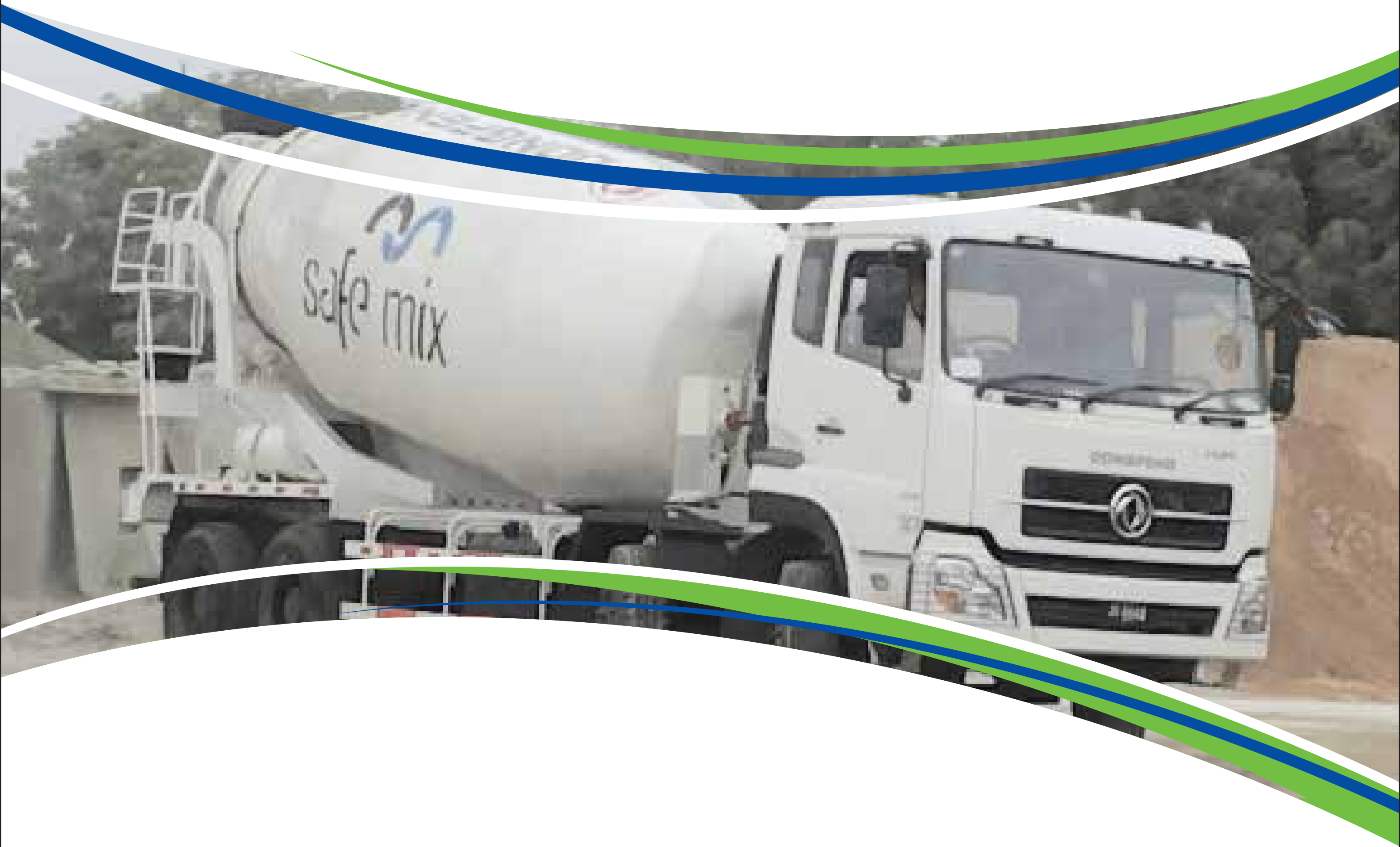
safe mix
Concrete Limited



2016
Annual Report

Vision Statement

Our Vision is to be Pakistan's Largest ready mix concrete services company, signing under the prominent projects for tomorrow's world of business, harmonizing, innovative and progressive technology with the Company's experience and excellence in the quality of work.

