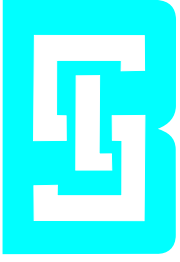


BIBOJEE GROUP



# Half-Yearly Accounts December 31, 2024 (Un-Audited)



**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](mailto:shares@vcl.com.pk)  
Web: [www.vcl.com.pk](http://www.vcl.com.pk)

## **DIRECTORS REPORT**

The Directors of your Company have pleasure in presenting their report, together with Un-Audited Financial Statements for the Half Year ended December 31, 2024.

## **PERFORMANCE REVIEW**

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

<b>Particulars</b>	<b>July – Dec 2024 (Rupees)</b>	<b>July – Dec 2023 (Rupees)</b>
Contract Income	-	-
Contract Expenditure	<b>(387,874)</b>	(531,754)
Net contract Loss	<b>(387,874)</b>	(531,754)
Profit/(Loss) before taxation	<b>(608,821)</b>	315,621
Taxation	<b>36,044</b>	(9,567)
Profit/(Loss) after tax	<b>(572,777)</b>	306,054

Unfortunately, there is no contract revenue during the Half year ended December 31, 2024. Company's effort to earn business remained un-fruitful. Between July and December 2024, Pakistan's business activity declined due to high energy costs, structural economic issues, and political instability. Rising electricity prices, driven by expensive Chinese-built power plants, made operations costly for businesses. Structural challenges like low investment, poor business conditions, and climate risks further weakened economic stability. Additionally, growing influence of the security institutions in economic affairs created uncertainty, discouraging investors. These combined factors significantly hampered business growth during this period.

The Company has made persistent efforts to recover outstanding payments and retention funds from various clients; however, success has not been achieved thus far. The arbitration process is ongoing for the recovery of dues related to the Maritime Technologies Complex (MTC) project and FWO. While we remain optimistic about receiving our claims, the timeline for resolution remains uncertain. The delay in recovering MTC retention funds has been significantly prolonged due to project execution inconsistencies on the client's end.

On December 3, 2024, the Board of Directors (BOD), through circulation passed the resolution, whereby approved the sale of the Company's freehold land in the shape of open plots, located in Taluka Qasimabad, District Hyderabad, Sindh, at the maximum realizable

value, subject to shareholder approval. The proposed sale was subsequently approved by the shareholders during an Extraordinary General Meeting held on January 17, 2025 with a ratio of 99.99% in "Favour".

In response to the review, we acknowledge the observations and confirm that while direct confirmations were unavailable from the corresponding parties, alternative verification methods, including internal reconciliations and project records, were utilized. Active follow-ups are underway for recovery/settlement, and a structured approach for written communications is being implemented. Necessary adjustments will be considered in due course.

The matter of provident fund has been duly explained to the SECP, indicating that it is nearing saturation. The delay in disbursing the provident fund amount is due to unavoidable circumstances; however, the Company remains committed to addressing the issue at the earliest. Regarding the unclaimed dividend, necessary measures are being taken to ensure compliance with Section 244 of the Companies Act, 2017, and the amount will be transferred to the unpaid dividend account accordingly.

#### **FUTURE PROSPECTS**

The management remains optimistic about a business revival in the country, as the Government is increasingly focused on mitigating the prolonged recession and addressing declining tax revenues resulting from reduced economic activity. The Company is strategically positioned to secure promising projects as opportunities arise. Despite financial constraints and cash flow challenges, the Company remains steadfast in its commitment to overcoming obstacles, resolving long-standing issues.

#### **ACKNOWLEDGMENT**

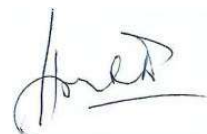
We appreciate the hard work and dedication of the Company's Management, Engineers and Employees during the period under review.

We would also like to express our gratitude to our Bankers, Clients and Suppliers for their co-operation, support and trust reposed in the Company.

For and on behalf of Board of Directors.



**Khalid Kuli Khan Khattak**  
(Chief Executive Officer)



**Director**

## گیمن پاکستان لمیٹڈ

### ڈائریکٹرز رپورٹ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر 2024ء کو تکمیل پانے والی دوسری سہ ماہی سے متعلق کمپنی کے غیر آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

### کارکردگی کا جائزہ

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

جولائی تا دسمبر 2023ء	جولائی تا دسمبر 2024ء	
(روپے)	(روپے)	
-	-	کنٹریکٹ آمدن
(531,754)	(387,874)	کنٹریکٹ خرچ
(531,754)	(387,874)	مجموعی کنٹریکٹ منافع / (نقصان)
315,621	(608,821)	قبل از ٹیکس منافع / (نقصان)
(9,567)	36,044	ٹیکس
306,054	(572,777)	بعد از ٹیکس منافع / (نقصان)

