاد بنے ہوئے ہیں، اور بورڈ نے شفافیت، جوابدہی اور دیانتداری کے اصولوں کو کمپنی کی ثقافت میں شامل کیا ہے۔ کمپنی کا رسک مینجمنٹ فریم ورک، اندرونی کنٹرول کا نظام اور انٹرنل آڈٹ فنکشن بدستور عملی طور پر موجود ہیں، اور اس سال کے آڈٹ مشاہدات کی روشنی میں انہیں مزید مستحکم کرنے کی ہدایت دی گئی ہے۔ کوڈ آف کارپوریٹ گورننس کے مطابق، بورڈ نے 2025-26 کے لیے اپنا سالانہ خود تشخیصی جائزہ مکمل کیا، اور مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ منظور شدہ تشخیصی معیار کے مطابق جانچ جانے پر بورڈ اور اس کی کمیٹیوں کی مجموعی کارکردگی تسلی بخش رہی۔

کاروباری کارکردگی کا جائزہ

کمپنی کا بنیادی ٹھیکیداری کاروبار سال بھر غیر فعال رہا، اور کوئی نیا تعمیراتی ٹھیکہ حاصل نہ ہو سکا، جو اب مسلسل چھٹے سال بھی جاری رہنے والا رجحان ہے۔ اس کے باوجود، GPL نے اس سال 26.791 ملین روپے کا ٹیکس کے بعد منافع ریکارڈ کیا، جبکہ گزشتہ سال 63.805 ملین روپے کا خسارہ ہوا تھا۔ یہ بہتری بنیادی طور پر سرمایہ کاری کی جائیداد پر خالص فیئر ویلیو گین اور ٹیکس میں سازگار تبدیلی کے باعث ہوئی، نہ کہ بنیادی ٹھیکیداری آمدنی کی بحالی کے نتیجے میں۔ بورڈ شیئر ہولڈرز کے ساتھ شفاف رہنا چاہتا ہے کہ کمپنی کا بنیادی آپریشنل چیلنج بدستور موجود ہے، اگرچہ اس کی مجموعی مالی پوزیشن میں بہتری آئی ہے۔

پاکستان کی معیشت نے مالی سال 2025-26 میں تقریباً 3.7 فیصد جی ڈی پی گروتھ ریکارڈ کی، جبکہ تعمیراتی شعبے نے ترقیاتی اخراجات میں بتدریج بہتری اور اسٹیٹ بینک کی 11.5 فیصد پر برقرار پالیسی ریٹ کے باعث تقریباً 5.73 فیصد کی نمو ریکارڈ کی۔ اگرچہ یہ بحالی حوصلہ افزا ہے، تاہم GPL کو بلند مالیاتی لاگت اور کلائنٹس کے محتاط اخراجات کے باعث نئے، قابل عمل منصوبے حاصل کرنے میں مشکلات کا سامنا رہا۔ حکومت کا مالی سال 2026-27 کا 3.669 ٹریلین روپے کا ترقیاتی بجٹ، جس میں 1 ٹریلین روپے کی PSDP مختص رقم شامل ہے، آئندہ سال کے دوران ٹھیکیداروں کے لیے مواقع میں بتدریج بہتری لانے کی توقع رکھتا ہے۔

میری ٹائم ٹیکنالوجیز کمپلیکس پراجیکٹ سال کے دوران بالآخر مکمل طور پر بند کر دیا گیا، جبکہ اولڈ بنوں روڈ پراجیکٹ پر ریکوری کی کوششیں جاری ہیں۔ بورڈ کو یقین ہے کہ یہ اقدامات، شعبے کی بتدریج بہتر ہوتی ہوئی صورتحال کے ساتھ مل کر، کمپنی کو ایک سنجیدہ اور پائیدار بحالی کی طرف گامزن کریں گے۔

PSX نان-کمپلائنٹ سیگمنٹ کی صورتحال

شیئر ہولڈرز کو آگاہ کیا جاتا ہے کہ PSX ریگولیشنز کے ریگولیشن 5.11.1(a) کے تحت جاری کردہ PSX نوٹس نمبر PSX/N-496 مؤرخہ 13 مئی 2025 کے مطابق، جو کمپنی کے بنیادی کاروباری امور کی معطلی سے متعلق ہے، GPL زیر جائزہ سال بھر پاکستان اسٹاک ایکسچینج کے نان-کمپلائنٹ سیگمنٹ میں شامل رہی۔ نتیجتاً، کمپنی کے حصص کی خرید و فروخت تاحال معطل ہے۔

بورڈ اس معاملے کو پوری سنجیدگی سے لیتا ہے اور یہ تسلیم کرتا ہے کہ معمول کی ٹریڈنگ کی بحالی صرف کمپنی کی بنیادی کاروباری سرگرمی کی حقیقی اور واضح بحالی کے بعد ہی ممکن ہو سکتی ہے۔ مذکورہ بالا آپریشنل اقدامات، نیز PSX اور SECP کے ساتھ کمپنی کی کمپلائنس صورتحال پر جاری رابطہ، بورڈ کے اس عزم کی عکاسی کرتے ہیں کہ وہ تمام شیئر ہولڈرز کے بہترین مفاد میں، اس صورتحال کی بتدریج اور پائیدار انداز میں اصلاح اور کمپنی کے حصص میں معمول کی تجارت کی بحالی کے لیے کوشاں رہے گا۔

شکریہ

بورڈ کی جانب سے، میں اپنے شیئر ہولڈرز، سپلائرز اور ٹھیکیداروں کا کمپنی کے بورڈ اور انتظامیہ پر ان کے مسلسل اعتماد اور بھروسے پر، خاص طور پر صبر اور استقامت کے متقاضی اس دور میں، تہ دل سے شکریہ ادا کرتا ہوں۔ میں بورڈ آف ڈائریکٹرز کا ان کی قیمتی رہنمائی پر، اور انتظامی ٹیم و ملازمین کا ان کی لگن، محنت اور عزم پر بھی دلی شکریہ ادا کرنا چاہتا ہوں، جو کمپنی کی مسلسل استقامت اور مستقبل کی ترقی کی بنیاد ہیں۔

لیفٹیننٹ جنرل علی کلی خان خٹک (ریٹائرڈ)

چیئرمین

تاریخ: 06 اکتوبر 2026

DIRECTORS' REPORT

The Directors of your Company have pleasure in presenting their report, together with the Annual Audited Financial Statements for the year ended June 30, 2026.

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 compared to the preceding year are as follows:

Particulars	2026 (Rupees)	2025 (Rupees)
Contract Income	-	-
Contract Expenditure	(1,140,898)	(706,759)
Net contract (Loss)	(1,140,898)	(706,759)
Profit / (Loss) before taxation	6,366,439	(43,375,648)
Taxation	20,424,431	(20,429,322)
Profit / (Loss) after taxation	26,790,870	(63,804,970)
Earning / (Loss) per share (Rs.)	0.95	(2.26)

As in previous years, the Company secured no new construction contract during 2025-26 and recorded no contract revenue. Despite this, the Company returned to profit, recording Rs. 26.791 million after taxation against a loss of Rs. 63.805 million last year, mainly due to other income of Rs. 75.853 million predominantly a net fair value gain on investment property together with a favourable tax movement. The Board clarifies that this improvement is largely non-operating in nature, and the Company's core contracting activity remains dormant, now in its sixth consecutive year without a new project award. The current year's results, the measures described under Future Prospects, and the gradual revival expected in the construction sector give the Board reasonable confidence in the Company's continuing, measured recovery.

During the year, the Board also approved, on a case-to-case basis, the write-off of certain long-outstanding contract receivables/assets and the write-back of long-outstanding trade and other payables (several over five years old), in consultation with the Company's auditors, resulting in a more accurate statement of financial position. The Maritime Technologies Complex (MTC) Project was finally closed out during the year following settlement of outstanding dues. The Old Bannu Road (OBR) Project remains under active pursuit, with management continuing to engage the concerned authorities for reconciliation and recovery of outstanding receivables.

DIVIDEND

Despite the improved results, the Board has not recommended any dividend, given the Company's continuing liquidity constraints and the non-recurring, fair-value-related nature of

a substantial part of the year's profitability. The Board considers it prudent to retain available resources for working capital and business development.

GENERAL ECONOMIC REVIEW

Pakistan's economy grew by approximately 3.7 percent in FY 2025-26, the fastest pace in four years, with the construction sector recording notable growth of around 5.73 percent on the back of gradually improving public and private development spending. Average inflation for the year eased to around 7.05 percent, though it rose again towards the year-end to 11.07 percent in June 2026 amid global oil price pressures, prompting the State Bank of Pakistan to hold its policy rate at 11.5 percent. The Government's FY 2026-27 development budget of Rs. 3.669 trillion, including a Rs. 1 trillion Public Sector Development Programme (PSDP) allocation, is expected to gradually benefit the sector, though its practical impact on contract awards will take time to materialize.

Despite this improvement, Gammon Pakistan Limited continued to face significant difficulty securing new contracts during the year, due to elevated financing costs, cautious client spending and limited availability of bankable projects. The Company remained focused on preserving its operational capability and advancing its precast operations to benefit as conditions improve.

FUTURE PROSPECTS

The Company continued to face challenges in obtaining new projects during the year, consistent with the broader difficulties described above. No new construction contract was secured during the period. The Company continued evaluating potential opportunities with emphasis on commercial viability, financial prudence and effective risk management.

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

Looking ahead, the Board remains cautiously optimistic regarding the medium-term prospects of the construction sector. The planned increase in development spending under the national budget, together with continued investment in infrastructure and logistics, is expected to gradually improve opportunities for contractors.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Having given due consideration to the Auditors' Report, including its Basis for Qualified Opinion and Emphasis of Matter paragraphs (the Board's detailed response to which appears later in this report), the Directors confirm compliance with the Corporate and Financial Reporting Framework of the SECP and the CCG Regulations, 2019, as follows:

1. The financial statements present fairly the Company's state of affairs, results of operations, cash flows and changes in equity, read together with the matters explained in this report.

2. Appropriate accounting policies have been consistently applied, and estimates are based on reasonable and prudent judgment.
3. The Company has maintained proper books of account.
4. IFRS, as applicable in Pakistan, have been followed in preparing these financial statements.
5. The system of internal control is sound in design and effectively implemented; management has been directed to further strengthen controls relating to balance confirmations and authorizations, as per the Auditors' observations.
6. Having regard to note 44.1 and the measures summarized under Future Prospects, the Directors have a reasonable expectation that the Company has adequate resources to continue as a going concern.
7. There has been no material departure from the best practices of the CCG Regulations.
8. No statutory payments on account of taxes, duties, levies and charges are outstanding as at June 30, 2026, except as disclosed in the financial statements and addressed in this report.
9. No trade in the Company's shares was carried out by the Directors, CEO, CFO, Company Secretary, their spouses or minor children during the year.

COMPOSITION OF THE BOARD

The Board's composition is in line with the CCG Regulations, with representation of independent and non-executive directors and gender diversity:

<i>Category</i>	<i>Number</i>
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 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 the above parameters, was satisfactory for the year. The Board members effectively brought diversity to the Board, which continues to comprise a mix of independent and non-executive directors, and remained effective in formulating the Company's corporate goals, including the operational and governance measures described elsewhere in this report.

BOARD AUDIT COMMITTEE

The Board Audit Committee assists the Board in overseeing financial reporting, internal controls, risk management and the audit process, with autonomy to engage directly with external auditors and advisors. During the year, four meetings were held, in line with the quarterly requirement under the CCG Regulations, each convened shortly ahead of the corresponding Board meeting so that the Committee's review of the quarterly/annual accounts was available for the Board's consideration at the same meeting.

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 Committee reviewed the quarterly, half-yearly and annual financial statements, the internal audit plan and findings, and met separately with the external auditors and with internal audit, in each case without management 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 2025-26, the Committee did not hold any meeting, as there was no significant business activity, new hiring at senior management level requiring Committee input, or organizational change requiring revision in compensation or policy matters beyond what was separately considered by the Board. The Committee continues to monitor the Company's human resource framework and will

convene as and when required 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

GENDER PAY GAP STATEMENT

In compliance with Circular No. 10 of 2024 of the Securities and Exchange Commission of Pakistan, the Company's gender pay gap, calculated for the year ended June 30, 2026, is disclosed below:

- i. Mean gender pay gap: 100%
- ii. Median gender pay gap: 100%

The Board wishes to clarify that the Company offers its employees equitable compensation based on their individual profile, role and performance, without any discrimination with respect to gender. The reported gap reflects the Company's present, limited headcount and role distribution during a period of constrained business activity, rather than any differential treatment between male and female employees in comparable roles, and the Board remains committed to maintaining a fair and non-discriminatory remuneration framework as the Company's workforce grows.

MEETINGS OF BOARD AND ITS COMMITTEES IN 2025-2026

Four Board and four BAC meetings were held during the year; no HR&RC meeting was held, for the reason explained above.

Director	Board	BAC	HR&RC
Lt Gen Ali Kuli Khan Khattak (Retd)	4/4	-	-
Mr. Khalid Kuli Khan Khattak	4/4	-	-
Mrs. Ayesha Alamzeb Durrani	4/4	-	0/1
Mr. Muhammad Kuli Khan Khattak	3/4	4/4	-
Mr. Sikandar Kuli Khan Khattak	2/4	2/4	0/1
Mr. Kamal Abdullah Malik	3/4	3/4	-
Brig Humayun Malik (Retd)	3/4	-	0/1

Leave of absence was granted to directors unable to attend due to other commitments.

DIRECTORS' REMUNERATION

For information on remuneration of Directors and the CEO for the year 2025-26, please refer to the notes to the financial statements.

KEY OPERATING AND FINANCIAL DATA (SIX YEARS SUMMARY)

Key operating and financial data for the last six years is annexed to this report.

PATTERN OF SHAREHOLDING

The statement of the pattern of shareholding as at June 30, 2026, together with additional information in this regard, is annexed to this report.

CONTRIBUTION OF OUR COMPANY TOWARDS GOVERNMENT AND SOCIAL SECTOR

We wish to give hereunder our Company's contribution towards the Government, Semi-Government sectors, Banks and Social sector during the year ended June 30, 2026:

Government Sector	In Million PKR
Income Tax paid (Note 15 to the Financial Statements)	9.559
Power & Fuel (Note 26 to the Financial Statements)	1.604

HEALTH, SAFETY AND ENVIRONMENT

We remain committed to maintaining high standards in health, safety and environment for the well-being of our people and 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 THE AUDITORS' REPORT

The Board's response to the Basis for Qualified Opinion and Emphasis of Matter paragraphs in the Auditors' Report is as follows:

(a) Unconfirmed contract receivables, contract assets and JV partners' advances: These relate to old, closed or dormant projects, against which the Company has already recognized an allowance for expected credit loss of Rs. 122.543 million as a matter of prudence. Management has been directed to initiate formal written confirmations with remaining counterparties and bring case-wise write-off/settlement proposals to the Board as warranted.

(b) Provident fund dues and unclaimed dividend account: The Rs. 1.563 million provident fund shortfall and the Rs. 1.442 million unclaimed dividend (not yet held in a separate account under Section 244) both arise from the Company's liquidity constraints rather than any intent to withhold funds. Management has been directed to regularize both as liquidity permits, reporting progress to the Audit Committee.

(c) Going concern: As explained under Future Prospects and note 44.1, the Board's operational measures give it a reasonable expectation that the Company has adequate resources to continue as a going concern, and the financial statements have been prepared accordingly.

(d) Matters relating to the former CFO: Certain financial transactions of the former CFO remain under external investigation. The Board treats this with due seriousness, is extending full cooperation to the external agency, and has directed management to strengthen internal financial controls. Any financial impact will be recognized once the investigation concludes.

APPOINTMENT OF AUDITORS

The Company's Auditors, M/S Rizwan & Company Chartered Accountants, retire and offer themselves for re-appointment. The Board, as recommended by the Board Audit Committee, recommends their re-appointment for the year ending June 30, 2027.

ACKNOWLEDGMENT

We appreciate the hard work and dedication of the Company's Management, engineers and employees during the year, and thank our Bankers, Clients and Suppliers for their continued cooperation and trust.