Mission Statement

Safe Mix once a dream has shaped into reality, through conviction and untiring efforts to see it grow into a corporate company with one of the principal market clientele.

The aim of the company is to establish a platform for the transfer of foreign technology with forming the basis for further development in Pakistan.

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CONTENTS

Company Information

Board of Directors
Mr. Shahid Aziz Siddiqi - Chairman
Mr. Nasim Beg
Mr. Kashif Habib - Chief Executive Officer
Mr. Samad Habib
Syed Najamuddujah Jaffri
Mr. Khalil Ahmed
Syed Muhammad Talha

Audit Committee
Mr. Nasim Beg - Chairman
Mr. Samad Habib
Syed Najamuddujah Jaffri

Human Resources & Remuneration Committee
Mr. Samad Habib - Chairman
Mr. Kashif Habib
Syed Najamuddujah Jaffri

Chief Financial Officer
Syed Muhammad Talha

Company Secretary
Mr. Bilal Yasin

Auditors
Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Legal Advisor
Minto & Mirza
Advocates & Corporate Counsel

Bankers and Financial institutions
Bank Islami Pakistan Limited
Habib Metropolitan Bank Limited
The Bank of Punjab
Bank Alfalah Limited
First Habib Modaraba

Registered Office
Plot # 1,6 sector # 26, Bilal Chowrangi Korangi Industrial Area, Karachi.
Tel # +92 21 35074581-84
Fax # +92 21 35074603
www.safemixlimited.com

Shares Registrar
THK Associates (Private) Limited
Ground Floor, State Life Building No. 3,
Dr. Ziauddin Ahmed Road
Karachi.

Notice of Annual General Meeting

Notice is hereby given that the eleventh Annual General Meeting of the members of Safe Mix Concrete Limited will be held at the Institute of Chartered Accountant of Pakistan, Karachi on Friday, 28th October 2016 at 08:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of last Annual General Meeting held on October 28, 2015.

2. To receive, consider and adopt the Audited Financial statements of the Company for the year ended 30th June 2016 together with the Directors' and Auditors' reports thereon.

3. To appoint Auditors for the financial year ending June 30, 2017 and to fix their remuneration. The present Auditors, Messrs Naveed Zafar Ashaq Jaffery & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.

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

5. To consider and if thought fit, to pass the following resolution as special resolution with or without modifications.

a. To alter the Articles of Association of Company and pass the following resolutions with or without modification(s).

RESOLVED THAT subject to prior clearance of the Pakistan Stock Exchange Limited under clause 5.9.2 of its Rule Book and subject to the approval of the shareholders of the Company by Special Resolution and confirmation by the SECP, the Article 59 and Article 82 of Articles of Association of the Company be altered and replaced as follows:

Existing Provisions Of Article Of Association	Proposed Article (Changes highlighted as bold and underline)
Article 59	
"Quorum (of general meeting): **Five members** who represent not less than twenty-five per cent of the total voting power, either of their own account or as proxies present in person or by proxy shall be a quorum for general meeting."	**"Quorum (of general meeting):** Not less than **ten members** present personally who represent not less than twenty-five per cent of the total voting power, either of their own account or as proxies present in person or by proxy shall be a quorum for general meeting."
Article 82	
"Number of Directors: The Board of Directors shall fix the number of elected Directors which number shall not be **less than three**. The directors shall be elected in accordance with the provisions of Section 178 of the Ordinance."	**"Number of Directors:** The Board of Directors shall fix the number of elected Directors which number shall not be **less than Seven**. The directors shall be elected in accordance with the provisions of Section 178 of the Ordinance."