بد قسمتی سے، 31 دسمبر 2024ء کو ختم ہونے والے ششماہی کے دوران معاہدہ سے کوئی آمدنی نہیں ہوئی۔ کاروبار حاصل کرنے کے لیے کمپنی کی کوششیں بے نتیجہ رہی۔ جولائی تا دسمبر 2024ء، پاکستان کی کاروباری سرگرمیاں توانائی کی بلند قیمتوں، ساختی اقتصادی مسائل اور سیاسی عدم استحکام کی وجہ سے کم ہوئیں۔ مہنگے چینی ساختہ پاور پلانٹس کی وجہ سے بجلی کی بڑھتی ہوئی قیمتوں نے کاروباروں کے لیے آپریشن کو مہنگا کر دیا۔ کم سرمایہ کاری، خراب کاروباری حالات، اور آب و ہوا کے خطرات جیسے ساختی چیلنجوں نے معاشی استحکام کو مزید کمزور کیا۔ مزید برآں، اقتصادی معاملات میں سیکورٹی اداروں کے بڑھتے ہوئے اثر و رسوخ نے غیر یقینی صورتحال پیدا کی جس سے سرمایہ کاروں کی حوصلہ شکنی ہوئی۔ ان مشرکے عوامل نے اس عرصے کے دوران کاروباری ترقی میں نمایاں طور پر رکاوٹ ڈالی۔

کمپنی نے مختلف کلائنٹس سے بقایا ادائیگیوں اور ریٹینشن فنڈز کی وصولی کے لیے مسلسل کوششیں کی ہیں۔ تاہم، ابھی تک کامیابی حاصل نہیں ہوئی ہے۔ میری ٹائم ٹیکنالوجیز کمپلیکس (MTC) پروجیکٹ اور FWO سے متعلقہ واجبات کی وصولی کے لیے ناشی کا عمل جاری ہے۔ اگرچہ ہم اپنے دعوے وصول کرنے کے بارے میں پرامید ہیں، حل کے لیے ٹائم لائن غیر یقینی ہے۔ MTC کی طرف سے فنڈز کی وصولی میں تاخیر کلائنٹ کی طرف سے پروجیکٹ کے عمل میں عدم مطابقت کی وجہ سے نمایاں طور پر طویل ہے۔

31 دسمبر 2024ء کو، بورڈ آف ڈائریکٹرز (BOD) نے سرکولیشن کے ذریعے قرارداد منظور کی شیئر ہولڈرز کی منظوری سے مشروط، جس کے تحت کمپنی کی فری ہولڈرز میں جو کہ کھلے پلاٹوں کی شکل میں ہے، کو زیادہ سے زیادہ قابل وصول قیمت پر فروخت کرنے کی منظوری دی گئی، جو تا لوکا

قاسم آباد، ضلع حیدرآباد، سندھ میں واقع ہے۔ مجوزہ فروخت کو بعد میں 17 جنوری 2025 کو منعقدہ ایک غیر معمولی جزل میٹنگ کے دوران شیئر ہولڈرز نے "فیور" میں 99.99% کے تناسب کے ساتھ منظور کیا۔

آڈیٹر کی جائزہ رپورٹ کے ضمن میں، ہم مشاہدات کو تسلیم کرتے ہیں اور اس بات کی تصدیق کرتے ہیں کہ جب متعلقہ فریقین سے براہ راست تصدیق دستیاب نہیں تھی، تو تین کے متبادل طریقے بشمول اندرونی مفاہمت اور پروجیکٹ ریکارڈز استعمال کیے گئے۔ بازیابی/تصفیہ کے لیے فعال فالو اپ جاری ہیں، اور تحریری مواصلات کے لیے ایک منظم طریقہ کار کو نافذ کیا جا رہا ہے۔ مناسب وقت پر ضروری ایڈجسٹمنٹ پر غور کیا جائے گا۔

پراویڈنٹ فنڈ کا معاملہ ایس ای سی پی کو درست طریقے سے بیان کر دیا گیا ہے، جس سے ظاہر ہوتا ہے کہ یہ سیر ہونے کے قریب ہے۔ پراویڈنٹ فنڈ کی رقم کی تقسیم میں تاخیر ناگزیر حالات کی وجہ سے ہے۔ تاہم، کمپنی اس مسئلے کو جلد از جلد حل کرنے کے لیے پرعزم ہے۔ غیر دعویٰ شدہ ڈیویڈنڈ کے بارے میں کمپنیز ایکٹ 2017 کے سیکشن 244 کی تعمیل کو یقینی بنانے کے لیے ضروری اقدامات کیے جا رہے ہیں، اور اس کے مطابق رقم غیر ادا شدہ ڈیویڈنڈ اکاؤنٹ میں منتقل کر دی جائے گی۔

### مستقبل کا نقطہ نظر

انتظامیہ ملک میں کاروبار کی بحالی کے بارے میں پرامید ہے، کیونکہ حکومت طویل عرصے سے کساد بازاری کو کم کرنے اور معاشی سرگرمیوں میں کمی کے نتیجے میں گرتی ہوئی ٹیکس محصولات سے نمٹنے پر توجہ مرکوز کر رہی ہے۔ مواقع پیدا ہونے کے ساتھ ہی کمپنی امید افزا منصوبوں کو حاصل کرنے کے لیے حکمت عملی کے ساتھ پوزیشن میں ہے۔ مالی رکاوٹوں اور کیش فلو کے چیلنجوں کے باوجود، کمپنی رکاوٹوں پر قابو پانے، دیرینہ مسائل کو حل کرنے کے اپنے عزم میں ثابت قدم ہے۔