Khalid Kuli Khan Khattak
Chief Executive Officer



Director

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کو یہ رپورٹ، 30 جون 2026 کو ختم ہونے والے سال کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

کارکردگی کا جائزہ

کمپنی کی بنیادی سرگرمی تعمیرات کی تمام اقسام، بالخصوص پلوں اور عمارتوں کی تعمیر ہے۔ گزشتہ سال کے مقابلے میں کمپنی کے مالی نتائج کے اہم اعداد و شمار درج ذیل ہیں:

تفصیلات	2026 (روپے)	2025 (روپے)
کنٹریکٹ آمدنی	-	-
کنٹریکٹ اخراجات	(1,140,898)	(706,759)
خالص کنٹریکٹ (نقصان)	(1,140,898)	(706,759)
ٹیکس سے پہلے منافع / (نقصان)	6,366,439	(43,375,648)
ٹیکس	20,424,431	(20,429,322)
ٹیکس کے بعد منافع / (نقصان)	26,790,870	(63,804,970)
فی حصص آمدنی / (نقصان) (روپے)	0.95	(2.26)

گزشتہ برسوں کی طرح، کمپنی 2025-26 کے دوران تعمیرات کا کوئی نیا کنٹریکٹ حاصل نہ کر سکی اور کنٹریکٹ آمدنی بھی ریکارڈ نہیں ہوئی۔ اس کے باوجود کمپنی نے منافع حاصل کیا اور گزشتہ سال کے Rs. 63.805 million کے نقصان کے مقابلے میں اس سال ٹیکس کے بعد Rs. 26.791 million منافع ریکارڈ کیا۔ اس کی بنیادی وجہ Rs. 75.853 million کی دیگر آمدنی تھی، جس کا بڑا حصہ سرمایہ کاری کی جائیداد کی منصفانہ قدر میں خالص اضافے اور ٹیکس کے سازگار اثر پر مشتمل تھا۔ بورڈ واضح کرتا ہے کہ یہ بہتری بڑی حد تک غیر عملیاتی نوعیت کی ہے، جبکہ کمپنی کی بنیادی کنٹریکٹنگ سرگرمی مسلسل چھٹے سال بھی غیر فعال رہی اور اس عرصے میں کوئی نیا منصوبہ حاصل نہیں ہوا۔ موجودہ سال کے نتائج، مستقبل کے امکانات کے تحت بیان کردہ اقدامات اور تعمیراتی شعبے میں متوقع تدریجی بحالی کی بنیاد پر بورڈ کمپنی کی محتاط اور مرحلہ وار بحالی کے بارے میں مناسب اعتماد رکھتا ہے۔

سال کے دوران بورڈ نے کمپنی کے آڈیٹرز سے مشاورت کے بعد، کیس بہ کیس بنیاد پر، بعض طویل عرصے سے واجب الادا کنٹریکٹ وصولیوں/اثاثوں کو ختم کرنے اور طویل عرصے سے واجب الادا تجارتی و دیگر ادائیگیوں (جن میں سے بعض پانچ سال سے زیادہ پرانی تھیں) کو واپس منافع میں شامل کرنے کی منظوری بھی دی، جس سے مالیاتی پوزیشن کی زیادہ درست عکاسی ممکن ہوئی۔ میری ٹائم ٹیکنالوجیز کمپلیکس (MTC) منصوبہ واجب الادا رقوم کے تصفیے کے بعد سال کے دوران باضابطہ طور پر مکمل بند کر دیا گیا۔ اولڈ بنوں روڈ (OBR)

منصوبے کے سلسلے میں وصولیوں کے مفاہمتی جائزے اور بقایا رقوم کی وصولی کے لیے انتظامیہ متعلقہ حکام سے مسلسل رابطے میں ہے۔

منافع کی تقسیم

بہتر نتائج کے باوجود بورڈ نے کسی منافع کی تقسیم کی سفارش نہیں کی، کیونکہ کمپنی کو اب بھی نقدی کی قلت کا سامنا ہے اور سال کے منافع کا ایک نمایاں حصہ غیر معمولی اور جائیداد پر فائدہ / قدر سے متعلق ہے۔ بورڈ مناسب سمجھتا ہے کہ دستیاب وسائل کو ورکنگ کیپیٹل اور کاروباری ترقی کے لیے محفوظ رکھا جائے۔

عمومی معاشی جائزہ

مالی سال 2025-26 میں پاکستان کی معیشت میں تقریباً 3.7 فیصد اضافہ ہوا، جو چار سال میں سب سے تیز رفتار تھا۔ تعمیراتی شعبے میں بھی تقریباً 5.73 فیصد نمو ریکارڈ ہوئی، جسے سرکاری اور نجی ترقیاتی اخراجات میں بتدریج بہتری سے تقویت ملی۔ سال کے دوران اوسط مہنگائی کم ہو کر تقریباً 7.05 فیصد رہی، تاہم عالمی تیل کی قیمتوں کے دباؤ کے باعث مالی سال کے اختتام پر دوبارہ بڑھ کر جون 2026 میں 11.07 فیصد ہو گئی، جس کے بعد اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ 11.5 فیصد پر برقرار رکھا۔ حکومت کے مالی سال 2026-27 کے ترقیاتی بجٹ، جس کی مالیت Rs. 3.669 trillion ہے اور جس میں Rs. 1 trillion کا پبلک سیکٹر ڈویلپمنٹ پروگرام (PSDP) مختص کیا گیا ہے، سے توقع ہے کہ اس شعبے کو بتدریج فائدہ پہنچے گا، تاہم اس کے عملی اثرات نئے کنٹریکٹس ملنے کی صورت میں سامنے آنے میں وقت لگے گا۔

اس بہتری کے باوجود، زیادہ مالیاتی لاگت، کلائنٹس کے محتاط اخراجات اور بینک فنانشنگ کے قابل منصوبوں کی محدود دستیابی کے باعث Gammon Pakistan Limited کو سال کے دوران نئے کنٹریکٹس حاصل کرنے میں نمایاں مشکلات کا سامنا رہا۔ کمپنی نے اپنی عملی صلاحیت برقرار رکھنے اور پری کاسٹ آپریشنز کو آگے بڑھانے پر توجہ مرکوز رکھی تاکہ حالات بہتر ہونے پر فائدہ اٹھایا جا سکے۔

مستقبل کے امکانات

کمپنی کو سال کے دوران نئے منصوبے حاصل کرنے میں مشکلات کا سامنا رہا، جو اوپر بیان کردہ عمومی حالات سے مطابقت رکھتی ہیں۔ اس مدت میں تعمیرات کا کوئی نیا کنٹریکٹ حاصل نہیں ہوا۔ کمپنی نے تجارتی افادیت، مالی احتیاط اور مؤثر رسک مینجمنٹ کو مدنظر رکھتے ہوئے ممکنہ مواقع کا جائزہ لینا جاری رکھا۔

کاروباری تسلسل برقرار رکھنے کے لیے کمپنی نے Gammon Pakistan Precast (Private) Limited کے ذریعے پری کاسٹ تعمیراتی ٹیکنالوجی پر زیادہ توجہ دی ہے۔ پری کاسٹ ڈھانچے تیز رفتار، نسبتاً کم لاگت اور پائیدار تعمیراتی حل فراہم کرتے ہیں جو مستقبل کی مارکیٹ کی ضروریات سے مطابقت رکھتے ہیں، اور کمپنی اس کاروبار کو ترقی کے ایک اہم شعبے کے طور پر وسعت دینے کا ارادہ رکھتی ہے۔

آئندہ کے حوالے سے بورڈ تعمیراتی شعبے کے درمیانی مدت کے امکانات کے بارے میں محتاط طور پر پُر امید ہے۔ قومی بجٹ کے تحت ترقیاتی اخراجات میں مجوزہ اضافہ اور بنیادی ڈھانچے و لاجسٹکس میں مسلسل سرمایہ کاری سے ٹھیکیداروں کے لیے مواقع بتدریج بہتر ہونے کی توقع ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

آڈیٹرز کی رپورٹ، بشمول رائے میں ترمیم کی بنیاد اور توجہ طلب امور کے پیراگراف، پر غور کرنے کے بعد (جن پر بورڈ کا تفصیلی جواب اس رپورٹ میں آگے درج ہے)، ڈائریکٹرز تصدیق کرتے ہیں کہ SECP کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک اور CCG Regulations, 2019 کی تعمیل کی گئی ہے، حسب ذیل:

1. مالیاتی گوشوارے، اس رپورٹ میں بیان کردہ امور کو ساتھ ملا کر پڑھنے کی صورت میں، کمپنی کی مالی حالت، کاروباری نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔

2. مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور تخمینے معقول اور محتاط فیصلے کی بنیاد پر تیار کیے گئے ہیں۔

3. کمپنی نے حسابات کی مناسب کتابیں برقرار رکھی ہیں۔

4. مالیاتی گوشوارے تیار کرتے وقت پاکستان میں قابل اطلاق IFRS پر عمل کیا گیا ہے۔

5. اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے مناسب اور مؤثر طور پر نافذ ہے؛ آڈیٹرز کے مشاہدات کے مطابق انتظامیہ کو بیلنس کنفرمیشنز اور منظوریوں سے متعلق کنٹرول مزید مضبوط کرنے کی ہدایت دی گئی ہے۔

6. نوٹ 44.1 اور مستقبل کے امکانات کے تحت بیان کردہ اقدامات کو مدنظر رکھتے ہوئے، ڈائریکٹرز کو معقول توقع ہے کہ کمپنی کے پاس بطور جاری کاروبار کام جاری رکھنے کے لیے مناسب وسائل موجود ہیں۔

7. CCG Regulations کے بہترین طریقہ کار سے کوئی اہم انحراف نہیں ہوا۔

8. 30 جون 2026 تک ٹیکس، ڈیوٹیز، محصولات اور چارجز کے سلسلے میں کوئی قانونی ادائیگی واجب الادا نہیں، سوائے ان رقوم کے جن کا مالیاتی گوشواروں اور اس رپورٹ میں انکشاف کیا گیا ہے۔

9. سال کے دوران کمپنی کے حصص میں ڈائریکٹرز، CEO، CFO، کمپنی سیکریٹری یا ان کے شریک حیات یا نابالغ بچوں کی جانب سے کوئی خرید و فروخت نہیں کی گئی۔

بورڈ کی تشکیل

بورڈ کی تشکیل CCG Regulations کے مطابق ہے، جس میں آزاد اور غیر انتظامی ڈائریکٹرز کی نمائندگی اور صنفی تنوع شامل ہے:

تعداد	زمرہ
07	ڈائریکٹرز کی کل تعداد
06	مرد
01	خواتین
02	آزاد ڈائریکٹر
04	دیگر غیر انتظامی ڈائریکٹرز
01	انتظامی ڈائریکٹر

اپنی لازمی ملازمتی ذمہ داریوں کے علاوہ، بورڈ کی کارکردگی کا ہر سال انفرادی اور اجتماعی سطح پر درج ذیل پیمانوں کے مطابق جائزہ لیا جاتا ہے:

- صنفی تنوع، صلاحیتوں، مہارتوں اور مختلف نقطہ ہائے نظر کے امتزاج میں مؤثریت۔
 - ارکان کی دیانت داری، ساکھ، قابل اعتماد ہونے اور فعال شرکت کا معیار۔
 - انتظامیہ کے مقرر کردہ سالانہ اہداف پر عمل درآمد کی پیروی اور جائزہ۔
 - کمپنی کو رہنمائی اور سمت فراہم کرنے کی صلاحیت۔
 - کمپنی کی کارکردگی کے ان پہلوؤں کی نشاندہی کرنے کی صلاحیت جن پر کارروائی درکار ہو۔
 - انتظامیہ کی جانشینی کی منصوبہ بندی کا جائزہ۔
 - کمپنی کو درپیش خطرات کو جانچنے اور سمجھنے کی صلاحیت۔
 - صحت، حفاظت، ماحول، ملازمت اور کمپنی کی دیگر پالیسیوں و طریقہ کار میں بہتری کے لیے کردار اور دلچسپی۔
 - کمپنی کو غیر ضروری قانونی چارہ جوئی اور ساکھ کے خطرات سے محفوظ رکھنا۔
- مندرجہ بالا پیمانوں کی بنیاد پر سال کے لیے بورڈ کی مجموعی کارکردگی تسلی بخش رہی۔ بورڈ کے ارکان نے مؤثر طور پر تنوع فراہم کیا۔ بورڈ میں آزاد اور غیر انتظامی ڈائریکٹرز کا امتزاج برقرار رہا اور کمپنی کے عملی و انتظامی اہداف، بشمول اس رپورٹ میں بیان کردہ عملی اور گورننس اقدامات، کی تشکیل میں مؤثر کردار ادا کیا۔

بورڈ آڈٹ کمیٹی

بورڈ آڈٹ کمیٹی مالیاتی رپورٹنگ، اندرونی کنٹرول، رسک مینجمنٹ اور آڈٹ کے عمل کی نگرانی میں بورڈ کی معاونت کرتی ہے۔ اسے بیرونی آڈیٹرز اور مشیروں سے براہ راست رابطہ کرنے کی خودمختاری حاصل ہے۔ سال کے دوران CCG Regulations کے تحت سہ ماہی تقاضے کے مطابق 4 اجلاس منعقد ہوئے۔ ہر اجلاس متعلقہ بورڈ اجلاس سے کچھ پہلے بلایا گیا تاکہ سہ ماہی/ششماہی/سالانہ حسابات پر کمیٹی کا جائزہ اسی بورڈ اجلاس میں زیر غور آ سکے۔

کمیٹی کے ارکان کے نام درج ذیل ہیں:

نام	عہدہ
Mr. Kamal Abdullah Malik	آزاد ڈائریکٹر — چیئرمین
Mr. Muhammad Kuli Khan Khattak	غیر انتظامی ڈائریکٹر — رکن
Mr. Sikandar Kuli Khan Khattak	غیر انتظامی ڈائریکٹر — رکن
Mr. Salman Khan, ACA	ہیڈ آف انٹرنل آڈٹ — سیکریٹری

کمیٹی نے سہ ماہی، ششماہی اور سالانہ مالیاتی گوشواروں، اندرونی آڈٹ کے منصوبے اور نتائج کا جائزہ لیا، اور بیرونی آڈیٹرز اور اندرونی آڈٹ کے ساتھ الگ الگ اجلاس کیے؛ ان اجلاسوں میں انتظامیہ موجود نہیں تھی۔

ہیومن ریسورس اور معاوضہ کمیٹی

ہیومن ریسورس اور معاوضہ کمیٹی کمپنی کی انسانی وسائل سے متعلق پالیسیوں کے تمام پہلوؤں کا جائزہ لینے اور سفارشات دینے کی ذمہ دار ہے، جن میں معاوضہ، ملازمین کی ترقی اور اعلیٰ انتظامیہ کے معاوضے کا ڈھانچہ شامل ہے۔ کمیٹی جانشینی کی منصوبہ بندی کی بھی نگرانی کرتی ہے اور اس بات کو یقینی بناتی ہے کہ معاوضے کا نظام منصفانہ، شفاف اور کاروباری مقاصد و قانونی تقاضوں سے ہم آہنگ رہے۔

کمپنی کا چیف ایگزیکٹو آفیسر کمیٹی کا رکن ہے اور سال کے دوران جب بھی اجلاس منعقد ہو اس میں شرکت کرتا ہے۔ مالی سال 2025-26 کے دوران کمیٹی کا کوئی اجلاس منعقد نہیں ہوا، کیونکہ کاروباری سرگرمی نمایاں نہیں تھی، اعلیٰ انتظامی سطح پر نئی بھرتی یا تنظیمی تبدیلی نہیں ہوئی جس کے لیے کمیٹی کی رائے یا معاوضے/پالیسی میں تبدیلی درکار ہوتی، اور ایسے معاملات پر بورڈ نے علیحدہ طور پر غور کیا تھا۔ کمیٹی انسانی وسائل کے نظام کی نگرانی جاری رکھے گی اور کاروباری ضروریات اور قابل اطلاق ضوابط کے مطابق آئندہ تبدیلیوں کا جائزہ لینے کے لیے ضرورت کے وقت اجلاس منعقد کرے گی۔

کمیٹی کے ارکان کے نام درج ذیل ہیں:

نام	عہدہ
Brig Humayun Malik (Retd)	آزاد ڈائریکٹر — چیئرمین
Mrs. Ayesha Alamzeb Durrani	غیر انتظامی ڈائریکٹر — رکن
Mr. Sikandar Kuli Khan Khattak	غیر انتظامی ڈائریکٹر — رکن

صنفی تنخواہی فرق کا بیان

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکر نمبر 10 آف 2024 کی تعمیل میں، 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کا صنفی تنخواہی فرق درج ذیل ہے:

i. اوسط صنفی تنخواہی فرق: 100%

ii. درمیانی صنفی تنخواہی فرق: 100%

بورڈ واضح کرنا چاہتا ہے کہ کمپنی ملازمین کو ان کے انفرادی پروفائل، کردار اور کارکردگی کی بنیاد پر منصفانہ معاوضہ دیتی ہے اور جنس کی بنیاد پر کوئی امتیاز نہیں کرتی۔ رپورٹ کردہ فرق کمپنی کے موجودہ محدود عملے اور ذمہ داریوں کی تقسیم کی عکاسی کرتا ہے، جو کاروباری سرگرمیوں کی محدود صورت حال کے دوران رہی، نہ کہ یکساں نوعیت کے عہدوں پر مرد و خواتین کے ساتھ مختلف سلوک کی۔ بورڈ اس عزم کا اعادہ کرتا ہے کہ انفرادی قوت میں اضافے کے ساتھ منصفانہ اور غیر امتیازی معاوضے کا نظام برقرار رکھا جائے گا۔