"**FURTHER RESOLVED THAT** the Chief Executive Officer or Company Secretary or Chief Financial Officer or any other officer designated in this behalf by Chief Executive Officer be and are hereby authorized to obtain approval from concerned authorities, prepare and issue required circulars and notices to the Pakistan Stock Exchange Limited, Securities and Exchange Commission of Pakistan and shareholders with the prior approval of the Board.

STATEMENT UNDER SECTION 160 (1) (B) PERTAINING TO SPECIAL BUSINESS

1. Alteration of Articles of Association

It was identified by the Internal Auditor of the company that there is slight inconsistency between provisions of Companies Ordinance, 1984 and the Articles of Association of the Company. Therefore, it was proposed that the articles of association be altered to align Article 59 and Article 82 in accordance with relevant provisions of Companies Ordinance, 1984.

The alteration in the articles of association of the company will not affect any rights or obligations of the company or the interest of any shareholder or investor in any manner.

The interest of the Directors and Chief Executive of the company is only their being the Chief Executive, Director and shareholder of the company.

By order of the Board

Karachi, October 07, 2016

Bilal Yasin
Company Secretary

Notes:

1. Share transfer books of the Company will remain closed from October 22, 2016 to October 28, 2016 (both days inclusive). Transfers received in order at the office of the company's share registrar, M/s THK Associated (Private) Limited, Ground floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi 75530 up to the close of business on October 21, 2016 will be considered in time for determination of entitlement of shareholders to attend and vote at the meeting.

2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for him/her. Proxy form is enclosed with the Annual report. A proxy must be a member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company, duly stamped, signed and witnessed, not less than 48 (forty eight) hours before the meeting.

3. Procedure including the guidelines as laid down in Circular No. 1- Reference No. 3(5-A) Misc/ARO/LESf96 dated 2611 January 2000 issued by Securities and Exchange Commission of Pakistan:

   a) Members, proxies or nominees shall authenticate their identity by showing their original national identity card or original passport and bring their folio numbers at the time of attending the meeting.

   b) In the case of a corporate entity, Board of Directors' resolution/power of attorney and attested copy of the CNIC or passport of the nominee shall also be produced (unless provided earlier) at the time of meeting.

   c) In order to be effective, the proxy forms must be received at office of our registrar not later than 48 hours before the meeting, duly signed and stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.

d) In the case of individuals, attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.

e) In the case of proxy by a corporate entity, Board of Directors' resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy form.

4. Members are request to notify the change in their addresses, if any, immediately to the share registrar of the Company, M/s THK Associates (Pvt.) Limited, Ground floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi 75530

Notice to Shareholders who have not provided their CNIC

The Individual Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CN1C) to the Company Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, M/s. THK Associates, Ground floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi 75530. The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number with the copy of CNIC / NTN details. Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) Notifications SRO 779(1)/2011 dated 18th August 2011, SRO 831 (1)/2012 dated 5' July 2012, SRO 19(1)/2014 dated 10th January 2014 and SRO 275(1)/2016 dated 31st March 2016 which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members.

In case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with aforementioned directives of SECP and therefore will be constrained under Section 251 (2) (a) of the Companies Ordinance, 1984 to withhold dispatch of future dividend warrants, if any, of such shareholders.

Directors' Report

The Board of Directors of Safe Mix Concrete Limited (SMCL) present herewith the Annual Report for the year ended June 30, 2016.