### اعتراف

سہ ماہی کے دوران کمپنی کی انتظامیہ انجینئرز اور ملازمین کی محنت اور لگن کو سراہتی ہے اور ہم تعاون، حمایت اور اعتماد کیلئے اپنے گاہکوں، سپلائرز اور چھوٹے ٹھیکیداروں کے تہہ دل سے مشکور ہیں۔ کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

ڈائریکٹر

خالد قلی خان خٹک

چیف ایگزیکٹو آفیسر

## INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Gammon Pakistan Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

### *Introduction*

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Gammon Pakistan Limited** as at December 31, 2024 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows together with the notes to the unconsolidated condensed interim financial statements for the six month period then ended (hereinafter referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of the unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures included in unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and 2023 and the notes forming part thereof have not been reviewed by us and we do not express a conclusion on them as we are required to review only the cumulative figures for the six months period ended December 31, 2024.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Basis for Qualified Conclusion*

We believe that the procedures we have performed are sufficient and appropriate to provide a basis for our qualified conclusion and we report that:

- a) Contract receivables amounting to Rupees 45.066 million, allowance of expected credit loss amounting to Rupees 141.570 million, net contract assets amounting to Rupees 65.049 million, as disclosed in notes 10, 10.1, 11 to the unconsolidated condensed interim financial statements and joint venture partner's advances amounting to Rupees 30.059 million as disclosed in the unconsolidated condensed interim statement of financial position respectively could not be verified in absence of direct confirmations from the involved parties. Further, there are no written efforts available to recover/settle these old balances. The consequential cumulative effect of this matter has neither been determined nor adjusted in these unconsolidated condensed interim



financial statements.

- b) As fully explained in note 14.2 to the unconsolidated condensed interim financial statements, 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 the unconsolidated condensed interim statement of financial position 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 unconsolidated condensed interim financial statements.

### ***Qualified Conclusion***

Based on our review, except for the effect of matters discussed in paragraphs (a) & (b) of Basis for Qualified Conclusion above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### ***Emphasis of Matter***

Without further qualifying our conclusion:

- a) we also draw attention to the Note 22.3 to the unconsolidated condensed interim 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.

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

Islamabad  
Date:

**28 FEB 2025**

  
**Rizwan & Company**  
Chartered Accountants  
*hoo*

**UDIN: RR202410101S2KrcGaRD**



**GAMMON PAKISTAN LIMITED  
UN-CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2024  
(UN-AUDITED)**

**GAMMON PAKISTAN LIMITED**  
**UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2024 (UN-AUDITED)**

		<b>UN-AUDITED</b>	<b>AUDITED</b>
		<b>December 31, 2024</b>	<b>June 30, 2024</b>
	<b>NOTE</b>	<b>Rupees</b>	
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	7	263,569,332	264,259,416
Investment property	8	357,646,440	357,646,440
Long term investments	9	189,340,000	189,340,000
Long term security deposits		1,350,600	3,750,600
Deferred taxation		10,902,067	10,866,023
		<u>822,808,439</u>	<u>825,862,479</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		12,348,104	12,333,504
Contract receivables	10	45,065,957	45,065,957
Contract asset	11	65,049,779	65,049,779
Loans and advances		36,004,556	19,982,207
Other receivables		605,946	909,156
Tax refunds due from Government		97,071,473	94,600,838
Cash and bank balances	12	2,009,683	3,101,414
		<u>258,155,498</u>	<u>241,042,855</u>
<b>TOTAL ASSETS</b>		<u><b>1,080,963,937</b></u>	<u><b>1,066,905,334</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	13	282,662,310	282,662,310
Capital reserves			
Share premium reserve		15,380,330	15,380,330
Revaluation surplus on property, plant and equipment		381,773,588	382,426,284
		<u>397,153,918</u>	<u>397,806,614</u>
Revenue reserve			
Accumulated profit		167,360,633	167,280,714
		<u>847,176,861</u>	<u>847,749,638</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred liability		6,060,990	6,402,590
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	196,224,314	181,251,334
Unclaimed dividends		1,442,230	1,442,230
Joint venture partner's advances		30,059,542	30,059,542
		<u>227,726,086</u>	<u>212,753,106</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,080,963,937</b></u>	<u><b>1,066,905,334</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	15	-	-

The annexed notes from 1 to 24 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**