مالی سال 2025-2026 میں بورڈ اور کمیٹیوں کے اجلاس

سال کے دوران بورڈ کے 4 اور بورڈ آڈٹ کمیٹی (BAC) کے 4 اجلاس منعقد ہوئے؛ HR&RC کا کوئی اجلاس منعقد نہیں ہوا، جس کی وجہ اوپر بیان کی گئی ہے۔

ڈائریکٹر	بورڈ اجلاس	BAC	HR&RC
Lt Gen Ali Kuli Khan Khattak (Retd)	4/4	-	-
Mr. Khalid Kuli Khan Khattak	4/4	-	-
Mrs. Ayesha Alamzeb Durrani	4/4	-	0/1
Mr. Muhammad Kuli Khan Khattak	3/4	4/4	-
Mr. Sikandar Kuli Khan Khattak	2/4	2/4	0/1
Mr. Kamal Abdullah Malik	3/4	3/4	-
Brig Humayun Malik (Retd)	3/4	-	0/1

دیگر مصروفیات کے باعث اجلاس میں شرکت نہ کر سکنے والے ڈائریکٹرز کو رخصت کی اجازت دی گئی۔

ڈائریکٹرز کے معاوضے

مالی سال 2025-26 کے لیے ڈائریکٹرز اور CEO کے معاوضے کی معلومات کے لیے مالیاتی گوشواروں کے نوٹس ملاحظہ کریں۔

اہم عملیاتی اور مالیاتی معلومات (چھ سالہ خلاصہ)

گزشتہ 6 سال کی اہم عملیاتی اور مالیاتی معلومات اس رپورٹ کے ساتھ منسلک ہیں۔

حصص کی ملکیت کا پیٹرن

30 جون 2026 کو حصص کی ملکیت کے پیٹرن کا بیان، اس سلسلے میں اضافی معلومات سمیت، اس رپورٹ کے ساتھ منسلک ہے۔

حکومت اور سماجی شعبے میں کمپنی کا حصہ

30 جون 2026 کو ختم ہونے والے سال کے دوران حکومت، نیم سرکاری شعبوں، بینکوں اور سماجی شعبے کے لیے کمپنی کی شراکت درج ذیل ہے:

حکومتی شعبہ	ملین پاکستانی روپے
ادا شدہ انکم ٹیکس (مالیاتی گوشواروں کا نوٹ 15)	9.559
بجلی اور ایندھن (مالیاتی گوشواروں کا نوٹ 26)	1.604

صحت، حفاظت اور ماحول

ہم اپنے ملازمین اور ان کمیونٹیز کی فلاح کے لیے صحت، حفاظت اور ماحول کے اعلیٰ معیار برقرار رکھنے کے پابند ہیں جہاں ہم کام کرتے ہیں۔

بعد ازاں پیش آنے والے واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کوئی ایسی اہم تبدیلی یا ذمہ داری سامنے نہیں آئی جس سے کمپنی کی مالی پوزیشن متاثر ہوتی ہو۔

آڈیٹرز کی رپورٹ پر تبصرہ

آڈیٹرز کی رپورٹ میں رائے میں ترمیم کی بنیاد اور توجہ طلب امور کے پیراگراف کے حوالے سے بورڈ کا جواب درج ذیل ہے:

(a) غیر تصدیق شدہ کنٹریکٹ وصولیاں، کنٹریکٹ اثاثے اور مشترکہ منصوبوں کے شراکت داروں کے ایڈوانس: یہ پرازے، بند یا غیر فعال منصوبوں سے متعلق ہیں، جن کے مقابلے میں کمپنی نے احتیاط کے طور پر متوقع کریڈٹ نقصان کے لیے پہلے ہی Rs. 122.543 million کی رقم مختص کر رکھی ہے۔ انتظامیہ کو ہدایت دی گئی ہے کہ باقی متعلقہ فریقوں سے باضابطہ تحریری تصدیق حاصل کرے اور ضرورت کے مطابق ہر کیس کے لیے رائٹ آف/تصفیے کی تجاویز بورڈ کے سامنے پیش کرے۔

(b) پراویڈنٹ فنڈ کے واجبات اور غیر دعویٰ شدہ منافع کی رقم: پراویڈنٹ فنڈ میں Rs. 1.563 million کی کمی اور غیر دعویٰ شدہ منافع کی Rs. 1.442 million رقم (جو ابھی تک دفعہ 244 کے تحت علیحدہ اکاؤنٹ میں نہیں رکھی گئی) کمپنی کی نقدی کی محدود دستیابی کے باعث ہیں، نہ کہ رقوم روکنے کی نیت سے۔ انتظامیہ کو ہدایت دی گئی ہے کہ نقدی کی دستیابی کے مطابق دونوں معاملات کو باقاعدہ بنائے اور آڈٹ کمیٹی کو پیش رفت سے آگاہ کرے۔

(c) جاری کاروبار: جیسا کہ مستقبل کے امکانات اور نوٹ 44.1 میں بیان کیا گیا ہے، بورڈ کے عملی اقدامات سے اسے معقول توقع ہے کہ کمپنی کے پاس جاری کاروبار کے طور پر کام جاری رکھنے کے لیے مناسب وسائل ہیں، اور مالیاتی گوشوارے اسی بنیاد پر تیار کیے گئے ہیں۔

(d) سابق CFO سے متعلق امور: سابق CFO کے بعض مالیاتی لین دین بیرونی تحقیقات کے تحت ہیں۔ بورڈ اس معاملے کو سنجیدگی سے لیتا ہے، متعلقہ بیرونی ادارے کے ساتھ مکمل تعاون کر رہا ہے اور انتظامیہ کو اندرونی مالیاتی کنٹرول مضبوط بنانے کی ہدایت دی گئی ہے۔ تحقیقات مکمل ہونے پر کسی بھی مالی اثر کو تسلیم کیا جائے گا۔

آڈیٹرز کی تقرری

کمپنی کے آڈیٹرز، M/S Rizwan & Company Chartered Accountants، ریٹائر ہو رہے ہیں اور دوبارہ تقرری کے لیے دستیاب ہیں۔ بورڈ، بورڈ آڈٹ کمیٹی کی سفارش پر، 30 جون 2027 کو ختم ہونے والے سال کے لیے ان کی دوبارہ تقرری کی سفارش کرتا ہے۔

اظہار تشکر

ہم کمپنی کی انتظامیہ، انجینئرز اور ملازمین کی محنت اور لگن کو سراہتے ہیں اور اپنے بینکاروں، کلائنٹس اور سپلائرز کے مسلسل تعاون اور اعتماد پر ان کے شکر گزار ہیں۔

خالد کلی 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 6

2.2. No of shareholders	Shareholdings	Total shares held
1507	shareholding from 1 to 100 shares	58,733
536	shareholding from 101 to 500 shares	139,589
185	shareholding from 501 to 1000 shares	147,111
260	shareholding from 1001 to 5000	673,895
72	shareholding from 5001 to 10000	517,256
24	shareholding from 10001 to 15000	302,575
17	shareholding from 15001 to 20000	300,284
8	shareholding from 20001 to 25000	181,474
3	shareholding from 25001 to 30000	79,909
5	shareholding from 30001 to 35000	162,041
2	shareholding from 35001 to 40000	76,122
1	shareholding from 40001 to 45000	40,719
5	shareholding from 45001 to 50000	241,296
1	shareholding from 55001 to 60000	56,378
2	shareholding from 60001 to 65000	122,932
1	shareholding from 65001 to 70000	70,000
1	shareholding from 75001 to 80000	79,535
2	shareholding from 80001 to 85000	165,377
2	shareholding from 85001 to 90000	177,009

1	shareholding from 95001 to 100000	98,500
1	shareholding from 110001 to 115000	110,467
1	shareholding from 115001 to 120000	120,000
1	shareholding from 135001 to 140000	138,226
1	shareholding from 145001 to 150000	150,000
1	shareholding from 320001 to 325000	323,203
1	shareholding from 805001 to 810000	806,973
1	shareholding from 2560001 to 2565000	2,561,071
1	shareholding from 20365001 to 20370000	20,365,556
	(Add appropriate slabs of shareholdings)	
	Total	28,266,231

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	11489	0.0406
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	7579463	26.81
	b. Foreign	207187	0.73
2.3.9	Others (Joint Stock Companies)	11938	0.0422

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

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, 2026 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 2026.

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, 2026 as stated in paragraph 14(b) of the Statement of Compliance.

ISLAMABAD
Date:

10 OCT 2026

UDIN: CR202610140gxZiWls4C



RIZWAN AND COMPANY
Chartered Accountants

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

Name of Company: Gammon Pakistan Limited

Year ended: June 30, 2026

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 has 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, 2026.

b) HR and Remuneration Committee

No meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2026. The Company will ensure that the Committee meets at least once during each financial year in accordance with the applicable requirements.

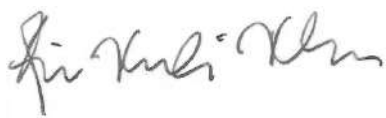
15. The board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating 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 the 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.	The Board has not constituted a separate Nomination Committee, and relevant nomination matters are presently addressed through the Human Resource and Remuneration Committee and the Board. The Board will review the need for a separate Nomination Committee as and when considered appropriate.	29
2	Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it	The Board has not constituted a separate Risk Management Committee. Risk management matters, including review of material controls and financial	30

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
	may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	information, are addressed through the Company's existing governance and internal control framework.	
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.	The Company's significant policies are communicated to the relevant employees and Directors. The Company is reviewing the posting of key elements of such policies and relevant committee information on its website.	35
4	Responsibilities of the Board and its members The Board is responsible for adoption of corporate governance practices by the company.	The Company continues to review and strengthen its corporate governance practices in accordance with the applicable regulatory framework. Certain non-mandatory provisions are being addressed under the comply or explain approach.	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 plans to facilitate certification under the Directors' Training Program for the remaining eligible Directors in accordance with the applicable requirements.	19(1)
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 plans to facilitate certification under the Directors' Training Program for the eligible Head(s) of Department in accordance with the applicable requirements.	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 candidate from among the minority shareholders came forward to contest the election of Directors.	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	The Company has in place an internal mechanism for receiving and addressing workplace harassment complaints in accordance with applicable law. The Company promotes equal	10A

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
	relation to Regulation 10) of the Listed Companies (Code of Corporate Governance) Regulations 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.	opportunity, diversity and ethical conduct, while relevant environmental, social and governance matters are addressed through its governance and compliance framework.	

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 06, 2026
Rawalpindi



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, 2026, 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, 2026 and of the profit, total comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

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

- a) Contract receivables amounting to Rupees 13.86 million, allowance of expected loss amounting to Rupees 122.543 million, net contract assets amounting to Rupees 60.75 million, joint ventures partner advances amounting to Rupees 30.059 million as disclosed in notes 10, 10.3, 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 21.5 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 million 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 draw attention to the Note 44.1 to the financial statements which explains the various significant operational measures undertaken by the Company in order to generate liquidity and profitable projects/ventures and the management's continued focus on deploying available resources in a cost-efficient manner, the management remains confident in the Company's ability to continue as a going concern.
- b) we also draw attention to the Note 44.2 to the financial statements which explains that certain financial transactions pertaining to the ex-CFO of the Company are under investigation internally



as well as by external agency and the impact of such investigation, if any, will be accounted for in the period during which such investigation is completed.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
a) Contingencies and Company's exposure to litigation risk In our judgment, the Company has significant litigation cases and other contingencies, details of which are disclosed in note 24.2 to the accompanying financial statements. Given the nature and amounts involved in such cases and contingencies, and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgment, which can change over time as new facts emerge and each legal case progresses and the contingency crystallizes, and therefore, we have identified this as key audit matter.	Our audit procedures amongst others, included the following: - We obtained confirmations from legal advisors for current status on pending previous cases and any new cases filed during the year and assessing the advice given; - Checked orders by relevant authorities on previous lawsuits / cases appearing in the financial statements; - Reading correspondence of the Company with regulatory departments and the Company's external counsel, where available; - Discussing open matters and developments with the management of the Company; We evaluated that appropriate disclosures and presentation have been made in these financial statements.
b) Revenue recognition The Company generates its revenue from long term projects. Revenue from such projects is recognized over a period of time by measuring progress towards complete satisfaction of the performance obligation. The extent of progress towards completion is measured by using the input method whereby actual cost incurred to date is compared with the total estimated cost of the project. During the year ended June 30, 2026, the Company has not recognized any amount as revenue from projects. However, the Company recognized an amount of Rs. 44.04 million as Rental income from investment property during the year (2025 – Rs.37.51 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 have an impact on the selected audit approach.

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.

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 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 Imran Bashir FCA.

Islamabad:
Date:

10 OCT 2026

UDIN: AR202610140iXYzWuO8j


Rizwan and Company
Chartered Accountants

**GAMMON PAKISTAN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2026**

GAMMON PAKISTAN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

ASSETS		2026	2025
NON CURRENT ASSETS		Rupees	
	NOTE		
Property, plant and equipment			
Operating fixed assets	5	123,475,595	126,881,653
Investment property	6	368,286,408	365,339,500
Long term investments	7	189,340,000	189,340,000
Long term security deposits	8	1,338,000	1,350,600
Deferred taxation	8	10,914,646	-
		693,354,649	682,911,753
CURRENT ASSETS			
Stores, spares and loose tools	9	7,942,259	12,354,604
Contract receivables	10	13,855,171	44,457,835
Contract asset	11	60,752,550	65,049,779
Loans and advances	12	100,990,227	84,637,299
Other receivables	13	5,848,652	2,597,489
Tax refunds due from Government	14	102,905,519	94,600,838
Taxation - net	15	9,559,317	8,304,681
Cash and bank balances	16	1,099,150	1,946,260
		302,952,845	313,948,785
TOTAL ASSETS		996,307,494	996,860,538
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 eq	18	109,887,869	111,066,181
		125,268,199	126,446,511
Revenue reserve			
Accumulated profit		404,580,037	376,040,628
TOTAL EQUITY		812,510,546	785,149,449
NON-CURRENT LIABILITIES			
Deferred liability	19	4,570,579	4,642,963
Deferred taxation	20	-	9,599,887
		4,570,579	14,242,850
CURRENT LIABILITIES			
Trade and other payables	21	147,724,597	165,966,468
Unclaimed dividends	22	1,442,230	1,442,230
Joint venture partner's advances	23	30,059,542	30,059,542
		179,226,369	197,468,240
TOTAL EQUITY AND LIABILITIES		996,307,494	996,860,538
CONTINGENCIES AND COMMITMENTS	24	-	-

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
	NOTE	Rupees	
Contract income		-	-
Contract expenditure	25	(1,140,898)	(706,759)
Net contract (Loss)		(1,140,898)	(706,759)
Operating expenses			
General and administrative expenses	26	(42,960,805)	(64,688,824)
Other operating expenses	27	(28,328,129)	(38,599,125)
		(71,288,934)	(103,287,949)
Other income	28	75,852,645	52,931,683
Net operating Income / (loss)		3,422,813	(51,063,024)
Bank charges	29	(3,282)	(5,684)
Net fair value gain on investment property	30	2,946,908	7,693,060
Profit / (Loss) before minimum taxes and final taxes		6,366,439	(43,375,648)
Minimum taxes		-	-
Profit / (Loss) before income tax		6,366,439	(43,375,648)
Income Tax	31	20,424,431	(20,429,322)
Profit / (Loss) after taxation		26,790,870	(63,804,970)
Earning / (Loss) per share:			
Earning / (Loss) per share - basic and diluted	32	0.95	(2.26)

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
	NOTE	Rupees	
Profit / (Loss) after taxation		26,790,870	(63,804,970)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Revaluation surplus on property, plant and equipment	18	497,304	1,499,765
Related deferred tax impact	18	90,102	(36,588)
		587,406	1,463,177
(Loss)/Gain on remeasurement of defined benefit liability	19.4	(17,178)	(258,396)
Total other comprehensive income for the year		570,228	1,204,781
Total comprehensive income for the year		27,361,098	(62,600,189)