Overview

The Company had historically been running its operations out of two diverse locations, i.e., Lahore and Karachi. Based on the overall size of operations, it was felt that it would be best to concentrate and consolidate out of one location. During the year under review, the Management decided to close the operation out of Lahore. However, at the same time, it decided to increase the business capacity by expanding the fleet of transit mixers for the Karachi operations. The Management has also taken measures to manage cash-flows better by moving towards processing materials supplied by its customers and at the same time being extremely selective in allowing credit to customers. As a result, the Company's top-line (gross revenue), decreased by 56% from Rs 690.183 million to Rs 304.467 million owing to processing customer- provided the raw materials and careful customer selection. Consequently, the cash flows of the Company are improving, reflecting a decrease in finance costs. The gross profit margin of the Company has reduced as compared to the prior year due to higher equipment hiring charges and ijarah payments, resulting from deploying of the additional fleet. The Management is actively working to increase its asset base which will enable it to take on more business going forward. During the year under review, the Company has provided for gratuity for all the permanent staff as per the policy approved by the Board in accordance with the applicable laws. Accordingly, financial statements of prior year have been restated to incorporate the impact.

During the financial year, the Company has also booked a provision for doubtful debts amounting to Rs 61.44 million, after carrying out proper due diligence. While the Management will continue to pursue these receivables vigorously, it is of the view that prudence demands that provisioning be made for receivables from customers in such cases where the Company does not have a continuing business relationship or for such cases where the Company's claims have not been settled well beyond the market norms.

Operating Results

	Year Ended June 30	
	2016	2015 (Restated)
	----------Rupees----------	
(Loss) / profit before taxation	**(54,897,677)**	29,020,218
Taxation	**17,646,920**	(7,371,632)
Profit after taxation	**(37,250,757)**	21,648,586
(Loss)/Earning per Share – Basic and diluted	**(1.49)**	1.01

Accouning Standards

The accounting policies of the Company fully reflects the requirements of the Companies Ordinance 1984 and as such approved International Accounting Standards and International Financial Reporting Standards as have been notified under this ordinance as well as through directives issued by the Securities and Exchange Commission of Pakistan.

Capital Expenditure

The Company incurred a total expenditure of Rs. 19.442 million as addition to Vehicles and Plant & Machinery mainly adding Carriage truck, Concrete Pump parts and other machinery and equipment.

Cash flow Strategy

The Company has an effective Cash Flow Management System in place whereby cash inflows and outflows are projected on regular basis.

Working capital requirements have been planned through internal cash generations and short term borrowings.

Audit Committee

The Board of Directors in compliance to the Code of Corporate Governance established an Audit committee which consists of non executive directors and following is the composition of the committee:

1.	Mr. Nasim Beg	(Chairman)
2.	Mr. Samad Habib	(Member)
3.	Syed Najamuddujah Jaffri	(Member)

Meetings of the Audit Committee

During the year 2015-16 four meetings of the audit committee were held and the number of meetings attended by each member is given hereunder:

Name of the Directors	*Meetings attended*
Mr. Nasim Beg	3/4
Mr. Samad Habib	4/4
Syed Najmudujjah Jaffri	4/4

Auditors

The present auditors, M/S. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants are due to retire and being eligible, offer themselves for reappointment for the year 2016-2017.

Pattern of Shareholding

Pattern of shareholding whose disclosure is required under the reporting framework is attached to this report.

Director's statement

The directors confirm compliance with Corporate and Financial reporting framework of the SECP Code of Corporate Governance for the following:

- The financial statements Company present a true and fair state of affairs of the Company.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Meetings of the Board of Directors

During the year 2015-16 four meetings of the board were held and the number of meetings attended by each Director is given hereunder:

Name of the Directors	*Meetings attended*
Mr. Shahid Aziz Siddiqi *	4/4
Mr. Nasim Beg	3/4
Mr. Kashif Habib	4/4
Mr. Samad Habib	4/4
Syed Najmuddujah Jaffri *	4/4
Mr. Khalil Ahmed *	4/4
Syed Muhammad Talha *	4/4

Leave of absence was granted to the Directors who could not attend the board meetings.

Earnings per Share

Loss per share for the year ended June 30, 2016 is Rs. (1.49) as compared to earning per share for the same period of the last year of Re. 1.01.