  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**

**GAMMON PAKISTAN LIMITED**  
**UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2024 (UN-AUDITED)**

		UN-AUDITED			
		HALF YEAR ENDED		QUARTER ENDED	
		December 31,		December 31,	
		2024	2023	2024	2023
NOTE		-----Rupees-----			
	Contract income	-	-	-	-
	Contract expenditure	(387,874)	(531,754)	(190,878)	(54,227)
	<b>Net contract profit/(loss)</b>	<b>(387,874)</b>	<b>(531,754)</b>	<b>(190,878)</b>	<b>(54,227)</b>
	Operating expenses				
	Depreciation	7 (328,210)	(515,889)	(156,194)	(12,915)
	Administrative expenses	(17,678,877)	(15,825,803)	(10,749,638)	(7,386,753)
	Operating (loss)	(18,394,961)	(16,873,445)	(11,096,710)	(7,453,894)
	Other income	17,791,128	17,190,806	8,882,844	8,010,595
	Finance cost	(4,988)	(1,740)	(2,088)	(1,740)
	<b>Profit/(loss) before tax &amp; levies</b>	<b>(608,821)</b>	<b>315,621</b>	<b>(2,215,954)</b>	<b>554,961</b>
	Minimum tax - Levy	-	(53,656)	-	-
		(608,821)	261,965	(2,215,954)	554,961
	Taxation-current	36,044	44,089	309,257	699,516
	<b>Profit/(loss) after taxation</b>	<b>(572,777)</b>	<b>306,054</b>	<b>(1,906,697)</b>	<b>1,254,477</b>
	<b>Earnings per share:</b>				
	Earnings per share - basic and diluted	16 (0.02)	0.01	(0.07)	0.04


The annexed notes from 1 to 24 form an integral part of these financial statements.



**CHIEF EXECUTIVE**



**CHIEF FINANCIAL OFFICER**



**DIRECTOR**

**GAMMON PAKISTAN LIMITED**  
**UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2024 (UN-AUDITED)**

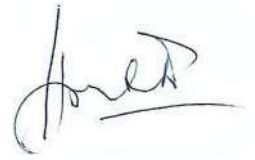
UN-AUDITED			
HALF YEAR ENDED		QUARTER ENDED	
December 31,		December 31,	
2024	2023	2024	2023
-----Rupees-----			

Profit/(loss) after taxation	(572,777)	306,054	(1,906,697)	1,254,477
Other comprehensive income	-	-	-	-
income/(loss) for the period	<u>(572,777)</u>	<u>306,054</u>	<u>(1,906,697)</u>	<u>1,254,477</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**

**GAMMON PAKISTAN LIMITED**  
**UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 (UN-AUDITED)**

Share capital	Reserves			Total	
	Capital	Revenue			
Issued, subscribed and paid-up capital	Share premium	Revaluation surplus on property, plant and equipment	Accumulated Profits		
Rupees					
Balance as at July 1, 2023	282,662,310	15,380,330	428,814,751	77,498,678	804,356,069
Total comprehensive income for the period					
Profit/(Loss) for the period	-	-	-	306,054	306,054
Transfer from revaluation surplus on property, plant and equipment:					
- on account of incremental depreciation-net of deferred tax	-	-	(468,192)	468,192	-
Balance as at December 31, 2023	282,662,310	15,380,330	428,346,559	78,272,924	804,662,123
<b>Balance as at July 1, 2024</b>	<b>282,662,310</b>	<b>15,380,330</b>	<b>382,426,284</b>	<b>167,280,714</b>	<b>847,749,638</b>
<b>Total comprehensive income for the period</b>					
Profit/(Loss) for the period	-	-	-	(572,777)	(572,777)
Transfer from revaluation surplus on property, plant and equipment:					
- on account of incremental depreciation-net of deferred tax	-	-	(652,696)	652,696	-
<b>Balance as at December 31, 2024</b>	<b>282,662,310</b>	<b>15,380,330</b>	<b>381,773,588</b>	<b>167,360,633</b>	<b>847,176,861</b>

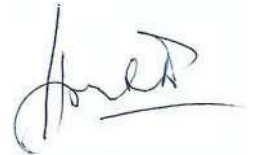
The annexed notes from 1 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

**GAMMON PAKISTAN LIMITED**  
**UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2024 (UN-AUDITED)**

		<b>UN-AUDITED</b>	
		<b>HALF YEAR ENDED</b>	
		<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>NOTE</b>		<b>Rupees</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	<b>20</b>	<b>220,251</b>	<b>802,621</b>
Profit before working capital changes			
Changes in working capital:			
<b>Decrease / (increase) in current assets</b>			
Stores, spares and loose tools		(14,600)	(12,950)
Loans and advances		(16,022,349)	(1,343,592)
Other receivables		303,210	(3,654,842)
<b>Increase/(Decrease) in current liabilities</b>			
Trade & other payable		14,972,980	4,764,901
		<b>(760,759)</b>	<b>(246,483)</b>
Net cash (used in)/generated from operations		<b>(540,508)</b>	<b>556,138</b>
Financial cost paid		(4,988)	(1,740)
Gratuity paid		(449,600)	-
Income tax paid		(2,470,635)	(1,719,331)
		<b>(2,925,223)</b>	<b>(1,721,071)</b>
Net cash (used in) operating activities		<b>(3,465,731)</b>	<b>(1,164,933)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of fixed operating assets		(26,000)	-
Long term security deposits		2,400,000	-
Net cash generated from investing activities		<b>2,374,000</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
		<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,091,731)</b>	<b>(1,164,933)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3,101,414</b>	<b>2,120,883</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>12</b>	<b>2,009,683</b>	<b>955,950</b>

The annexed notes from 1 to 24 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**

**GAMMON PAKISTAN LIMITED**  
**NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2024**

**1 STATUS AND NATURE OF BUSINESS**

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 in which Lahore and Islamabad stock exchanges have merged). It is principally engaged in the 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.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These unconsolidated condensed interim financial statements of the Company for the half year ended December 31, 2024 have been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2024. Comparative unconsolidated condensed interim statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2024 and comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows are extracted from unaudited condensed interim financial statements for the six months ended December 31, 2023.