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

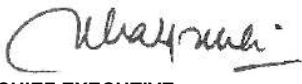


DIRECTOR

GAMMON PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

NOTE	Share capital	Reserves			Total
		Capital		Revenue	
	Issued, subscribed and paid-up capital	Share premium reserve	Revaluation surplus on property, plant and equipment	Accumulated Profits	
	Rupees				
	282,662,310	15,380,330	382,426,284	167,280,714	847,749,638
	-	-	-	(63,804,970)	(63,804,970)
	-	-	1,463,177	-	1,463,177
	-	-	-	(258,396)	(258,396)
	-	-	1,463,177	(64,063,366)	(62,600,189)
18	-	-	(1,884,181)	1,884,181	-
	-	-	(270,939,099)	270,939,099	-
	282,662,310	15,380,330	111,066,181	376,040,628	785,149,448
6					
	-	-	-	26,790,870	26,790,870
			587,406	-	587,406
	-	-	-	(17,178)	(17,178)
	-	-	587,406	26,773,692	27,361,098
18	-	-	(1,765,717)	1,765,717	-
	-	-	-	-	-
	282,662,310	15,380,330	109,887,869	404,580,037	812,510,546

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, 2026

	NOTE	2026	2025
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before working capital changes	34	11,293,337	(14,407,909)
Changes in working capital:			
Decrease / (increase) in current assets			
Stores, spares and loose tools		4,412,345	(21,100)
Contract receivables		7,269,489	608,122
Loans and advances		(7,595,647)	(61,800,228)
Other receivables		(3,251,163)	(1,688,333)
Increase/(Decrease) in current liabilities			
Trade and other payables		(2,251,063)	(15,284,866)
		(1,416,039)	(78,186,405)
Cash (used in)/generated from operations		9,877,298	(92,594,314)
Bank charges paid	29	(3,282)	(5,684)
Income tax paid	15	(9,559,317)	(8,304,681)
Gratuity paid	19.3	(266,248)	(2,160,181)
		(9,828,847)	(10,470,546)
Net cash generated / from operating activities		48,451	(103,064,860)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition in operating fixed assets	5	(1,040,701)	(55,490,294)
Proceeds from disposal of Hyderabad land		-	155,000,000
Proceeds on disposal of fixed assets		135,000	-
Return / (Acquisition) in long term security deposits	8		2,400,000
Net cash generated from/(used in) investing activities		(882,131)	101,909,706
Net (decrease)/ increase in cash and cash equivalents		(847,110)	(1,155,154)
Cash and cash equivalents at the beginning of the year		1,946,260	3,101,414
Cash and cash equivalents at the end of the year	16	1,099,150	1,946,260

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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

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

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

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

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

Sr.No	Location	Address
1	Head office	Mouza Chuhr Harpal, Near Chur Chowk, Main Peshawar Road, Rawalpindi
2	Rawalpindi	Mouza Chuhr Harpal, Near Chur Chowk, Main Peshawar Road, Rawalpindi

1.2 Non-Compliant Segment of Pakistan Stock Exchange

During the year ended June 30, 2026, the Company remained placed in the “Non-Compliant Segment” (Winding-Up Segment) of the Pakistan Stock Exchange Limited (“PSX”) pursuant to PSX Notice No. PSX/N-496 dated May 13, 2025, under Regulation 5.11.1(a) of the PSX Regulations, in relation to suspension of the Company's core business operations. Consequently, the Company's shares were suspended from trading and the share registrar was advised to freeze the shares held by the sponsors, directors and senior management of the Company. The aforesaid restrictions do not apply to the shares held by the general public.

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 (IFRSs) 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, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRSs and IFAS, the provisions of, directives and notifications 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.

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, 2025. However, these amendments do not have any significant impact on the Company's financial statements.

Effective Date

January 1, 2025

a) IAS 21 : Lack of exchangeability

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

July 1, 2025

b) IFRS S1 : General Requirements for Disclosure of Sustainability-Related Financial Information**'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 carbon prices and remuneration.

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, 2025 and have not been early adopted by the Company:

Effective Date

January 1, 2026

a) 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).

b) IFRS 18 : Presentation and Disclosure in Financial Statements**Effective Date**

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.

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 2025 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 statement of profit and loss 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 statement of profit or loss.

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 statement of profit and loss 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 statement of profit or loss in the year 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 statement of profit and loss.

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, 2026									
Net carrying value basis									
Opening 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
Additions	-	-	-	541,701	124,000	375,000	-	-	1,040,701
Revaluation surplus/(deficit)	808,000	(310,696)	-	-	-	-	-	-	497,304
Deletions - NBV	-	-	(5,070)	(3,476)	-	-	-	-	(8,546)
Depreciation charge	-	(1,059,212)	(1,113,118)	(190,480)	(142,907)	(1,573,103)	(27,780)	(828,917)	(4,935,517)
Closing net book value	63,024,000	40,998,592	7,381,505	955,061	610,923	8,862,996	53,518	1,589,000	123,475,595
Gross carrying value basis									
Cost/revalued amount	63,024,000	42,057,804	14,642,012	2,817,189	2,060,644	13,652,279	418,200	2,487,000	141,159,128
Deletions	-	-	(148,047)	(8,147)	(29,000)	-	-	-	(185,194)
Revaluation adjustments	-	(1,059,212)	-	-	-	-	-	-	(1,059,212)
	63,024,000	40,998,592	14,493,965	2,809,042	2,031,644	13,652,279	418,200	2,487,000	139,914,722
Accumulated depreciation	-	(1,059,212)	(7,255,437)	(1,858,652)	(1,449,721)	(4,789,283)	(364,682)	(898,000)	(17,674,987)
Deletions	-	-	142,977	4,671	29,000	-	-	-	176,648
Revaluation adjustments	-	1,059,212	-	-	-	-	-	-	1,059,212
	-	-	(7,112,460)	(1,853,981)	(1,420,721)	(4,789,283)	(364,682)	(898,000)	(16,439,127)
	63,024,000	40,998,592	7,381,505	955,061	610,923	8,862,996	53,518	1,589,000	123,475,595
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

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 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 Chuhr Harpal, Near Chur Chowk, Main Peshawar Road, Rawalpindi Cantt.	Gammon house Head office	4,004

- 5.2 During the previous year 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	2026	2025
		Rupees	
Contract expenditure	25	1,140,898	706,759
General and administrative expenses	26	3,794,619	755,063
		4,935,517	1,461,822

- 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, 2026
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. 64,098,080/-.
- 5.7 Had there been no revaluation, the net book value of the specific classes of operating assets would have been as follows:

	2026 Rupees
Freehold land	120,988
Buildings on freehold land	38,382,066
Plant and machinery	8,623,263
Furniture and fixture	1,703,689
Computers and accessories	1,406,307
Motor vehicles, cycles and boats	10,494,655
Construction equipment	273,403

		2026	2025
6 INVESTMENT PROPERTY	NOTE	Rupees	
Carrying amount as at June 30, 2026			
Gammon House - land and building	6.1	368,286,408	365,339,500
6.1 The movement in this account is as follows:			
Opening balance		365,339,500	357,646,440
Net fair value gain / (loss) on revaluation shown in profit and loss account	6.2	2,946,908	7,693,060
		368,286,408	365,339,500

- 6.1.1** 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.

- 6.2** As of June 30, 2026, 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. 2,946,908/- (2025: net fair value gain of Rs. 7,693,060/-).

Forced sale value of the investment property at date of statement of financial position is assessed at Rs 337,364,920 / -.

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

		2026	2025
		Rupees	
7	LONG TERM INVESTMENTS		
	Unquoted		
	Subsidiary		
	Gammon Pakistan Precast (Private) Limited with 7.1	189,340,000	189,340,000
	69.99% Holding (2025: 69.99%).		

- 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 (2025: 69.99%).

		2026	2025
		Rupees	
8	LONG TERM SECURITY DEPOSITS		
	Tender money deposit	150,000	150,000
	Others security deposits 8.1 & 8.2	1,188,000	1,200,600
		1,338,000	1,350,600

- 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.

		2026	2025
		Rupees	
8.2	Balance written off during the year		
	Others security deposits	1,200,600	1,200,600
	Written off during the year 27	(12,600)	-
		1,188,000	1,200,600

9	STORES, SPARES AND LOOSE TOOLS		
	Consumable materials	173,315	176,655
	Stores 9.1 & 9.2	6,979,308	11,388,313
	Spares	569,019	569,019
	Loose tools	20,575	20,575
	Other stocks	200,042	200,042
		7,942,259	12,354,604
9.1	Balance as at June 30,	17,980,164	22,389,169
	Impairment - obsolete and slow moving item	(11,000,856)	(11,000,856)
		6,979,308	11,388,313

- 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.

GAMMON PAKISTAN LIMITED

		2026	2025
	NOTE	Rupees	
10 CONTRACT RECEIVABLES			
Owned			
Unsecured - considered good			
Against billings:			
- completed contracts	10.1 & 10.2	56,173,768	76,107,566
Provision for expected credit loss	10.3	(56,123,425)	(73,512,276)
		50,343	2,595,290
Against retention money:			
- completed contracts	10.1 & 10.2	50,233,568	79,929,396
Provision for expected credit loss	10.3	(36,428,740)	(38,066,851)
		13,804,828	41,862,545
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	10.3	(29,990,933)	(29,990,933)
		-	-
		13,855,171	44,457,835

10.1 This includes a receivable of Rs. 23.446 million from Maritime Technologies Complex (MTC) in respect of Project CW-0108, Fateh Jang (billing: Rs. 2.545 million; retention money: Rs. 20.901 million). Under a Final Settlement Agreement dated 11 August 2025, the parties settled outstanding claims of Rs. 6.971 million, adjusted against retention money receivable. The remaining balance of Rs. 16.475 million, being no longer recoverable, was written off as bad debt during the year (note 27).

10.2 This includes long-outstanding net receivable balances against DHA Housing Projects and Multi-sector Rehabilitation & Improvement Projects amounting to Rs. 25.779 million, comprising billing receivable of Rs. 17.389 million and net retention money of Rs. 8.390 million. During the year, these balances were assessed as no longer recoverable. Accordingly, Rs. 6.858 million was written off as bad debt (note 27).

10.3 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:

		2026	2025
	NOTE	Rupees	
Opening balance		141,570,060	141,570,060
Derecognized during the year		(19,026,962)	-
		122,543,098	141,570,060

11 CONTRACT ASSET

Under the following captions:

Contract asset on incomplete projects	11.1	60,752,550	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	11.2	(2,019,479,764)	(2,015,182,535)
		60,752,550	65,049,779

- 11.2 This includes a contract asset of Rs. 4.297 million relating to Maritime Technologies Complex (MTC), which, pursuant to the Final Settlement Agreement referred to in note 10.1, was no longer recoverable and was accordingly written off as bad debt during the year (note 27).

		2026	2025
12	LOANS AND ADVANCES	NOTE	Rupees
	Unsecured - considered good		
	To employees / project managers for expenses		534,477
	To Gammon Pakistan Precast (Private) Limited	12.1	89,336,682
	To suppliers		8,163,348
	To sub - contractors		2,955,720
			100,990,227
	Doubtful advances		26,387,232
			127,377,459
	Provision for expected credit loss	12.2	(26,387,232)
			100,990,227

- 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. 84,551,116.

- 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:

		2026	2025
	NOTE	Rupees	
		26,387,233	26,387,233
		-	-
		26,387,233	26,387,233

13 OTHER RECEIVABLES

Unsecured:

- Considered good

Other receivables

13.1	5,848,652	2,597,489
------	-----------	-----------

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

		2026	2025
	NOTE	Rupees	
		146,410	146,410
		136,928	109,508
		1,670,907	563,680
		880,000	1,200,000
		2,834,245	2,019,598

- 13.2 Aging of receivable from related parties:

1-90 days

90-180 days

Over 180 days

2,834,245	2,019,598
-	-
-	-
2,834,245	2,019,598

- 13.3 Maximum balance due from related party at end of any month during the year is Rs. 4,151,097 (2025: Rs. 1,270,532).

GAMMON PAKISTAN LIMITED

		2026	2025
	NOTE	Rupees	
14 TAX REFUNDS DUE FROM GOVERNMENT			
Considered good			
Balance as at July 01,		94,600,838	90,496,383
Advance income tax adjusted	15	8,304,681	4,104,455
		102,905,519	94,600,838
15 TAXATION - NET			
Balance as at July 01,2026		8,304,681	4,104,455
Transferred to tax refunds due from Government	14	(8,304,681)	(4,104,455)
		-	-
Provision for taxation		-	-
Advance income tax		9,559,317	8,304,681
		9,559,317	8,304,681

		2026	2025
	NOTE	Rupees	
16 CASH AND BANK BALANCES			
Cash in hand		176,236	1,020,385
Cash at bank: local currency			
- Current accounts	16.1	22,965	25,927
- Savings accounts	16.2	10,505	10,505
- Deposit accounts	16.3	889,443	889,443
	16.4	922,914	925,875
		1,099,150	1,946,260

- 16.1 It include Rupees 7,995/- (2025: 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 favor 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.
- 16.3 The entire balance as at June 30, 2026 and June 30, 2025 is under a bank's lien against guarantees issued by the bank.
- 16.4 During the year, the Board of Directors, through a resolution passed on 14 May 2026, approved the closure of certain bank accounts that had remained dormant and non-operational for a considerable period. Pursuant to this resolution, management has formally requested the respective banks to remit any available balances held in these accounts and to bring their balances to nil upon closure. As at the reporting date, the closure process is in progress and the related accounts continue to be reflected within cash and bank balances pending confirmation of closure by the respective banks.

17 SHARE CAPITAL

Issued, subscribed and paid up capital

Number of ordinary shares of Rs.10/- each			2026	2025
2026	2025	NOTE	Rupees	
22,627,320	22,627,320	Fully paid in cash	226,273,200	226,273,200
2,562,845	2,562,845	Issued as fully paid bonus shares	25,628,450	25,628,450
3,076,066	3,076,066	Issued against conversion of loans	30,760,660	30,760,660
28,266,231	28,266,231		282,662,310	282,662,310

17.1 This includes shares held by related parties as follows:

Bibojee Services (Private) Limited - Parent Company			
20,369,056 (2025: 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 (2025: 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 (2025: 72.06% shares) in Gammon Pakistan Limited as at June 30, 2026.

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 (2025: 30,000,000) ordinary shares of Rs. 10/- each amounting to Rs. 300,000,000 (2025: 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	2026 Rupees	2025
Balance brought forward		116,178,794	388,444,139
Add: Revaluations during the year		497,304	1,499,765
Less:			
Transferred to equity in respect of incremental depreciation charged during the year - net of deferred tax		1,765,717	1,884,181
Revaluation adjustment due to transfer of asset		-	270,939,099
Related deferred tax liability during the year transferred to profit and loss account		721,208	941,830
		2,486,926	273,765,110
		114,189,173	116,178,794
Less: Related deferred tax effect :			
Opening balance - as previously reported		5,112,613	6,017,855
Revaluation during the year		(90,102)	36,588
Revaluation adjustment due to transfer of asset		-	(172,235)
Incremental depreciation charged during the year transferred to profit and loss account		(721,208)	(769,595)
		4,301,303	5,112,613
		109,887,869	111,066,181

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, 2026 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	2026 Rupees	2025
Present value of the defined benefit obligation	19.3	1,201,067	1,007,203
Benefits due but not paid during the year	19.3	3,369,512	3,635,760
		<u>4,570,579</u>	<u>4,642,963</u>
		2026	2025
		Rupees	
19.3 Reconciliation of net defined benefit liability			
Present value of defined benefit obligations		1,007,203	606,649
Benefits due but not paid as at June 30,		3,635,760	5,795,941
Service cost		58,340	52,677
Interest on defined benefit obligations		118,346	89,481
Benefits paid during the year		(266,248)	(2,160,181)
Benefit due but not paid at the year end		(3,369,512)	(3,635,760)
Actuarial loss/(gain)		17,178	258,396
		<u>1,201,067</u>	<u>1,007,203</u>
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)
Actuarial loss/(gain) due to experience adjustment		17,178	258,913
		<u>17,178</u>	<u>258,396</u>
19.5 The amounts recognised in the statement of profit or loss:			
Current service costs		58,340	52,677
Interest cost		118,346	89,481
		<u>176,686</u>	<u>142,158</u>
19.6 Changes in the present value of the defined benefit obligation are as follows:			
Opening defined benefit obligation		4,642,963	6,402,590
Service cost		58,340	52,677
Interest cost		118,346	89,481
Actuarial (gains)		17,178	258,396
Benefits paid		(266,248)	(2,160,181)
		<u>4,570,579</u>	<u>4,642,963</u>

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, 2026	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:

	2026	2025	2024	2023	2022
	Rupees				
Present value of defined benefit obligation	1,201,067	1,007,203	606,649	1,493,221	3,030,550

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, 2027 is estimated to be Rs. 205,227.