Future Outlook

Development work undertaken by the government and enhanced spending by the private sector on construction activities have increased the demand for the Company's product. In particular, the China Pakistan Economic Corridor (CPEC) and the declining interest rates environment are likely to boost the economic activity in the country. In order to cater to the growing demand and to gain a competitive edge in the industry, the Company is the first in the country to induct brand new 14 meters-cube, state-of-the-art transit mixers in its fleet.

The Company and its Management along with the support of its qualified human resource is continuing to strive to undertake additional projects as well as minimize costs and expects to deliver better results going forward.

Acknowledgement

The Company strongly believes that success can only be driven by the commitment and dedication of its employees. We acknowledge the contribution of each and every member of the Company in areas of expertise. We would also like to express our thanks to the customers for their trust in our products and look forward to their continued patronage. We also thank our shareholders, banks and financial institutions for their support, guidance and confidence reposed in our enterprise and stand committed to do our best to ensure full reward of their investment in the coming years. Further, we would also like to thank SECP and the management of PSX for their continued support and guidance.

For and on behalf of the board

Karachi: October 03, 2016

Kashif Habib
Chief Executive Officer

KEY OPERATIONAL & FINANCIAL DATA

	2016	2015	2014	2013	2012	2011
	(Rupees)					
Revene	304,467,342	690,183,505	506,199,046	646,488,473	566,124,208	502,190,123
Cost of sales	281,687,468	628,727,921	469,813,447	606,656,918	537,201,896	473,147,535
Gross Profit	22,779,874	61,455,584	36,385,599	39,831,555	28,922,312	29,042,588
Selling and administrative expenses	25,056,498	32,345,513	25,026,483	28,483,362	25,770,323	35,572,648
Provision for doubful debts	61,440,920	-	-	-	-	-
Finance cost	6,721,723	7,620,577	7,358,526	9,403,233	11,871,773	13,390,554
(Loss) / Profit before tax	(54,897,677)	30,146,264	8,031,425	7,887,447	(1,031,425)	(13,173,397)
(Loss) / Profit after tax	(37,250,757)	22,262,785	13,546,182	15,225,877	(6,754,736)	(4,966,426)
Paid up Capital	250,000,000	250,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Total Assets	453,987,266	458,307,524	387,934,327	346,208,180	328,989,914	322,253,644
Total Liabilities	197,546,247	160,180,512	162,070,100	133,890,135	131,897,746	118,406,740

Pattern of Shareholding

As on 30/06/2016

No. of shareholders	<-- Having shares --> From	To	Shares held	Percentage
153	1	100	2,056	0.0082
254	101	500	123,772	0.4951
133	501	1,000	128,839	0.5154
237	1,001	5,000	718,417	2.8737
94	5,001	10,000	810,693	3.2428
27	10,001	15,000	362,500	1.4500
22	15,001	20,000	420,985	1.6839
13	20,001	25,000	316,000	1.2640
10	25,001	30,000	289,500	1.1580
4	30,001	35,000	133,500	0.5340
1	35,001	40,000	40,000	0.1600
3	40,0011	45,000	135,000	0.5400
8	45,001	50,000	387,914	1.5517
2	50,001	55,000	107,000	0.4280
1	55,001	60,000	59,000	0.2360
1	70,001	75,000	75,000	0.3000
1	80,001	85,000	83,500	0.3340
2	90,001	95,000	185,500	0.7420
4	95,001	100,000	400,000	1.6000
3	100,001	105,000	305,500	1.2220
1	105,001	110,000	110,000	0.4400
1	110,001	115,000	112,000	0.4480
1	115,0011	120,000	120,000	0.4800
1	140,001	145,000	145,000	0.5800
1	145,001	150,000	150,000	0.6000
1	155,001	160,000	155,423	0.6217
2	195,001	200,000	395,529	1.5821
1	205,001	210,000	205,500	0.8220
1	285,001	290,000	288,500	1.1540
2	305,001	310,000	616,000	2.4640
1	315,001	320,000	318,000	1.2720
1	485,001	490,000	485,500	1.9420
2	495,001	500,000	1,000,000	4.0000
1	1,145,001	1,150,000	1,146,042	4.5842
1	1,995,001	2,000,000	2,000,000	8.0000
1	2,875,001	2,880,000	2,879,002	11.516
1	9,785,001	9,790,000	9,788,828	39.1553
993	Company	Total	25,000,000	100