These unconsolidated condensed interim financial statements are unaudited but subject to the limited scope review by auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2024 and 31 December 2023 are neither audited nor reviewed.

**2.2 Basis of measurement**

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for certain fixed assets which have been stated at revalued amount and staff retirement benefit at present value.

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

**2.3 Functional and presentation currency**

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

**3 MATERIAL ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN**

**3.1** The material accounting policies adopted and methods of computation followed in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the preparation of financial statements for the year ended June 30, 2024.

- 3.2 The preparation of these unconsolidated condensed interim financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2024.
- 3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on or after July 01, 2024. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on these unconsolidated condensed interim financial statements.
- 3.5 The Company's significant risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Company for the year ended June 30, 2024.
- 3.6 The accounting policies applied in these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2024.

#### **4 TAXATION**

The provision for taxation for the half year and quarter ended December 31, 2024 has been made using the estimated effective tax rate applicable to expected total annual earnings.

During the year ended June 30, 2024, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12, Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in compliance with the Guidance, the Company has changed its accounting policy to designate the amount calculated on taxable income using the notified tax rate as an income tax expense. Any excess over the amount designated as income tax, is then recognized as a 'Levy' under 'IAS 37, Provisions, Contingent Liabilities and Contingent Assets', which were previously being recognized as 'income tax'.

In accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors' and the guidance provided, this guidance shall be applied retrospectively (if considered to be material). Therefore, as the tax expense of the Company during the current period is assessed under normal tax regime, no adjustment is made in these financial statements as a result of application of this guidance. However, prior period figures have been reclassified wherever required.

#### **5 ESTIMATES**

The preparation of unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards for interim financial reporting 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 material accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the unconsolidated condensed interim financial statements, are the same as those that were applied to the financial statements for the year ended June 30, 2024.

#### **6 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.



	NOTE	Unaudited	Audited
		December 31, 2024	June 30, 2024
		Rupees	
<b>7 OPERATING FIXED ASSETS</b>			
Opening written down value		264,259,416	300,176,778
Add: Additions during the period / year	7.1	26,000	289,701
Add: Revaluation Surplus		-	589,256
		26,000	878,957
Less: Depreciation charged during the period / year		(716,084)	(1,615,444)
Less: Deletions - NBV			(35,180,875)
		<b>263,569,332</b>	<b>264,259,416</b>

7.1 Detail of additions (at cost) during the period / year are as follows:

	NOTE	Unaudited	Audited
		December 31, 2024	June 30, 2024
		Rupees	
Motor vehicles, cycles and boats		-	208,701
Computers and accessories		26,000	81,000

**8 INVESTMENT PROPERTY**

Gammon House - land and building	8.2	357,646,440	357,646,440
		<b>357,646,440</b>	<b>357,646,440</b>

8.1 The movement in this account is as follows:

Opening balance		357,646,440	479,831,160
Less: Transfer during the year		-	(121,626,000)
Net fair value loss on revaluation	8.3	-	(558,720)
		<b>357,646,440</b>	<b>357,646,440</b>

8.2 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. The shareholders in the AGM has approved the resolution of the company that the Gammon House be demolished and a multi-storey high rise building be constructed at its place.

8.3 The company, as of June 30, 2024, had revalued all of its investment property. The revaluation exercise was carried out by an independent valuer, Impulse (Private) Limited, and the revaluation resulted in a (loss) of Rs. (558,720) in net adjustment to the fair value as on that date.

	NOTE	Unaudited	Audited
		December 31, 2024	June 30, 2024
		Rupees	
<b>9 LONG TERM INVESTMENTS</b>			
<b>Unquoted Subsidiaries</b>			
Gammon Pakistan Precast (Private) Limited	9.1	189,340,000	189,340,000
18,934,000 ordinary shares (June 30, 2024: 18,934,000) of Rs. 10 each			
		<b>189,340,000</b>	<b>189,340,000</b>

9.1 The Company held 69.996% (June 30, 2024: 69.996%) shares of Gammon Pakistan Precast (Pvt) Limited as on December 31, 2024.