19.11 Sensitivity analysis

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

	2026	
	1 % increase in assumption	1 % decrease in assumption
	Rupees	
Discount rate	1,165,685	1,237,445
Salary increase	1,237,524	1,165,738

19.12 Expected future payments

Within one year	973,457
More than one year but less than five years	3,676,191
Above five years	-
	4,649,648

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	2026	2025
		Rupees	
Deferred tax	20.1	(10,914,646)	9,599,887
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	2026 Rupees	2025
Opening balance		9,599,887	(10,866,023)
Charged to statement of profit or loss	31	(20,424,431)	20,429,322
Charged to other comprehensive income	18	(90,102)	36,588
		<u>(10,914,646)</u>	<u>9,599,887</u>

20.1.2 Net deferred tax asset is comprised of as follows:

	2026 Rupees	2025
Deferred tax liabilities		
Accelerated tax depreciation allowed	96,080,818	94,172,294
Surplus on revaluation of PPE	4,301,300	5,112,611
	<u>100,382,118</u>	<u>99,284,905</u>
Deferred tax asset		
Provision for doubtful receivables	(35,537,498)	(41,055,317)
Provision for doubtful loan and advances	(7,652,297)	(7,652,297)
Deferred tax asset on brought forward losses	(56,595,976)	(29,445,420)
Provision for overseas loan	(10,185,525)	(10,185,525)
Gratuity payable	(1,325,468)	(1,346,459)
	<u>(111,296,764)</u>	<u>(89,685,018)</u>
	<u>(10,914,646)</u>	<u>9,599,887</u>

- 20.2** Deferred tax asset of Rs. 56,595,976 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 (2025: Rs.29,445,420)

	NOTE	2026 Rupees	2025
21 TRADE AND OTHER PAYABLES			
Directors current accounts	21.1	26,577,114	26,577,114
Sundry creditors	21.2	18,595,993	37,248,580
Advance rent		2,730,444	2,539,864
Due to sub-contractors	21.3	27,195,706	16,999,998
Accrued expenses	21.4	25,327,892	36,190,143
Due to employees and others	21.5	6,289,573	6,444,973
Taxes payable		4,264,658	3,222,579
Joint venture partners' share of profit		1,620,715	1,620,715
Workers welfare fund payable		1	1
Other provisions	21.6	35,122,500	35,122,500
		<u>147,724,597</u>	<u>165,966,468</u>

- 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/- (2025: Rs.22,553,800) and Rs. 4,023,314/- (2025: Rs. 4,023,314) respectively which are interest free and reimbursable on demand.
- 21.2 During the year, long-outstanding payable balances of Rs. 6.853 million comprising amounts due to Imporiant Chemicals, Javed Umar Enterprises, Kamran (Scrap Dealer), Kara Karam (Cement Supplier, MTC), Karam Sher (OBR) (Labour Contractor), Khan Brothers (Asad Abbas), Mohammad Rafique (Scrap Dealer) and Zulfiqar (Scrap Dealer) were assessed as no longer payable, as no claims had been received and settlement was no longer expected. Accordingly, these balances were written back during the year and recognized as other income (note 28)
- 21.3 During the year, long-outstanding balances aggregating Rs. 4.380 million were assessed as no longer payable, as no claims had been received and settlement was no longer expected. These comprised

payable to sub-contractors of Rs. 3.182 million (Bazco (Pvt.) Ltd., Mian Damsaz Ali Shah (Dhalkot Bridge and MTC), Mohammad Islam (Contractor at Turkham), Noor Shah (Paint Contractor) and Yousaf (Pre-Feb work, MTC)) and retention money payable of Rs. 1.199 million (Bazco (Pvt.) Ltd., Hafiz Abdul Rauf (Motorway), Khan Brothers (Asad) (MTC and Pre-Feb), Noor Shah — Saeed Painter (MTC), Zaraf Construction (MTC) and Mohammad Kashif (S.C.) (MTC)). Accordingly, these balances were written back during the year and recognized as other income (note 28)

21.4 During the year, long-outstanding accrued expenses of Rs. 4.757 million comprising Rs. 3.000 million of accrued salaries payable to Col. (R) Asad Zia Malik and Rs. 1.757 million relating to M.T.C Project, Tarap Bridge (CPEC) and O.B.R Project, for which no claims had been received and settlement was no longer expected were written back and recognized as other income (note 28).

21.5 This balance includes amounts aggregating Rs. 1.563 million (2025: 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.

21.6 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	2026	2025
		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 (2025: 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 favorable 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 favorable decision in due course of time.

Proceedings under section 161/205 of the Income Tax Ordinance, 2001 were initiated and completed against the company for the tax year 2016 and 2018 by determining tax payable of Rupees 1,677,422/- and Rupees 16,764,436/- respectively. The cases have been heard by the Commissioner Inland Revenue (Appeals) whose decision is awaited. Legal counsel of the company is confident to have a favorable decision in due course of time.

- (c) In the ordinary course of business various parties have filed legal cases against the Company, which have not been admitted as liabilities; accordingly, no provision has been considered necessary against these claims till their final outcome. The legal advisor of the Company is of the opinion that these cases are expected to be decided in favor of the Company and therefore no provision has been made in these financial statements for any liability that may arise consequent upon the result of above law suits.
- (d) The Company received a notice under section 161(1A) of the Income Tax Ordinance, 2001, for the tax year 2022. The case, involving a potential tax exposure of Rs. 12.793 million, is currently pending before the Assistant/Deputy Commissioner, Federal Board of Revenue (FBR). Based on the advice of its tax, the management believes that it has strong grounds to support its position and expects a favourable outcome.
- (e) For Tax Year 2016, the Federal Board of Revenue (FBR) raised a demand of Rs. 168 million under section 122(5A) of the Income Tax Ordinance, 2001. The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication. Based on the advice of its tax and legal advisors, the management believes that it has strong grounds to support its position and expects a favourable outcome.
- (f) An appeal previously filed before the Lahore High Court involving a tax demand of Rs. 44.675 million was dismissed on the grounds of limitation. The Company has now filed a petition before the Honourable Supreme Court of Pakistan. The Company's legal counsel remains confident of a favourable outcome.
- (h) Another case for Tax Year 2019 was decided by the Commissioner (Appeals) FBR, whereby the demand was modified to Rs. 2.223 million.

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 (2025: Rs. 50.062 million).

25	CONTRACT EXPENDITURE	NOTE	2026	2025
			Rupees	
	Depreciation	5.3	1,140,898	706,759
26 GENERAL AND ADMINISTRATIVE EXPENSES				
	Salaries and benefits		17,793,459	16,310,114
	Staff retirement benefits - gratuity	19.5	176,686	142,158
	Repair and maintenance		3,487,304	3,236,117
	Rent, rates and taxes		5,562,011	12,043,611
	Communication		295,039	515,289
	Advertisement and publicity		42,872	153,620
	Legal and professional charges		2,436,650	2,282,400
	Power and electricity		1,604,574	1,368,804
	Travelling and conveyance		3,047,383	2,847,686
	Fee and subscription		678,668	805,380
	Other sundry expenses		4,041,540	24,228,582
	Depreciation	5.3	3,794,619	755,063
			42,960,805	64,688,824
27 OTHER OPERATING EXPENSES				
	Auditor remuneration	27.1	685,125	685,125
	Loss on sale of operating fixed assets		-	37,914,000
	Others security deposits written off	8.2	12,600	-
	Contract asset written off	11.2	4,297,229	-
	Contract receivables written off	10.1 & 10.2	23,333,175	-
			28,328,129	38,599,125
27.1 Auditor remuneration				
	Statutory audit		527,625	498,750
	Half yearly review		157,500	165,375
	Fee for other certifications		-	21,000
			685,125	685,125
28 OTHER INCOME				
			2026	2025
			Rupees	
	Income from financial assets:			
	Profit on deposit and PLS accounts		224	-
	Income from non-financial assets:			
	Rental income on investment property		44,037,459	37,512,405
	Gain on sale of operating fixed assets and investment property		34,524	8,000
	Markup on advances to subsidiary		8,757,281	2,854,864
	Gain on sale of obsolete stores & spares		475,908	1,400,360
	Sundry creditors written back	21.2	6,853,224	-
	Due to subcontractors written back	21.3	4,380,417	-
	Accrued Expenses written back	21.4	4,757,167	-
	Miscellaneous income		6,556,441	11,156,054
			75,852,645	52,931,683

	2026	2025
	Rupees	
29 BANK CHARGES		
Bank charges	<u>3,282</u>	<u>5,684</u>

30 FAIR VALUE (LOSS)/GAIN ON INVESTMENT PROPERTY

- 30.1 The company, as of June 30, 2026, 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. 2,946,908 (2025: Rs. 7,693,060).

	NOTE	2026	2025
		Rupees	
31 TAXATION			
Current year		-	-
Deferred tax (income) / expense		<u>(20,424,431)</u>	<u>20,429,322</u>
		<u>(20,424,431)</u>	<u>20,429,322</u>

- 31.1 No numeric tax rate reconciliation is presented in these financial statements for the year ended June 30, 2026 as the Company's income was taxable under separate taxation regime of the Income Tax Ordinance, 2001.

- 31.2 The applicable income tax rate for the Tax Year 2026 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.

32 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED

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

		2026	2025
Earning / (Loss) after tax	RUPEES	<u>26,790,870</u>	<u>(63,804,970)</u>
Weighted average number of ordinary shares at the end of the year	NUMBERS	<u>28,266,231</u>	<u>28,266,231</u>
Basic and diluted earning / (loss) per share	RUPEES	<u>0.95</u>	<u>(2.26)</u>
32.1 Earning / (Loss) per share comprises as follows:		2026	2025
Distributable profit		0.84	(2.53)
Undistributable - unrealized fair value gains		0.10	0.27
		<u>0.95</u>	<u>(2.26)</u>

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

33 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.

GAMMON PAKISTAN LIMITED

Name of the Related Party	Relationship	Transaction during the year	2026	2025
			Rupees	

a) Subsidiary Company

Gammon Pakistan Precast (Private) Limited	Shareholder	Loan Provided	89,336,682	72,850,322
		Repayment	24,604,135	44,581,494

b) Associated Companies

Ghandhara Automobiles Limited	Common Directorship	Rental income	5,631,093	5,032,851
		Rental received	(5,631,093)	(5,032,851)
Ghandhara Industries Limited	Common Directorship	Rental income	5,536,137	4,992,588
		Rental received	(4,428,910)	(4,428,908)
Bannu Woollen Mills Limited	Common Directorship	Rental income	7,676,375	6,978,524
		Rental received	(7,676,375)	(6,978,524)
Kissa Khani (pvt) Limited	Common Directorship	Rental income	4,920,000	1,200,000
		Rental received	(5,240,000)	-

33.1 The status of outstanding balances of related parties as at June 30, 2026 are included in other receivable (note 13.1) and trade and other payables (note 21).

		2026	2025	
NOTE		Rupees		
34	PROFIT BEFORE WORKING CAPITAL CHANGES			
	Profit / (Loss) before taxation	6,366,439	(43,375,648)	
	Adjustment for:			
	Depreciation	5	4,935,517	1,461,822
	Staff retirement benefits - gratuity	26	176,686	142,158
	Others security deposits written off	27	12,600	-
	Contract asset written off	27	4,297,229	-
	Contract receivables written off	27	23,333,175	-
	Sundry creditors written back	28	(6,853,224)	
	Due to subcontractors written back	28	(4,380,417)	
	Accrued Expenses written back	28	(4,757,167)	
	Fair value gain on investment property	30	(2,946,908)	(7,693,060)
	Loss on sale of operating fixed assets	27	-	37,914,000
	Gain on disposal of fixed assets	28	(34,524)	(8,000)
	Scrap items		(115,500)	-
	Trade in allowance		18,500	-
	Operating fixed assets written off – NBV		(5,070)	
	Markup on advances to associated undertaking	28	(8,757,281)	(2,854,864)
	Finance cost	29	3,282	5,684
			4,926,898	28,967,739
			11,293,337	(14,407,909)

35 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:

	2026				2025			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	----- Rupees -----				----- Rupees -----			
Managerial remuneration	-	-	4,129,344	4,129,344	-	-	3,773,847	3,773,847
House rent	-	-	825,869	825,869	-	-	754,775	754,775
Medical	-	-	825,869	825,869	-	-	754,764	754,764
Utilities	-	-	825,869	825,869	-	-	754,764	754,764
Others allowances	-	-	1,651,738	1,651,738	-	-	1,509,528	1,509,528
Total	-	-	8,258,688	8,258,688	-	-	7,547,678	7,547,678
Number of persons	1	7	2	10	1	7	2	10

- 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.

36 FINANCIAL ASSETS AND LIABILITIES

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

2026					
Total	Interest/mark up bearing			Non interest / mark up bearing	
	Maturity upto one year	Maturity after one year Rupees	Sub-total		
Financial assets					
Financial assets carried at amortized cost					
Long term investments	189,340,000	-	-	-	189,340,000
Long term security deposits	1,338,000	-	-	-	1,338,000
Contract receivables	13,855,171	-	-	-	13,855,171
Other receivables	5,848,652	-	-	-	5,848,652
Contract asset	60,752,550	-	-	-	60,752,550
Cash and bank balances	1,099,150	899,948	-	899,948	199,202
	272,233,523	899,948	-	899,948	271,333,575
Financial liabilities					
Financial liabilities carried at amortized cost					
Trade and other payables	147,724,597	-	-	-	147,724,597
Unclaimed dividends	1,442,230	-	-	-	1,442,230
Joint venture partner's advances	30,059,542	-	-	-	30,059,542
	179,226,369	-	-	-	179,226,369
On balance sheet gap	93,007,154	899,948	-	899,948	92,107,206
Off Balance sheet Items					
Financial contingencies and commitments	(136,794,238)	-	-	-	(136,794,238)
Total Gap	(43,787,084)	899,948	-	899,948	(44,687,032)
Other Liability					
Deferred liability	4,570,579	-	-	-	4,570,579
2025					
Total	Interest/mark up bearing			Non interest / mark up bearing	
	Maturity upto one year	Maturity after one year Rupees	Sub-total		
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
Joint venture partner's advances	30,059,542	-	-	-	30,059,542
	197,468,240	-	-	-	197,468,240
On balance sheet gap	107,273,723	899,948	-	899,948	106,373,775
Off Balance sheet Items					
Financial contingencies and commit	(136,794,238)	-	-	-	(136,794,238)
Total Gap	(29,520,515)	899,948	-	899,948	(30,420,463)
Other Liability					
Deferred liability	4,642,963	-	-	-	4,642,963

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

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

37.1 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.

37.2 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. 82,717,286/- (2025: Rs. 114,381,577/-). The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	NOTE	2026 Rupees	2025
Long term security deposits	8	1,338,000	1,350,600
Contract receivables	10	13,855,171	44,457,835
Other receivables	13	5,848,652	2,597,489
Contract asset	11	60,752,550	65,049,779
Bank balances	16	922,914	925,875
		<u>82,717,286</u>	<u>114,381,577</u>

The aging of contract receivables at the reporting date is:			
Not past due		-	-
Past due 1-30 days		-	-
Past due 30-90 days		-	-
Past due 90 days		13,855,171	44,457,835
		<u>13,855,171</u>	<u>44,457,835</u>

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.

37.3 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:

2026						
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	147,724,597	147,724,597	147,724,597	-	-	-
Unclaimed Dividend	1,442,230	1,442,230	-	1,442,230	-	-
Deferred Liability	4,570,579	-	-	-	4,570,579	-
Joint Venture partner's advance	30,059,542	30,059,542	30,059,542	-	-	-
	183,796,948	179,226,369	177,784,139	1,442,230	-	4,570,579
-----Rupees-----						
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
-----Rupees-----						

37.4 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 than 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.

38 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 30,2026		June 30,2025	
	Carrying Amount	Fair value	Carrying Amount	Fair Value
Rupees				
Assets Carried at Amortized Cost				
Contract receivables	13,855,171	13,855,171	44,457,835	44,457,835
Contract asset	60,752,550	60,752,550	65,049,779	65,049,779
Loans and advances	100,990,227	100,990,227	84,637,299	84,637,299
Other receivables	5,848,652	5,848,652	2,597,489	2,597,489
Cash and bank balances	1,099,150	1,099,150	1,946,260	1,946,260
	182,545,750	182,545,750	198,688,662	198,688,662

GAMMON PAKISTAN LIMITED

June 30,2026		June 30,2025	
Carrying Amount	Fair value	Carrying Amount	Fair Value
Rupees			

Liabilities Carried at Amortized Cost

Trade and Other Payable	147,724,597	147,724,597	165,966,468	165,966,468
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
	179,226,369	179,226,369	197,468,240	197,468,240

As at June 30, 2026 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, 2026 carried out by external independent valuer M/s Impulse (Private) Limited.