Category of shareholders

As on 30/6/2016

PARTICULARS	NO. OF FOLIO	BALANCE SHARE	PERCENTAGE
Directors, Sponsors & Childern	7	4,027,544	16.11%
Associated Companies	2	11,788,828	47.16%
Corporate Share Holders	10	729,210	2.92%
General Public	974	8,454,418	33.82%
Company Total	993	25,000,000	100.00%

List of shareholders holding 5 % and above shares

As on 30/6/2016

SR. NO.NAME	NO. OF SHARES	PERCENTAGE
ARIF HABIB LIMITED	9,788,828	39.16%
ABDUS SAMAD	2,879,002	11.52%
ROTOCAST ENGINEERING CO. (PVT) LTD	2,000,000	8.00%
Total	**14,667,830**	

Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.5.19 of listing regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Director	Mr. Shahid Aziz Siddiqi, Mr. Khalil Ahmed
Executive Director	Mr. Kashif Habib, Syed Muhammad Talha
Non-executive Directors	Mr. Nasim Beg, Mr. Samad Habib and Syed Najmuddujah Jaffri

   The independent director meets the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancies occurred in the Board during the period under review.

5. 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.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. 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 and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. One of the director is exempted from requirements of Director’s training program in accordance with regulation No. 5.19.7 of Listing Regulations of Pakistan Stock Exchange due to having minimum of 14 years of education and 15 years of experience on the board of a listed company. Further two directors have obtained the required training. The company is committed to get all those directors of its board acquire the certification under the director’s training program by 30th June 2018 which require such certification in accordance with the subject regulation.

10. The board has approved remuneration and terms and conditions of employment of CFO, Company Secretary and Head of Internal Audit.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises of three members, majority of whom including the chairman are non-executive directors.

18. The board has set up an effective internal audit function. The staff is considered to be suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

Kashif Habib
Chief Executive Officer

Karachi : October 03, 2016

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of Safe Mix Concrete Limited ("the Company") for the year ended 30 June 2016 to comply with the requirements of Listing Regulations of Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As 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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended 30 June 2016.

Further, we highlight below instance of non-compliance with the requirement of the Code as reflected in paragraph 18 in the Statement of Compliance regarding position of Head of Internal Audit falling vacant as required by clause (xxxi) of the Code of Corporate Governance.

Naveed Zafar Ashfaq Jaffery& Co.
Chartered Accountants
Engagement Partner**: Ahsan Elahi Vohra**

Karachi

Dated: **October 03, 2016**

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Safe Mix Concrete Limited ("the Company") as at 30 June 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with notes forming part thereof, for the year then ended 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 purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing Standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the above said statement. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;

b) In our opinion:

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 2.5 and 4 with which we concur;

   (ii) the expenditure incurred during the year was for the purpose of the company's business; and

   (iii) the business conducted, investment made and the expenditure incurred during the year were in accordance with the objects of the company;

c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 June 2016 and of the losses, its cash flows and changes in equity for the year then ended; and

d) In our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Naveed Zafar Ashfaq Jaffery & Co.