		Unaudited December 31, 2024	Audited June 30, 2024
		Rupees	
<b>10</b>	<b>CONTRACT RECEIVABLES</b>		
	Unsecured - considered good		
	Against billings		
	- completed contracts	76,107,565	76,107,565
	Provision for expected credit loss	(73,512,276)	(73,512,276)
		<b>2,595,289</b>	2,595,289
	Against retention money		
	- completed contracts	80,537,519	80,537,519
	Provision for expected credit loss	(38,066,851)	(38,066,851)
		<b>42,470,668</b>	42,470,668
	Joint venture		
	- against billings	17,054,553	17,054,553
	- against retention money	12,936,380	12,936,380
		<b>29,990,933</b>	29,990,933
	Provision for expected credit loss	(29,990,933)	(29,990,933)
		<b>45,065,957</b>	45,065,957

10.1 Management, in the previous years, carried out an exercise to identify long outstanding receivable balances comprising of progress billings and retention monies which are not likely to be received due to various reasons. There is no change in the management's assessment of expected credit loss of Rs.141.570 million and accordingly, during the half year ended December 31, 2024, no further provision has been made (June 30, 2024: Nil).

		Unaudited December 31, 2024	Audited June 30, 2024
		Rupees	
<b>11</b>	<b>CONTRACT ASSETS</b>		
	Net Construction contracts-analysed as current	<b>65,049,779</b>	65,049,779

11.1 The Company receive payments from customers based on a billing schedule, as established in the contracts. Contract assets relate to the conditional right to consideration for completed performance obligations under the contract. Contract receivables are recognised when the right to consideration becomes unconditional. In addition, contract assets have been recognized in line with the initial application of IFRS -15.

		Unaudited December 31, 2024	Audited June 30, 2024
		Rupees	
<b>12</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	615,867	418,266
	Cash at bank - local currency		
	Current accounts	493,867	1,783,200
	PLS accounts	10,505	10,505
	Deposit accounts	889,443	889,443
		<b>1,393,815</b>	2,683,148
		<b>2,009,683</b>	3,101,414

- 12.1 PLS accounts, during the current financial period, carried profit at the rates from 13.5% to 19% (2024: 19.5% to 21%) per annum.
- 12.2 The entire balance as at December 31, 2024 and June 30, 2024 is under a bank's lien against guarantees issued by the bank.

Unaudited December 31, 2024	Audited	
	June 2024	30, 2024
<b>Rupees</b>		

**13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

**13.1 Issued, subscribed and paid up capital**

22,627,320 (June 30, 2024: 22,627,320) ordinary shares of Rs.10/- each fully paid in cash	<b>226,273,200</b>	226,273,200
2,562,845 (June 30, 2024: 2,562,845) bonus shares of Rs.10/- each fully paid in cash	<b>25,628,450</b>	25,628,450
3,076,066 (June 30, 2024: 3,076,066) ordinary shares of Rs.10/- each fully paid in cash (against conversion of loans)	<b>30,760,660</b>	30,760,660
	<b><u>282,662,310</u></b>	<u>282,662,310</u>

**13.2 Authorized share capital**

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

- 13.3 Bibojee Services (Private) Limited (the holding company) holds 20,369,056 (June 30, 2024: 20,369,056) shares, i.e. 72.06% of the Company's issued, subscribed and paid-up capital.

Unaudited December 31, 2024	Audited	
	June 2024	30, 2024
<b>Rupees</b>		

**NOTE**

**14 TRADE AND OTHER PAYABLES**

Sundry creditors		<b>45,725,122</b>	33,390,422
Directors Current account	<b>14.1</b>	<b>26,577,114</b>	26,577,114
Advance rent		<b>2,362,579</b>	2,362,577
Due to sub-contractors		<b>24,483,700</b>	24,543,700
Accrued expenses		<b>48,855,763</b>	46,752,906
Due to employees and others	<b>14.2</b>	<b>9,009,261</b>	9,009,261
Taxes payables		<b>2,323,316</b>	1,727,895
Joint venture partner's share of profit		<b>1,620,715</b>	1,620,715
Other provisions	<b>14.3</b>	<b>35,122,500</b>	35,122,500
Workers Welfare Fund payable		<b>144,244</b>	144,244
		<b><u>196,224,314</u></b>	<u>181,251,334</u>

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

- 14.2 This balance includes amounts aggregating Rs. 1.563 million (2024: Rs. 1.563 million) payable in respect of the loans obtained from the Company's Employees' Provident Fund (the Fund) during the period from 1995 to 1999. The SECP, during May 2008, had issued show-cause notices to some of the existing directors as well as ex-directors under various sections of the repealed Companies Ordinance, 1984 (the Ordinance). The SECP, vide its three orders dated 25 June, 2009, had imposed penalties aggregating Rs. 1.005 million under various sections of the Ordinance on some of the existing directors and ex-directors in their personal capacity.

The SECP has also directed the Company's Chief Executive to distribute the amount of Rs. 9.153 million to members of the provident fund trust including the employees / directors / ex-directors of the Company at the time of closure of provident fund trust in the year 1987 as per their entitlement and to submit an Auditors' certificate confirming that all outstanding money of the fund has been paid to the members in accordance with the provisions of section 227 of the repealed Ordinance. The Company opened a separate bank account and transferred the entire amount into it. Furthermore, an amount of Rs. 7.589 million were paid to members up to December 31, 2019.