As at June 30,2026			
Level 1	Level 2	Level 3	Total
Rupees			

Assets

Investment Property Carried at Fair Value	-	-	368,286,408	368,286,408
Freehold Land and Building	-	-	104,022,592	104,022,592
	-	-	472,309,000	472,309,000

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

NOTE	2026	2025
	Rupees	

Reconciliation of net increase in level 3 fair values:

Fair value at beginning of the year		469,924,000	618,455,000
Additions during the year		-	35,449,494
Disposal / Transfer to subsidiary as consideration		-	(192,914,000)
Depreciation charged during the	5	(1,059,212)	(259,319)
Remeasurement recognized in profit or loss		2,946,908	7,693,060
Remeasurement recognized in OCI		497,304	1,499,765
Fair value at end of the year		472,309,000	469,924,000

The Company has revalued its freehold land, buildings on June 30, 2026 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.

38.1 Determination of fair values

A number of the Company's accounting policies 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.

39 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.

40 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	2026	2025
		Rupees	
Equity		812,510,546	785,149,449
Gearing ratio		0%	0%

41 JOINT VENTURES

41.1 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.

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

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

42 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.

43 NUMBER OF EMPLOYEES

	2026	2025
Number of employees as at June 30,	16	19
Average number of employees during the year	17	18

44 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS**44.1 MANAGEMENT ASSESSMENT OF GOING CONCERN**

The Company achieved a net operating profit of Rupees 3.42 million during the year, notwithstanding the continued non-availability of profitable contracts/projects, primarily supported by recurring rental income from its investment properties and the write-back of long-outstanding liabilities no longer payable. The Company successfully met its day-to-day working capital requirements and administrative expenses through this rental income, while its financial position was further strengthened by fair value gains on investment property amounting to Rupees 2.95 million. In view of these developments and management's continued focus on securing profitable contracts/projects and deploying available resources in a cost-efficient manner, the management remains confident in the Company's ability to continue as a going concern. The Company undertook the following significant operational measures in order to generate liquidity and profitable projects/ventures:

- 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.

44.2 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.

45 Shariah disclosure under Clause VII Of Part I of Schedule IV of the Companies Act,2017

Description	Note	2026 (Rupees)	2025 (Rupees)
Statement of Financial Position—Liability Side			
i) Financing (long-term, short-term, or lease financing) obtained as per Islamic mode		-	-
ii) Interest or mark-up accrued on any conventional loan or advance		-	-
Statement of Financial Position – Asset Side			
iii) Long-term and short-term Shariah compliant Investments	7	189,340,000	189,340,000
iv) Shariah-compliant bank deposits, bank balances, and TDRs	16.2	10,505	10,505
Statement of Comprehensive Income			
Revenue earned from a Shariah-compliant business segment		-	-
Break-up of late payments or liquidated damages		-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates		-	-
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs		-	-
Exchange gain earned from actual currency		-	-
Exchange gains earned using conventional derivative financial instruments		-	-
Profit paid on Islamic mode of financing		-	-
Total Interest earned on any conventional loan or advance	28	8,757,281	2,854,864
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and noncompliant income			
Shariah-compliant			
Rental income on investment property	28	44,037,459	37,512,405
Gain on sale of operating fixed assets and investment property	28	34,524	8,000
Gain on sale of obsolete stores & spares	28	475,908	1,400,360
Miscellaneous income	28	6,556,441	11,156,054
Non-shariah compliant income			
Profit on deposit and PLS accounts	28	224	-
Markup on advances to subsidiary	28	8,757,281	2,854,864

45.1 Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc:

The Company maintains a Profit and Loss Sharing (PLS) account (note 16.2) on an Islamic profit-sharing basis; all other banking relationships are conventional, used solely for routine current accounts and lien-based deposit accounts (note 16.3).

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 06, 2026 by the Board

47 GENERAL

47.1 Amounts presented in the financial statements have been rounded off to the nearest of rupee,

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

INDEPENDENT AUDITORS' REPORT

To the members of Gammon Pakistan Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the annexed consolidated financial statements of **Gammon Pakistan Limited and its subsidiary company Gammon Pakistan Precast (Pvt) Limited** ("the Group"), which comprise the consolidated statement of financial position as at June 30, 2026, 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, 2026 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 13.86 million, allowance of expected loss amounting to Rupees 122.543 million, net contract assets amounting to Rupees 60.75 million, joint ventures partner advances amounting to Rupees 30.059 million as disclosed in notes 11, 11.3, 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 23.5 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 draw attention to the Note 49.1 to the consolidated financial statements which explains the various significant operational measures undertaken by the holding company in order to generate liquidity and profitable projects/ventures and the management's continued focus on deploying available resources in a cost-efficient manner, the management remains confident in the holding company's ability to continue as a going concern.
- b) we also draw attention to the Note 49.2 to the consolidated financial statements which explains that certain financial transactions pertaining to the ex-CFO of the holding company are under investigation internally as well as by external agency and the impact of such investigation, if any, will be accounted for in the period during which such investigation is completed.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
a) Contingencies and Group's exposure to litigation risk In our judgment, the Group has significant litigation cases and other contingencies, details of which are disclosed in note 24.2 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, 2026, the Holding Company has not recognized any amount as revenue from projects. However, the Holding Company recognized an amount of Rs. 44.04 million as Rental income from investment property during the year (2025 – Rs.37.51million). 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 Imran Bashir FCA.

Islamabad:
Date:

10 OCT 2026

UDIN: AR202610140ZuPYIG7Hn


Rizwan and Company
Chartered Accountants

**GAMMON PAKISTAN LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2026**

GAMMON PAKISTAN LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

ASSETS		2026	2025
NON CURRENT ASSETS	NOTE	Rupees	
Property, plant and equipment			
Operating fixed assets	6	374,941,265	378,655,705
Investment property	7	368,286,408	365,339,500
Precommencement expenditure	8	5,467,342	5,831,832
Work in Progress		66,155,009	18,281,809
Long term security deposits	9	1,338,000	1,350,600
Deferred taxation	22	10,914,646	-
		827,102,670	769,459,445
CURRENT ASSETS			
Stores, spares and loose tools	10	17,337,042	23,962,629
Contract receivables	11	13,855,171	44,457,835
Contract asset	12	60,752,550	65,049,779
Loans and advances	13	19,288,241	19,103,298
Other receivables	14	17,526,968	16,139,017
Tax refunds due from Government	15	103,316,124	94,713,993
Advance Tax - net	16	9,776,014	8,602,131
Cash and bank balances	17	5,233,025	45,731,931
		247,085,135	317,760,613
TOTAL ASSETS		1,074,187,804	1,087,220,058
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	19	124,162,869	118,249,581
		139,543,199	133,629,911
Revenue reserve-Accumulated profit		351,893,214	351,419,912
Equity attributable to owners of the holding company		774,098,723	767,712,133
Non-controlling interest	20	69,811,614	78,090,767
		843,910,338	845,802,900
NON-CURRENT LIABILITIES			
Deferred liability	21	4,570,579	4,642,963
Deferred taxation		-	9,599,887
		4,570,579	14,242,850
CURRENT LIABILITIES			
Trade and other payables	23	191,556,199	193,153,061
Unclaimed dividends	24	1,442,230	1,442,230
Taxation		2,648,916	2,519,475
Joint venture partner's advances	25	30,059,542	30,059,542
		225,706,887	227,174,308
TOTAL EQUITY AND LIABILITIES		1,074,187,804	1,087,220,058
CONTINGENCIES AND COMMITMENTS	26	-	-

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
	NOTE	Rupees	
Revenue	27	10,355,259	93,152,023
Contract expenditure/cost of good sold	28	(34,917,528)	(84,639,502)
Gross profit/ (loss)		(24,562,269)	8,512,521
Operating expenses			
General and administrative expenses	29	(50,006,283)	(73,338,987)
Other operating expenses	30	(28,478,129)	(38,799,125)
		(78,484,412)	(112,138,112)
Other income	31	70,253,753	50,906,922
Net operating profit/ (loss)		(32,792,927)	(52,718,669)
Finance Cost	32	(3,361)	(12,388)
Fair value gain on investment property	33	2,946,908	7,693,060
(Loss) before income taxes and minimum taxes		(29,849,380)	(45,037,997)
Minimum taxes	34	(129,441)	-
(Loss) before income taxes		(29,978,821)	(45,037,997)
Taxation	35	20,424,431	(21,634,867)
(Loss) / Profit after taxation		(9,554,390)	(66,672,864)
Loss or Profit attributable to:			
Equity holders of the holding company		(1,275,237)	(66,668,954)
Non-controlling interests	20	(8,279,153)	(3,910)
		(9,554,390)	(66,672,864)
(Loss) / Earnings per share:			
(Loss) / Earnings per share - basic and diluted	36	(0.05)	(2.36)

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026 Rupees	2025
(Loss) / Profit after taxation		(9,554,390)	(66,672,864)
Other comprehensive income			
Item that will not be reclassified to profit and loss:			
Revaluation surplus on property, plant and equipment	19	7,588,904	7,524,165
Related deferred tax impact	19	90,102	(36,588)
		7,679,006	7,487,577
(Loss)/gain on remeasurement of defined benefit liability	21.4	(17,178)	(258,396)
Total other comprehensive income for the year		7,661,828	7,229,181
Total comprehensive (loss)/income for the year		(1,892,562)	(59,443,683)
Total comprehensive (loss)/income attributable to:			
Equity holders of the holding company		4,258,402	(61,247,695)
Non-controlling interests		(6,150,963)	1,804,012
		(1,892,562)	(59,443,683)

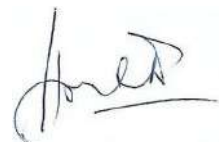
The annexed notes from 1 to 50 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	Share capital	Reserves			Non-controlling interest	Total
		Capital		Revenue		
	Issued, subscribed and paid-up capital	Share premium reserve	Revaluation surplus on property, plant and equipment	Accumulated Profits		
NOTE -----Rupees-----						
Balance as at July 1, 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, 2025						
(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 disposal of revalued property, plant and equipments		-	(270,939,099)	270,939,099	-	-
	-	-	(272,823,280)	272,823,280	-	-
Non-controlling interest:						
Share of (loss) (30.01%)	-	-	-	-	(3,910)	(3,910)
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
Total comprehensive income for the year ended June 30, 2026						
(Loss) for the year	-	-	-	(1,275,237)	-	(1,275,237)
Revaluation of property, plant and equipment - net of deferred tax	-	-	7,679,006	-	-	7,679,006
Gain on remeasurement of defined benefit liability	-	-	-	(17,178)	-	(17,178)
	-	-	7,679,006	(1,292,415)	-	6,386,591
Transfer from revaluation surplus on property, plant and equipment:						
- on account of incremental depreciation-net of deferred tax	19	-	(1,765,717)	1,765,717	-	-
- upon revaluation adjustment for transfer of property, plant and equipment		-	-	-	-	-
	-	-	(1,765,717)	1,765,717	-	-
Non-controlling interest:						
Share of (loss) (30.01%)	-	-	-	-	(8,279,153)	(8,279,153)
Share of net assets	-	-	-	-	-	-
	-	-	-	-	(8,279,153)	(8,279,153)
Balance as at June 30, 2026	282,662,310	15,380,330	124,162,869	351,893,214	69,811,614	843,910,338

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026	2025
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before working capital changes	38	(5,687,750)	(2,980,035)
Changes in working capital:			
Decrease / (increase) in current assets			
Stores, spares and loose tools		6,625,587	(2,425,440)
Contract receivables		7,269,489	608,122
Loans and advances		(184,943)	(958,043)
Other receivables		(1,387,951)	(12,123,797)
Increase/(decrease) in current liabilities			
Trade and other payables		14,393,945	(10,319,585)
		26,716,127	(25,218,743)
Cash (used in) / generated from operations		21,028,377	(28,198,778)
Bank charges paid	32	(3,361)	(12,388)
Income tax paid		(9,776,014)	(10,666,959)
Gratuity paid		(266,248)	(2,160,181)
		(10,045,623)	(12,839,527)
Net cash (used in) / generated from operating activities		10,982,754	(41,038,305)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	6	(3,409,042)	(59,245,773)
Proceeds from disposal of fixed assets		135,000	155,216,000
Work in progress		(48,207,619)	(14,914,898)
Return / (Acquisition) in long term security deposits		-	2,400,000
Net cash generated / (used in) investing activities		(51,481,661)	83,455,329
Net increase in cash and cash equivalents		(40,498,907)	42,417,024
Cash and cash equivalents at the beginning of the year		45,731,931	3,314,907
Cash and cash equivalents at the end of the year	17	5,233,024	45,731,931

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

GAMMON PAKISTAN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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. Its 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 year ended June 30, 2026, the Company remained placed in the "Non-Compliant Segment" (Winding-Up Segment) of the Pakistan Stock Exchange Limited ("PSX") pursuant to PSX Notice No. PSX/N-496 dated May 13, 2025, under Regulation 5.11.1(a) of the PSX Regulations, in relation to suspension of the Company's core business operations. Consequently, the Company's shares were suspended from trading and the share registrar was advised to freeze the shares held by the sponsors, directors and senior management of the Company. The aforesaid restrictions do not apply to the shares held by 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, directives and notifications issued under the Companies Act, 2017. However, provisions of, directives and notifications issued under the Companies Act, 2017 have been followed where those provisions, directives and notifications 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, 11 & 13
- Obligation of defined benefit obligation - Note 5.16 & 21
- 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, 22 & 35.

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, 2025. However, these amendments do not have any significant impact on the Group Company's financial statements.

- | | |
|--|-----------------------|
| | Effective Date |
| | January 1, 2025 |
- a) **IAS 21 : Lack of exchangeability**
- 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.

b) IFRS S1 : General Requirements for Disclosure of Sustainability-Related Financial Information

Effective Date
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 carbon prices and remuneration.

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, 2025 and have not been early adopted by the Group Company:

a) IFRS 7 : Classification and Measurement of Financial Instruments Disclosure

Effective Date
January 1 , 2026

'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

b) 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.

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.

3.3 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

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

GAMMON PAKISTAN LIMITED

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, 2026									
Net carrying value basis									
Opening 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
Revaluation surplus/(deficit)	7,323,000	265,904	-	-	-	-	-	-	7,588,904
Additions	-	107,530	718,682	593,701	447,710	375,000	-	-	2,242,623
Transfers	-	692,218	(357,800)	-	-	-	1,166,419	-	1,500,837
Deletions - NBV	-	-	(5,070)	(3,476)	-	-	-	-	(8,546)
Depreciation charge	-	(1,431,589)	(10,743,125)	(195,722)	(229,624)	(1,581,503)	(828,917)	(27,780)	(15,038,259)
Closing net book value	225,899,000	56,910,226	77,928,024	1,014,856	1,469,741	8,910,480	2,755,419	53,518	374,941,265
Gross carrying value basis									
Cost/revalued amount	219,384,000	57,816,888	111,594,383	2,891,589	3,070,064	13,736,279	3,653,419	418,200	412,564,822
Deletions	-	-	(148,047)	(8,147)	(29,000)	-	-	-	(185,194)
Transfer	-	692,218	(357,800)	-	-	-	-	-	334,418
Revaluation adjustments	6,515,000	(482,612)	-	-	-	-	-	-	6,032,388
	225,899,000	58,026,494	111,088,536	2,883,442	3,041,064	13,736,279	3,653,419	418,200	418,746,434
Accumulated depreciation	-	(2,175,479)	(33,303,490)	(1,873,255)	(1,600,323)	(4,825,799)	(898,000)	(364,682)	(45,041,029)
Deletions	-	-	142,977	4,671	29,000	-	-	-	176,648
Revaluation adjustments	-	1,059,212	-	-	-	-	-	-	1,059,212
	-	(1,116,267)	(33,160,513)	(1,868,584)	(1,571,323)	(4,825,799)	(898,000)	(364,682)	(43,805,169)
	225,899,000	56,910,227	77,928,023	1,014,858	1,469,741	8,910,480	2,755,419	53,518	374,941,265
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
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 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 Chuhr Harpal, Near Chuhr Chowk, Main Peshawar Road, Rawalpindi Cantt.	Gammon house Head office	4,004

- 6.2 Depreciation has been allocated as follows:

	NOTE	2026	2025
		Rupees	
Contract expenditure	28	11,243,640	10,210,045
General and administrative expenses	29	3,794,619	1,135,942
		<u>15,038,259</u>	<u>11,345,987</u>

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, 2026
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. 64,098,080/-.