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
Engagement partner: **Ashan Elahi Vohra**
Karachi

Dated: **October 03, 2016**

BALANCE SHEET
As at 30 June 2016

	Note	2016	2015 (Restated)	2014 (Restated)
			(Rupees)	
ASSETS				
Non - current assets				
Property, plant and equipment	5	**174,174,592**	199,896,416	183,317,687
Long term deposits	6	**31,519,850**	18,121,350	9,783,300
Deferred taxation	7	**29,344,089**	8,151,087	8,469,372
		235,038,531	226,168,853	201,570,359
Current assets				
Stores and spares		**6,469,144**	6,559,015	4,926,416
Stock in trade		**25,706,343**	24,290,302	18,068,912
Trade debts - unsecured	8	**93,538,254**	134,566,806	110,943,597
Advances, prepayments and other receivables	9	**48,355,104**	13,499,510	10,370,592
Taxation - net	10	**35,033,485**	37,438,968	40,542,243
Cash and bank balances	11	**9,846,405**	17,568,858	2,633,637
		218,948,735	233,923,459	187,485,397
TOTAL ASSETS		**453,987,266**	460,092,312	389,055,756
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorised capital				
35,000,000 ordinary shares of Rs. 10 each		**350,000,000**	350,000,000	350,000,000
Issued, subscribed and paid-up capital	12	**250,000,000**	250,000,000	200,000,000
Share premium		**14,728,576**	14,728,576	14,728,576
Accumulated (loss) / profit		**(8,287,557)**	30,079,237	8,752,615
		256,441,019	294,807,813	223,481,191
LIABILITIES				
Non - current liabilities				
Long term financing - secured	13	**47,036,750**	-	-
Staff retirement benefits	14	**6,677,428**	5,103,987	3,504,465
Deferred income	15	**11,200,000**	-	-
Current liabilities				
Trade and other payables	16	**129,272,069**	92,907,424	89,259,672
Current portion of deferred income	15	**3,360,000**	-	-
Accrued markup	17	-	1,151,297	1,778,932
Short term running finance	18	-	66,121,791	62,531,496
Loan from related party		-	-	8,500,000
		132,632,069	160,180,512	162,070,100
TOTAL EQUITY AND LIABILITIES		**453,987,266**	460,092,312	389,055,756
Contingencies and commitments	19			

The annexed notes 1 to 37 form an integral part of these financial statements.

CEO **Director**

Profit and Loss Account
For the year ended 30 June 2016

	Note	2016	2015 (Restated)
		(Rupees)	
Revenue		**304,467,342**	690,183,505
Cost of sales	20	**(281,687,468)**	(629,516,153)
Gross profit		**22,779,874**	60,667,352
Selling and administrative expenses	21	**(25,056,498)**	(30,395,343)
Finance cost	22	**(6,721,723)**	(7,620,577)
Other operating income	23	**15,541,590**	8,656,770
Other Charges	24	**-**	(2,287,984)
Provision for doubful debts	8.1	**(61,440,920)**	-
(Loss) / Profit before taxation		**(54,897,677)**	29,020,218
Taxation	25	**17,646,920**	(7,371,632)
(Loss) / Profit after taxation		**(37,250,757)**	21,648,586
(Loss) / Earnings per share - basic and diluted	35	**(1.49)**	1.01

The annexed notes 1 to 37 form an integral part of these financial statements.

CEO **Director**

Statement of Comprehensive Income

For the year ended 30 June 2016

	2016	2015 (Restated)
	(Rupees)	
(Loss) / Profit after taxation	**(37,250,757)**	21,648,586
Other comprehensive income for the year		
Items that will never be reclassified to profit and loss account		
Remeasurements of defined benefit liability	**(1,617,445)**	(473,476)
Tax thereon	**501,408**	151,512
Other comprehensive (loss) / income - net of tax	**(1,116,037)**	(321,964)
Total comprehensive (loss) / income for the year	**(38,366,794)**	21,326,622

The annexed notes 1 to 37 form an integral part of these financial statements.