- 14.3 These represent provisions made for the potential liability, in respect of borrowings of Saudi Riyals 2.50 million and Saudi Riyals 5 million during the year 1986 for the Saudi Operations of the company, that the company may have to incur as a result of settlement of overseas dues of National Bank of Pakistan in accordance with the Incentive Scheme under the State Bank of Pakistan's Circular No.19 of 05 June,1997 (For further detail please refer note 15.2(a) of these financial statements).

## **15 CONTINGENCIES AND COMMITMENTS**

### **15.1 Contingent assets**

The Company had lodged a claim with National Highway Authority amounting Rs. 201.177 million (2024: Rs. 201.177 million) against M/s Bayinder for recovery of losses suffered by the Company attributable to the cessation of work at Islamabad - Peshawar Motorway Project.

### **15.2 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 14.3 above) in accordance with the Incentive Scheme under the State Bank of Pakistan's Circular No. 19 of 05 June, 1997, the management is of the opinion that there is no further requirement for any provision on this account as no adverse effect is expected. The same has been endorsed by the Company's Board of Directors (BOD) and the legal advisor in his opinion. Furthermore, the BOD has agreed to settle any liability that may arise consequent upon the outcome of the above matter.

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

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

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

- c) In the ordinary course of business various parties have filed legal cases against the Company, which have not been admitted as liabilities; accordingly, no provision has been considered necessary against these claims till their final outcome. The legal advisor of the Company is of the opinion that these cases are expected to be decided in favour of the Company and therefore no provision has been made in these financial statements for any liability that may arise consequent upon the result of above law suits.

**15.3 Commitments**

The Company's commitments as at balance sheet date are as follows:

- (a) Guarantees issued by a commercial bank and insurance companies in respect of financial and operational obligations of the Company to various institutions and corporate bodies, aggregate Rs. 50.062 million (2024: Rs. 50.062 million).
- (b) There were no commitments for capital expenditures as at the balance sheet date (2024: Nil).

**16 EARNINGS PER SHARE- BASIC AND DILUTED**

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

	<b>UN-AUDITED</b>			
	<b>HALF YEAR ENDED</b>		<b>QUARTER ENDED</b>	
	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Earnings after taxation-(Rupees)	<u><b>(572,777)</b></u>	<u>306,054</u>	<u><b>(1,906,697)</b></u>	<u>1,254,477</u>
Weighted average number of ordinary shares	<u><b>28,266,231</b></u>	<u>28,266,231</u>	<u><b>28,266,231</b></u>	<u>28,266,231</u>
Earnings per share - (Rupees)	<u><b>(0.02)</b></u>	<u>0.01</u>	<u><b>(0.07)</b></u>	<u>0.04</u>

**17 TRANSACTIONS WITH RELATED PARTIES**

- 17.1 The related parties, subsidiary and associated undertakings of the Company comprise of group companies, other associate companies, subsidiary companies, directors and key management personnel. Transactions with related parties, subsidiary and associated undertakings during the period are as follows:

UN-AUDITED			
HALF YEAR ENDED		QUARTER ENDED	
December 31,		December 31,	
2024	2023	2024	2023
-----Rupees-----			

**Relation with the Company****Nature of transaction****Subsidiary Company**

Gammon Pakistan Precast (Private) Limited

Loan Provided	<b>17,583,403</b>	-	<b>13,514,418</b>	-
Repayments	<b>(2,743,650)</b>	-	<b>(694,582)</b>	-
Expenses settled	-	1,354,424	-	1,354,424

**Associated Companies**

Ghandhara Nissan Limited

Rental income	<b>2,415,768</b>	2,196,150	<b>1,207,884</b>	1,098,075
Payment received	<b>(2,415,768)</b>	-	<b>(1,207,884)</b>	(998,250)

Gandhara Industries Limited

Rental income	<b>2,415,768</b>	2,196,150	<b>1,207,884</b>	1,098,075
Payment received	<b>(2,415,768)</b>	(2,262,700)	<b>(1,207,884)</b>	(1,098,075)

Janana De Malucho Textile Mills Limited

Rental income	-	73,205	-	-
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Bannu Woollen Mills Limited

Rental income	<b>3,349,692</b>	3,045,174	<b>1,674,846</b>	1,522,587
Payment received	<b>(3,349,692)</b>	(1,522,587)	<b>(1,674,846)</b>	-

17.2 Balances receivable / payable with related parties are disclosed in respective notes.

**18 FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objective and policies are consistent with that disclosed in the unconsolidated financial statements for the year ended June 30, 2024.

**19 FAIR VALUE MEASUREMENT**

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are traded in an open market are revalued at the market prices prevailing at the close of trading on the reporting date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from book values as the items are either short-term in nature or periodically repriced.

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 fair value hierarchy has the

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The management assessed that the carrying value of cash and short term deposits, trade debts, other receivables trade and other payables and other current liabilities approximate their fair values largely due to the short term maturities of these instruments. Fair value is determined on the basis of objective evidence at each reporting date.