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

	2026 Rupees
Freehold land	120,988
Buildings on freehold land	38,382,066
Plant and machinery	8,623,263
Furniture and fixture	1,703,689
Computers and accessories	1,406,307
Motor vehicles, cycles and boats	10,494,655
Construction equipment	273,403

		2026	2025
		Rupees	
7 INVESTMENT PROPERTY	NOTE		
Carrying amount as at June 30, Gammon House - land and building	7.2	368,286,408	365,339,500
7.1 The movement in this account is as follows:			
Opening balance		365,339,500	357,646,440
Net fair value gain on revaluation shown in profit and loss account	7.3	2,946,908	7,693,060
Carrying amount as at June 30		368,286,408	365,339,500
7.2 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.			
7.3 As of June 30, 2026, 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. 2,946,908/- (2025: net fair value gain of Rs. 7,693,060/-).			
Forced sale value of the investment property at date of statement of financial position is assessed at Rs 337,364,920 / -.			
There are no non-cancellable fixed rate operating leases over the Company's investment property, land and buildings.			

		2026	2025
	NOTE	Rupees	
8	PRE-COMMENCEMENT EXPENDITURES		
Cost Incurred		7,289,790	7,289,790
		7,289,790	7,289,790
Less:Accumulated Amortization		(1,822,448)	(1,457,959)
		<u>5,467,342</u>	<u>5,831,832</u>
8.1	It represents pre-comencement expenditures of subsidiary company that is amortized over the period of twenty years using straight line method.		
		2026	2025
	NOTE	Rupees	
9	LONG TERM SECURITY DEPOSITS		
Tender money deposit		150,000	150,000
Others security deposits		1,188,000	1,200,600
		<u>1,338,000</u>	<u>1,350,600</u>
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.		
10	STORES, SPARES AND LOOSE TOOLS		
Consumable materials		173,315	176,655
Stocks and Stores	10.1 & 10.2	16,374,091	22,996,339
Spares		569,019	569,019
Loose tools		20,575	20,575
Other stocks		200,042	200,042
		<u>17,337,042</u>	<u>23,962,629</u>
10.1	Balance as at June 30	27,374,947	33,997,195
	Impairment - obsolete and slow moving item	(11,000,856)	(11,000,856)
		<u>16,374,091</u>	<u>22,996,339</u>
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.		
		2026	2025
	NOTE	Rupees	
11	CONTRACT RECEIVABLES		
Owned			
Unsecured - considered good			
Against billings:			
- completed contracts	11.1 & 11.2	56,173,768	76,107,566
Provision for expected credit loss	11.3	(56,123,425)	(73,512,276)
		<u>50,343</u>	<u>2,595,290</u>
Against retention money:			
- completed contracts	11.1 & 11.2	50,233,568	79,929,396
Provision for expected credit loss	11.3	(36,428,740)	(38,066,851)
		<u>13,804,828</u>	<u>41,862,545</u>
Joint venture:			
- against billings		17,054,553	17,054,553
- against retention money		12,936,380	12,936,380
		<u>29,990,933</u>	<u>29,990,933</u>
Provision for expected credit loss	11.3	(29,990,933)	(29,990,933)
		<u>-</u>	<u>-</u>
		<u>13,855,171</u>	<u>44,457,835</u>

- 11.1** This includes a receivable of Rs. 23.446 million from Maritime Technologies Complex (MTC) in respect of Project CW-0108, Fateh Jang (billing: Rs. 2.545 million; retention money: Rs. 20.901 million). Under a Final Settlement Agreement dated 11 August 2025, the parties settled outstanding claims of Rs. 6.971 million, adjusted against retention money receivable. The remaining balance of Rs. 16.475 million, being no longer recoverable, was written off as bad debt during the year (note 27).
- 11.2** This includes long-outstanding net receivable balances against DHA Housing Projects and Multi-sector Rehabilitation & Improvement Projects amounting to Rs. 25.779 million, comprising billing receivable of Rs. 17.389 million and net retention money of Rs. 8.390 million. During the year, these balances were assessed as no longer recoverable. Accordingly, Rs. 6.858 million was written off as bad debt (note 27).
- 11.3** 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	2026	2025
		Rupees	
Opening balance		141,570,060	141,570,060
Charge during the year		(19,026,962)	-
		<u>122,543,098</u>	<u>141,570,060</u>

12 CONTRACT ASSET

Under the following captions:

Contract asset on incomplete projects		60,752,550	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
		<u>2,080,232,314</u>	<u>2,080,232,314</u>
Billings to date	12.2	(2,019,479,764)	(2,015,182,535)
		<u>60,752,550</u>	<u>65,049,779</u>

- 12.2** This includes a contract asset of Rs. 4.297 million relating to Maritime Technologies Complex (MTC), which, pursuant to the Final Settlement Agreement, was no longer recoverable and was accordingly written off as bad debt during the year.

	NOTE	2026	2025
		Rupees	
13 LOANS AND ADVANCES			
Unsecured - considered good			
To employees / project managers for expenses		5,726,403	5,854,834
To suppliers		10,606,117	10,258,544
To labour incharge		1	34,200
To sub - contractors		2,955,720	2,955,720
		<u>19,288,241</u>	<u>19,103,298</u>
Doubtful advances		26,387,232	26,387,232
		<u>45,675,473</u>	<u>45,490,530</u>
Provision for expected credit loss	13.1	(26,387,232)	(26,387,232)
		<u>19,288,241</u>	<u>19,103,298</u>

- 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:

		2026	2025
	NOTE	Rupees	
Opening balance		26,387,233	26,387,233
Reversed/charged during the year		-	-
		<u>26,387,233</u>	<u>26,387,233</u>
14 OTHER RECEIVABLES			
Unsecured:			
- Considered good			
Other receivables	14.1	<u>17,526,968</u>	<u>16,139,017</u>
14.1 This amount includes rental income receivable from related parties as follows:		2026	2025
	NOTE	Rupees	
Janana De Maluchu Textile Limited		146,410	146,410
Ghandhara Industry Limited		1,670,907	563,680
Bannu Woolen Mills Limited		136,928	109,508
Kisa khani kabab (Pvt) Limited		880,000	1,200,000
		<u>2,834,245</u>	<u>2,019,598</u>
14.2 Aging of receivable from related parties:			
1-90 days		2,834,245	2,019,598
90-180 days		-	-
Over 180 days		-	-
		<u>2,834,245</u>	<u>2,019,598</u>
14.3 Maximum balance due from related party at end of any month during the year is Rs. 4,151,097 (2025: Rs. 1,270,532).			
		2026	2025
	NOTE	Rupees	
15 TAX REFUNDS DUE FROM GOVERNMENT			
Balance as at July 01,		94,713,993	90,514,225
Advance income tax	16	8,602,131	4,199,768
		<u>103,316,124</u>	<u>94,713,993</u>
16 TAXATION - NET			
Balance as at July 01,		8,602,131	4,199,768
Prior year income tax adjustment		-	-
Transferred to tax refunds due from Government		(8,602,131)	(4,199,768)
		<u>-</u>	<u>-</u>
Provision for taxation		-	-
Advance income tax		9,776,014	8,602,131
		<u>9,776,014</u>	<u>8,602,131</u>
17 CASH AND BANK BALANCES			
Cash in hand		4,292,544	2,184,334
Cash at bank: local currency			
- Current accounts	17.1	40,532	42,647,649
- Savings accounts	17.2	10,505	10,505
- Deposit accounts	17.3	889,444	889,443
	17.4	940,481	43,547,597
		<u>5,233,025</u>	<u>45,731,931</u>
17.1 It include Rupees 7,995/- (2025: 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 favor 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.			

17.3 The entire balance as at June 30, 2026 and June 30, 2025 is under a bank's lien against guarantees issued by the bank.

17.4 During the year, the Board of Directors, through a resolution passed on 14 May 2026, approved the closure of certain bank accounts that had remained dormant and non-operational for a considerable period. Pursuant to this resolution, management has formally requested the respective banks to remit any available balances held in these accounts and to bring their balances to nil upon closure. As at the reporting date, the closure process is in progress and the related accounts continue to be reflected within cash and bank balances pending confirmation of closure by the respective banks.

18 SHARE CAPITAL

Issued, subscribed and paid up capital

Number of ordinary shares of Rs.10/- each		NOTE	2026	2025
2026	2025		Rupees	
22,627,320	22,627,320	Fully paid in cash	226,273,200	226,273,200
2,562,845	2,562,845	Issued as fully paid bonus shares	25,628,450	25,628,450
3,076,066	3,076,066	Issued against conversion of loans	30,760,660	30,760,660
28,266,231	28,266,231		282,662,310	282,662,310

18.1 This includes shares held by related parties as follows:

Bibojee Services (Private) Limited - Parent of Holding Company				
20,369,056 (2025: 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 (2025: 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 (2025: 72.06% shares) in Gammon Pakistan Limited as at June 30, 2026.

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 (2025: 30,000,000) ordinary shares of Rs. 10/- each amounting to Rs. 300,000,000 (2025: 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.

	2026	2025
Balance brought forward	123,362,194	389,603,139
Add: Revaluations during the year	7,588,904	7,524,165
Less:		
Transferred to equity in respect of incremental depreciation charged during the year - net of deferred tax	1,765,717	1,884,181
Revaluation adjustment due to transfer of asset	-	270,939,099
Related deferred tax liability during the year transferred to profit and loss account	721,208	941,830
	2,486,926	273,765,110
	128,464,172	123,362,194
Less: Related deferred tax effect :		
Opening balance - as previously reported	5,112,613	6,017,855
Revaluation during the year	(90,102)	36,588
Revaluation adjustment due to transfer of asset	-	(172,235)
Incremental depreciation charged during the year transferred to profit and loss account	(721,208)	(769,595)
	4,301,303	5,112,613
	124,162,869	118,249,581

20 NON-CONTROLLING INTEREST

	NOTE	2026	2025
		Rupees	
20.1	Summary of non-controlling interest		
	Opening balance	78,090,767	78,094,677
	Investment during the year	-	-
	(Loss) for the year	(8,279,153)	(3,910)
		<u>69,811,614</u>	<u>78,090,767</u>

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, 2026 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	2026	2025
		Rupees	
	Present value of the defined benefit obligation	1,201,067	1,007,203
	Benefits due but not paid during the year	3,369,512	3,635,760
		<u>4,570,579</u>	<u>4,642,963</u>
21.3	Reconciliation of net defined benefit liability		
	Present value of defined benefit obligations	1,007,203	606,649
	Benefits due but not paid as at June 30	3,635,760	5,795,941
	Service cost	58,340	52,677
	Interest on defined benefit obligations	118,346	89,481
	Benefits paid during the year	(266,248)	(2,160,181)
	Benefit due but not paid at the year end	(3,369,512)	(3,635,760)
	Actuarial (gain)	17,178	258,396
		<u>1,201,067</u>	<u>1,007,203</u>
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)
	Actuarial (gain) / loss due to experience adjustment	17,178	258,913
		<u>17,178</u>	<u>258,396</u>
21.5	The amounts recognised in the statement of profit or loss:		
	Current service costs	58,340	52,677
	Interest cost	118,346	89,481
		<u>176,686</u>	<u>142,158</u>

	NOTE	2026	2025
		Rupees	
21.6	Changes in the present value of the defined benefit obligation are as follows:		
	Opening defined benefit obligation	4,642,963	6,402,590
	Service cost	58,340	52,677
	Interest cost	118,346	89,481
	Actuarial (gains) / losses	17,178	258,396
	Benefits paid	(266,248)	(2,160,181)
		<u>4,570,579</u>	<u>4,642,963</u>

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, 2026	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:

	2026	2025	2024	2023	2022
	Rupees				
Present value of defined benefit	1,201,067	1,007,203	606,649	1,493,221	3,030,550

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, 2027 is estimated to be Rs. 205,227.

21.11 **Sensitivity analysis**

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

	2026	
	1 % increase in assumption	1 % decrease in assumption
	Rupees	
Discount rate	1,165,685	1,237,445
Salary increase	1,237,524	1,165,738

21.12 **Expected future payments**

Within one year	973,457
More than one year but less than five years	3,676,191
Above five years	-
	<u>4,649,648</u>

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	2026	2025
		Rupees	
Deferred tax	22.1	<u>(10,914,646)</u>	<u>9,599,887</u>
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	2026 Rupees	2025
Opening balance		9,599,887	(10,866,023)
Charged to statement of profit or loss	35	(20,424,431)	20,429,322
Charged to other comprehensive income	19	(90,102)	36,588
		<u>(10,914,646)</u>	<u>9,599,887</u>

22.1.2 Net deferred tax liability is comprised of as follows:**Deferred tax liabilities**

Accelerated tax depreciation allowed	96,080,818	94,172,294
Surplus on revaluation of PPE	4,301,300	5,112,611
	<u>100,382,118</u>	<u>99,284,905</u>

Deferred tax asset

Provision for doubtful receivables	(35,537,498)	(41,055,317)
Provision for doubtful loan and advances	(7,652,297)	(7,652,297)
Deferred tax asset on brought forward losses	(56,595,976)	(29,445,420)
Provision for overseas loan	(10,185,525)	(10,185,525)
Gratuity payable	(1,325,468)	(1,346,459)
	<u>(111,296,764)</u>	<u>(89,685,018)</u>
	<u>(10,914,646)</u>	<u>9,599,887</u>

22.2 Deferred tax asset of Rs. 56,595,976 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 (2025: Rs.29,445,420)

	NOTE	2026 Rupees	2025
23 TRADE AND OTHER PAYABLES			
Directors current accounts	23.1	38,077,113	38,077,114
Sundry creditors	23.2	21,257,298	39,140,557
Advance rent		2,730,444	2,539,864
Due to sub-contractors	23.3	27,195,706	16,999,998
Accrued expenses	23.4	52,657,249	48,979,082
Due to employees and others	23.5	6,289,573	6,444,973
Advance from customers		2,340,942	1,005,677
Taxes payable		4,264,658	3,222,579
Joint venture partners' share of profit		1,620,715	1,620,715
Other provisions	23.6	35,122,500	35,122,500
Workers welfare fund payable		1	1
		<u>191,556,199</u>	<u>193,153,061</u>

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/- (2025: Rs.22,553,800) and Rs. 4,023,314/- (2025: Rs. 4,023,314) respectively which are interest free and reimbursable on demand.

23.2 During the year, long-outstanding payable balances of Rs. 6.853 million comprising amounts due to Imporient Chemicals, Javed Umar Enterprises, Kamran (Scrap Dealer), Kara Karam (Cement Supplier, MTC), Karam Sher (OBR) (Labour Contractor), Khan Brothers (Asad Abbas), Mohammad Rafique (Scrap Dealer) and Zulfiqar (Scrap Dealer) were assessed as no longer payable, as no claims had been received and settlement was no longer expected. Accordingly, these balances were written back during the year and recognized as other income.

- 23.3 During the year, long-outstanding balances aggregating Rs. 4.380 million were assessed as no longer payable, as no claims had been received and settlement was no longer expected. These comprised payable to sub-contractors of Rs. 3.182 million (Bazco (Pvt.) Ltd., Mian Damsaz Ali Shah (Dhalkot Bridge and MTC), Mohammad Islam (Contractor at Turkham), Noor Shah (Paint Contractor) and Yousaf (Pre-Feb work, MTC)) and retention money payable of Rs. 1.199 million (Bazco (Pvt.) Ltd., Hafiz Abdul Rauf (Motorway), Khan Brothers (Asad) (MTC and Pre-Feb), Noor Shah — Saeed Painter (MTC), Zaraf Construction (MTC) and Mohammad Kashif (S.C.) (MTC)). Accordingly, these balances were written back during the year and recognized as other income.
- 23.4 During the year, long-outstanding accrued expenses of Rs. 4.757 million comprising Rs. 3.000 million of accrued salaries payable to Col. (R) Asad Zia Malik and Rs. 1.757 million relating to M.T.C Project, Tarap Bridge (CPEC) and O.B.R Project, for which no claims had been received and settlement was no longer expected were written back and recognized as other income.
- 23.5 This balance includes amounts aggregating Rs. 1.563 million (2025: 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.
- 23.6 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	2026	2025
		Rupees	
24 UNCLAIMED DIVIDENDS			
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 Company had lodged a claim with National Highway Authority amounting Rs. 201.177 million (2025: 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 favorable decision in due course of time.

Punjab Revenue Authority completed its proceedings against the company for nonpayment of Rupees 68,290,380/- as provincial tax during the tax periods from June 2013 to March 2018. The case is pending before the Appellate Tribunal Punjab Revenue Authority. Legal counsel of the company is confident of a 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 favorable decision in due course of time.