**Transfers during the period**

During the six month period to December 31, 2024, there were no transfers into or out of Level 3 fair value measurements.

As at December 31, 2024 and June 30, 2024 the Company held financial instruments carried at fair value which comprising, investment property and operating fixed assets, are measured at fair value.

- 19.1 The investment property was valued on June 30, 2024 carried out by external independent valuers M/s Impulse (Private) Limited. The fair value of investment property is categorized as level 3 recurring fair value measurement due to significant unobservable inputs used in the valuation. A reconciliation of the opening and closing balance is provided below:

	<b>Unaudited</b>	Audited
	<b>December 31, 2024</b>	June 30, 2024
	<b>Rupees</b>	
Opening balance (level 3 recurring fair value)	<b>357,646,440</b>	479,831,160
Less: Transfer during the year	-	(121,626,000)
Fair value loss recognized in profit and loss	-	(558,720)
Closing balance (level 3 recurring fair value)	<b>357,646,440</b>	<b>357,646,440</b>

- 19.2 The Company has revalued its freehold land, buildings on June 30, 2024 and plant and machinery on June 30, 2019 by independent valuer M/s Impulse (Private) Limited on the basis of market values of similar properties. The fair value of free hold land, buildings and plant and machinery is a level 3 recurring fair value measurement.

**Valuation techniques used to derive level 2 fair values - Land and building**

Fair value of land and building has been derived using a sales comparison approach. Sale prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location and size of the property. Moreover value of building also depends upon the type of construction, age and quality. The most significant input in this valuation approach is price / rate per square foot in particular locality. This valuation is considered to be level 3 in fair value hierarchy due to significant unobservable inputs used in the valuation.

**Valuation techniques used to derive level 3 fair values-Plant and machinery and other fixed**

In the absence of current prices in an active market, the fair value is determined by taking into account the following factors:

- Make, model, country of origin and etc.;
- Operational capacity;
- Present physical condition;
- Resale prospects; and
- Obsolescence.

The valuation is considered to be level 3 in the fair value hierarchy due to the above unobservable inputs used in the valuation. Most significant input in this valuation is the current replacement cost

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

**GAMMON PAKISTAN LIMITED**

<b>Unaudited</b>	<b>Audited</b>
<b>December 31,</b>	<b>June 30,</b>
<b>2024</b>	<b>2024</b>
<b>Rupees</b>	

Freehold land	<b>120,988</b>	120,988
Buildings on freehold land	<b>3,022,495</b>	3,022,495
Plant and machinery	<b>1,324,644</b>	1,324,644
Furniture and fixture	<b>972,605</b>	972,605
Computers and accessories	<b>980,106</b>	980,106
Motor vehicles, cycles and boats	<b>63,454</b>	63,454
Construction equipments	<b>273,403</b>	273,403

<b>Unaudited</b>	
<b>Half year ended</b>	
<b>2024</b>	<b>2023</b>
<b>Rupees</b>	

**NOTES**

**20 PROFIT BEFORE WORKING CAPITAL CHANGES**

Profit/(Loss) before taxation	<b>(608,821)</b>	315,621
<b>Adjustment for:</b>		
Depreciation	<b>716,084</b>	908,261
Staff retirement benefits - gratuity (net)	<b>108,000</b>	(423,000)
Finance cost	<b>4,988</b>	1,740
	<b>829,072</b>	487,001
Profit before working capital changes	<b>220,251</b>	802,621

**21 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS**

**21.1 Post Balance Sheet Event**

The Board of Directors (BOD), through circulation on December 3, 2024, resolved to sell the company's freehold land and building located in Taluka Qasimabad, District Hyderabad, Sindh, at maximum realizable value subject to the approval of the shareholders as disclosed in the statement of material facts. This sale arrangement was subsequently approved by the shareholders at an extraordinary general meeting held on January 17, 2025.

This event has been considered as non-adjusting event under IAS 10 and has not been recognized in these condensed interim financial statements.

**21.2 Management Assessment of Going Concern**

Although the company has reported an operating loss of Rs 18.394 million due to non-availability of profitable contracts/projects during the period, it has managed to meet the day to day working capital requirements and to repay all the administrative cost through the rental income earned from investment properties. However, the management is confident of the Company's ability to continue as a going concern based on its concentrated effort to re-profile the operational activities and utilization of improved liquidity in cost efficient operational levels of machinery and related projects. The Company undertook significant operational measures in order to generate liquidity and profitable projects/ventures which are amply disclosed in note 46.1 to the audited financial statements.



**21.3 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 also been lodged against the EX-CFO subsequent to June 30, 2021. The transactions were mainly carried out of books and the impact of such investigation/FIR, if any, will be accounted for in the period during which such investigation is completed.

**22 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the period other than as explained in note 4.

**23 DATE OF AUTHORIZATION**

These condensed interim financial statements were authorized for issue on 28-02-2025 by the Board of Directors of the Company.

**24 GENERAL**

Figures have been rounded off to the nearest rupee.

  
\_\_\_\_\_  
**CHIEF EXECUTIVE**

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

  
\_\_\_\_\_  
**DIRECTOR**

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


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