- (c) The Company received a notice under section 161(1A) of the Income Tax Ordinance, 2001, for the tax year 2022. The case, involving a potential tax exposure of Rs. 12.793 million, is currently pending before the Assistant/Deputy Commissioner, Federal Board of Revenue (FBR). Based on the advice of its tax, the management believes that it has strong grounds to support its position and expects a favourable outcome.
- (d) For Tax Year 2016, the Federal Board of Revenue (FBR) raised a demand of Rs. 168 million under section 122(5A) of the Income Tax Ordinance, 2001. The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication. Based on the advice of its tax and legal advisors, the management believes that it has strong grounds to support its position and expects a favourable outcome.
- (e) An appeal previously filed before the Lahore High Court involving a tax demand of Rs. 44.675 million was dismissed on the grounds of limitation. The Company has now filed a petition before the Honourable Supreme Court of Pakistan. The Company's legal counsel remains confident of a favourable outcome.
- (f) In respect of sales tax, the Punjab Revenue Authority (PRA) raised a demand of Rs. 8.569 million for the tax periods from July 2015 to June 2016. The case was decided by the Commissioner (Appeals), PRA in favour of the Company, and the entire liability was disposed of.
- (g) Another case for Tax Year 2019 was decided by the Commissioner (Appeals) FBR, whereby the demand was modified to Rs. 2.223 million.
- (h) In the ordinary course of business various parties have filed legal cases against the Company, which have not been admitted as liabilities; accordingly, no provision has been considered necessary against these claims till their final outcome. The legal advisor of the Company is of the opinion that these cases are expected to be decided in favor of the Company and therefore no provision has been made in these financial statements for any liability that may arise consequent upon the result of above law 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 (2025: Rs. 50.062 million).
- (b) There were no commitments for capital expenditures as at the balance sheet date (2025: Nil).

		2026	2025
	NOTE	Rupees	
27	REVENUE		
	Sale	10,355,259	93,152,023
28	CONTRACT EXPENDITURE/COST OF GOOD SOLD		
	Materials consumed	8,252,649	51,857,080
	Salaries and wages	819,664	10,635,459
	Maintenance and hiring of plants	4,053,903	2,172,237
	Project insurance	-	-
	Entertainment	2,684,874	2,794,007
	Cartage, traveling and conveyance	310,910	689,930
	Site auxiliary works and temporary hutting	14,340	938,714
	Electricity	1,439,570	1,073,017
	Depreciation	11,243,640	10,590,924
	Petrol, oil and lubricants	3,314,386	3,214,369
	Bad Debt	254,980	-
	Inventory Write-off	409,469	-
	Sundry expenses	2,119,143	673,766
		34,917,528	84,639,502
29	GENERAL AND ADMINISTRATIVE EXPENSES		
	Salaries and benefits	21,579,916	20,167,405
	Staff retirement benefits - gratuity	176,686	142,158
	Repair and maintenance	4,323,794	4,297,985
	Rent, rates and taxes	6,543,107	12,153,974
	Telephone and fax	385,893	597,648
	Advertisement and publicity	244,992	258,280
	Petrol, oil and lubricants	3,000	31,000
	Legal and professional charges	2,507,545	2,282,400
	Power and electricity	1,604,574	1,368,804
	Travelling and conveyance	3,146,343	3,050,757
	Hiring of Machinery	310,750	2,638,400
	Works in view	-	-
	Fee and subscription	681,113	873,162
	Precommencement expenditure	364,490	364,490
	Depreciation	3,794,619	755,063
	Other sundry expenses	4,339,461	24,357,461
		50,006,283	73,338,987
30	OTHER OPERATING EXPENSES		
	Auditor remuneration	835,125	885,125
	Contract asset written off during the year	4,297,229	-
	Loss on sale of operating fixed assets	-	37,914,000
	Contract receivables written off	23,333,175	-
	Others security deposits written off	12,600	-
		28,478,129	38,799,125
30.1	Auditor remuneration Gammon Pakistan Limited		
	Statutory audit	527,625	498,750
	Half yearly review	157,500	165,375
	Fee for other certification	-	21,000
		685,125	685,125
30.2	Gammon Pakistan Precast (Private) Limited		
	Statutory audit	142,500	192,500
	Out of pocket expenses	7,500	7,500
		150,000	200,000

		2026	2025
		Rupees	
31 OTHER INCOME	NOTE		
Income from financial assets:			
Profit on deposit and PLS accounts		224	-
Income from non-financial assets:			
Rental income on investment property		44,037,459	37,512,405
Gain on sale of operating fixed assets and investment property		34,524	8,000
Gain on sale of obsolete fixed assets/stores & spares		475,908	1,400,360
Sundry creditors written back		6,853,224	
Due to subcontractors written back		4,380,417	
Accrued Expenses written back		4,757,167	
Misc. Income		9,714,830	11,156,054
		70,253,753	50,076,819
32 FINANCE COST			
Bank charges		3,361	12,388
33 FAIR VALUE GAIN ON INVESTMENT PROPERTY			
The company, as of June 30, 2026, 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. 2,946,908 (2025: Rs. 7,693,060).			
		2026	2025
	NOTE	Rupees	
34 MINIMUM TAXES			
Minimum Taxes	34.1	129,441	-
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		(20,424,431)	20,429,322
		(20,424,431)	20,429,322
35.1	No numeric tax rate reconciliation is presented in these consolidated financial statements for the year ended June 30, 2026 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 2026 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.		
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:			
		2026	2025
(Loss) / Profit attributable to shareholders of holding company	RUPEES	(1,275,237)	(66,668,954)
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	(0.05)	(2.36)
36.1 Earnings per share comprises as follows:			
Distributable loss		(0.15)	(2.63)
Undistributable - unrealised fair value gains		0.10	0.27
		(0.05)	(2.36)
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. Remuneration of directors and executives are disclosed in note 40 whereas other significant transactions with related parties are disclosed here.

Name of the Related Party	Relationship	Transaction during the year	2026	2025
			Rupees	

Associated Companies

Ghandhara Automobiles Limited	Common Directorship	Rental income Rental received	5,631,093 (5,631,093)	5,032,851 (5,032,851)
Ghandhara Industries Limited	Common Directorship	Rental income Rental received	5,536,137 (4,428,910)	4,992,588 (4,428,908)
Bannu Woollen Mills Limited	Common Directorship	Rental income Rental received	7,676,375 (7,676,375)	6,978,524 (6,978,524)
Kissa Khani (pvt) Limited	Common Directorship	Rental income Rental received	4,920,000 (5,240,000)	1,200,000 -

- 37.1 The status of outstanding balances of related parties as at June 30, 2026 are included in other receivable (note 14.1) and trade and other payables (note 23).

NOTE	2026	2025
	Rupees	

38 PROFIT BEFORE WORKING CAPITAL CHANGES

(Loss) before taxation		(29,849,380)	(45,037,997)
Adjustment for:			
Depreciation	6	15,038,259	11,345,987
Precommencement expenditure	29	364,490	364,490
Staff retirement benefits - gratuity	21.5	176,686	142,158
Others security deposits written off		12,600	
Contract asset written off		4,297,229	
Contract receivables written off		23,333,175	
Sundry creditors written back		(6,853,224)	
Due to subcontractors written back		(4,380,417)	
Accrued Expenses written back		(4,757,167)	
Gain on sale of fixed assets/store, spares & loose tools as scrap	31	(34,524)	(28,000)
Scrap items		(115,500)	
Trade in allowance		18,500	
Operating fixed assets written off – NBV		5,070	
Loss on sale of operating fixed assets		-	37,914,000
Fair value gain on investment property	7	(2,946,908)	(7,693,060)
Finance cost	32	3,361	12,388
Workers welfare fund		-	-
		24,161,630	42,057,962
		(5,687,750)	(2,980,035)

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:

	2026				2025			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	----- Rupees -----				----- Rupees -----			
Managerial remuneration	-	-	5,449,344	5,449,344	-	-	4,973,847	4,973,847
House rent	-	-	825,869	825,869	-	-	754,775	754,775
Medical	-	-	825,869	825,869	-	-	754,764	754,764
Utilities	-	-	825,869	825,869	-	-	754,764	754,764
Others	-	-	1,651,738	1,651,738	-	-	1,509,528	1,509,528
Total	-	-	9,578,688	9,578,688	-	-	8,747,678	8,747,678
Number of persons	1	7	3	11	1	7	3	11

- b) No remuneration was paid to the chief executive during the year during the current year and preceding financial years.
- c) The Chief Executive and certain executives are also provided with cars for business and personal use in accordance with the Holding Company's car scheme.

40 FINANCIAL ASSETS AND LIABILITIES

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

2026				
Total	Interest/mark up bearing		Sub-total	Not interest / mark up bearing
	Maturity upto one year	Maturity after one year Rupees		
Financial assets				
Financial assets carried at amortized cost				
Long term security deposits	1,338,000	-	-	1,338,000
Contract receivables	13,855,171	-	-	13,855,171
Other receivables	17,526,968	-	-	17,526,968
Contract asset	60,752,550	-	-	60,752,550
Cash and bank balances	5,233,025	899,949	-	4,333,076
	98,705,714	899,949	-	97,805,765
Financial liabilities				
Financial liabilities carried at amortized cost				
Trade and other payables	191,556,199	-	-	191,556,199
Unclaimed dividends	1,442,230	-	-	1,442,230
Deferred liability	4,570,579	-	-	4,570,579
Joint venture partner's advances	30,059,542	-	-	30,059,542
	227,628,550	-	-	227,628,550
On balance sheet gap	(128,922,836)	899,949	-	(129,822,785)
Off Balance sheet Items				
Financial contingencies and commitments	(136,794,238)	-	-	(136,794,238)
Total Gap	(265,717,074)	899,949	-	(266,617,023)
2025				
Total	Interest/mark up bearing		Sub-total	Not interest / mark up bearing
	Maturity upto one year	Maturity after one year 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	-	44,831,983
	172,729,162	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	-	(57,468,583)
Off Balance sheet Items				
Financial contingencies and commitments	(136,794,238)	-	-	(136,794,238)
Total Gap	(193,362,872)	899,948	-	(194,262,821)

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. 82,717,286/- (2025: Rs. 114,381,577/-). The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

		2026	2025
	NOTE	Rupees	
Long term security deposits	9	1,338,000	1,350,600
Contract receivables	11	13,855,171	44,457,835
Loans and advances	13	19,288,241	19,103,298
Other receivables	14	17,526,968	16,139,017
Contract asset	12	60,752,550	65,049,779
Bank balances	17	940,481	43,547,597
		113,701,411	189,648,126

The aging of contract receivables at the reporting date is:

Not past due	-	-
Past due 1-30 days	-	-
Past due 30-90 days	-	-
Past due 90 days	13,855,171	44,457,835
	13,855,171	44,457,835

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:

	2026						
	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	191,556,199	191,556,199	191,556,199	-	-	-	-
Unclaimed Dividend	1,442,230	1,442,230	-	-	1,442,230	-	-
Deferred Liability	4,570,579	-	-	-	-	4,570,579	-
Joint Venture partner's advance	30,059,542	30,059,542	30,059,542	-	-	-	-
	227,628,550	223,057,971	221,615,741	-	1,442,230	4,570,579	-

	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	-	-

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 30,2026		June 30,2025	
	Carrying Amount	Fair value	Carrying Amount	Fair Value
Rupees				
Assets Carried at Amortized Cost				
Contract receivables	13,855,171	13,855,171	44,457,835	44,457,835
Contract asset	60,752,550	60,752,550	65,049,779	65,049,779
Loans and advances	19,288,241	19,288,241	19,103,298	19,103,298
Other receivables	17,526,968	17,526,968	16,139,017	16,139,017
Cash and bank balances	5,233,025	5,233,025	45,731,931	45,731,931
	116,655,955	116,655,955	190,481,860	190,481,860

June 30,2026		June 30,2025	
Carrying Amount	Fair value	Carrying Amount	Fair Value
Rupees			

Liabilities Carried at Amortized Cost

Trade and Other Payable	191,556,199	191,556,199	193,153,061	193,153,061
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
	223,057,971	223,057,971	224,654,833	224,654,833

As at June 30, 2026 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, 2026 carried out by external independent valuer M/s Impulse (Private) Limited.

As at June 30,2026			
Level 1	Level 2	Level 3	Total
Rupees			

Assets

Investment Property Carried at Fair Value	-	368,286,408	368,286,408
Freehold Land and Building	-	282,809,227	282,809,227
	-	651,095,634	651,095,634

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

	2026	2025
NOTE	Rupees	
Reconciliation of net increase in level 3 fair values:		
Fair value at beginning of the year	641,191,663	784,029,392
Additions during the year	799,748	35,449,494
Disposal / Transfer to subsidiary as consideration	-	(192,914,000)
Depreciation charged during the year	(1,431,589)	(590,448)
Remeasurement recognized in profit or loss	2,946,908	7,693,060
Remeasurement recognized in OCI	7,588,904	7,524,165
Fair value at end of the year	651,095,634	641,191,663

The Holding Company has revalued its freehold land, buildings on June 30, 2026 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 policies 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	2026	2025
		Rupees	
Equity		<u>843,910,338</u>	<u>845,802,900</u>
Gearing ratio		<u>-</u>	<u>-</u>

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

	2026	2025
	Numbers	
As at June 30	24	20
Average during the year	24	19

48 Shariah disclosure under Clause VII Of Part I of Schedule IV of the Companies Act, 2017

Description	Note	2026 (Rupees)	2025 (Rupees)
Statement of Financial Position—Liability Side			
i) Financing (long-term, short-term, or lease financing) obtained as per Islamic mode		-	-
ii) Interest or mark-up accrued on any conventional loan or advance		-	-
Statement of Financial Position – Asset Side			
iii) Long-term and short-term Shariah compliant Investments		189,340,000	189,340,000

	Description	Note	2026 (Rupees)	2025 (Rupees)
iv)	Shariah-compliant bank deposits, bank balances, and TDRs		28,072	42,632,228
	Statement of Comprehensive Income			
	Revenue earned from a Shariah-compliant business segment		10,355,259	93,152,023
	Break-up of late payments or liquidated damages		-	-
	Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates		-	-
	Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs		-	-
	Exchange gain earned from actual currency		-	-
	Exchange gains earned using conventional derivative financial instruments		-	-
	Profit paid on islamic mode of financing		-	-
	Total Interest earned on any conventional loan or advance		-	-
	Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and noncompliant income			
	Shariah-compliant			
	Rental income on investment property		44,037,459	37,512,405
	Gain on sale of operating fixed assets and investment property		34,524	8,000
	Gain on sale of obsolete stores & spares		475,908	1,400,360
	Miscellaneous income		6,605,841	11,173,472
	Scrap sale income		2,872,512	694,385
	Non-shariah compliant income			
	Profit on deposit and PLS accounts		224	-

48.1 Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc:

The Group maintains a Profit and Loss Sharing (PLS) account with Meezan Bank Limited on an Islamic profit-sharing basis. The Group also maintains a bank account with Meezan Bank Limited, on a current account basis, which does not earn any profit. All other banking relationships are conventional and are used solely for routine current accounts and lien-based deposit accounts. No financing has been obtained under an Islamic mode.

49 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

49.1 MANAGEMENT ASSESSMENT OF GOING CONCERN

Further the Group has earned an operational (loss) during the current year amounting to Rs (32.792 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 thier own housing and commercial projects for which necessary approvals are in process.
- On 01 September 2020 the Company entered into a joint venture agreement for 15 years with Rajcon- a construction and engineering company having expertise in pre-fabricated buildings and construction for future projects. The Owner of Rajcon also appointed as Chief Operating Officer of the company to develop, acquire and manage the future projects for the company.

49.2 INVESTIGATION AGAINST EX-CFO

Based on in-house internal audit report the EX-CFO of the company during the period from 01 January 2018 to 29 December 2020 was involved in certain financial transactions amounting to Rs 26.804 million, which is being investigated internally. Moreover, FIR has been lodged against him subsequent to June 30, 2021. The transactions are mainly done out of books and the impact of such investigation/FIR, if any, will be accounted for in the period during which such case is completed.

50 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on October 06,2026 by the Board of Directors of the Company.

50.1 GENERAL

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

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

SUMMARY OF SIX YEARS KEY OPERATING DATA

(Amounts are in Million PKR)

2021	2022	2023	2024	2025	2026
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PROFIT OR LOSS ACCOUNT						
Contract income	75.716	24.331	6.677	NIL	NIL	NIL
Net Contract profit /(loss)	(23.21)	(1.91)	(10.126)	(0.92)	(0.706)	(1.140)
BALANCE SHEET						
Shareholders' equity	792.354	793.869	804.356	847.749	785.149	812.510
Operating Fixed Assets	293.153	299.085	300.176	264.259	126.881	123.475
Current Assets	292.19	267.7	253.59	251.908	313.948	302.952
Current Liabilities	225.018	212.595	195.367	212.753	197.468	179.226
Cash and Cash Equivalents at year end	5.543	1.206	2.12	3.101	1.946	1.099

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