CEO

Director

Cash Flow Statement

For the year ended 30 June 2016

	Note	2016	2015
		(Rupees)	
Cash flow from operating activities			
(Loss) / Profit before taxation		**(54,897,677)**	29,020,218
Adjustments for:			
Depreciation		**10,277,520**	10,455,309
Gain on sale of fixed assets		**(2,723,595)**	(640,193)
Provision for doubtful debts		**61,440,920**	-
Provision for staff benefits		**1,366,869**	1,126,046
Amortization of deferred income		**(2,240,000)**	-
Finance cost		**6,721,723**	7,620,577
		74,843,437	18,561,739
		19,945,760	47,581,957
Changes in working capital			
(Increase) / decrease in current assets:			
Stores and spares		**89,871**	(1,632,599)
Stock in trade		**(1,416,041)**	(6,221,390)
Trade debts		**(20,412,368)**	(23,623,209)
Advances, prepayments and other receivables		**(34,855,594)**	(3,128,918)
		(56,594,132)	(34,606,116)
Increase / (decrease) in current liabilities:			
Trade and other payables		**36,364,645**	3,647,752
Cash flow from operating activities		**(283,727.00)**	16,623,593
Taxes paid		**(639,191)**	(3,798,560)
Finance cost paid		**(7,873,020)**	(8,248,212)
Gratuity paid		**(1,410,873)**	-
		(9,923,084)	(12,046,772)
Net cash (used in) / generated from operating activities		**(10,206,811)**	4,576,821
Cash flow from investing activities			
Capital expenditure incurred		**(19,442,101)**	(27,383,845)
Proceeds from sale of fixed assets		**37,610,000**	990,000
Deferred income		**16,800,000**	-
Long term deposits paid		**(13,398,500)**	(8,338,050)
Net cash generated from / (used in) investing activities		**21,569,399**	(34,731,895)
Cash flow from financing activities			
Proceeds from long term financing		**47,036,750**	-
Loan from related party		**-**	(8,500,000)
Proceeds from issue of right shares		**-**	50,000,000
Net cash generated from financing activities		**47,036,750**	41,500,000
Net increase in cash and cash equivalents		**58,399,338**	11,344,926
Cash and cash equivalents at beginning of the year		**(48,552,933)**	(59,897,859)
Cash and cash equivalents at end of the year	31	**9,846,405**	(48,552,933)

The annexed notes 1 to 37 form an integral part of these financial statements.

CEO **Director**

Statement of Changes in Equity

For the year ended 30 June 2016

	Issued, subscribed and paid-up capital	Share premium	Accumulated profit / (loss)	Total
	(Rupees)			
Balance as at 30 June 2014 - as previously reported	200,000,000	14,728,576	11,135,651	225,864,227
Prior period adjustment (note 4)	-	-	(2,383,036)	(2,383,036)
Balance as at 30 June 2014 - restated	**200,000,000**	**14,728,576**	**8,752,615**	**223,481,191**
Issue of right shares	50,000,000	-	-	50,000,000
Total comprehensive income for the year ended 30 June 2015 - restated	-	-	21,326,622	21,326,622
Balance as at 30 June 2015 - restated	**250,000,000**	**14,728,576**	**30,079,237**	**294,807,813**
Total comprehensive loss for the year ended 30 June 2016	-	-	(38,366,794)	(38,366,794)
Balance as at 30 June 2016	**250,000,000**	**14,728,576**	**(8,287,557)**	**256,441,019**

The annexed notes 1 to 37 form an integral part of these financial statements.

CEO

Director

Notes to the Financial Statements
For the year ended 30 June 2016

1 STATUS AND NATURE OF BUSINESS

Safe Mix Concrete Limited ("the Company") was incorporated on 04 April 2005 as Private Limited Company. Subsequently, it has been converted into Public Limited Company on 21 February 2007 in accordance with the provisions of section 45 read with section 41(3) of the Companies Ordinance, 1984. On 16 March 2010 the Company was listed on Karachi Stock Exchange. The principal activity of the Company is production and supply of ready mix concrete, building blocks and construction of prefabricated buildings, factories and other construction sites. The registered office of the Company is situated at plot no. 1 - 6, Sector 26, Korangi Industrial Area, Karachi, Pakistan.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except otherwise disclosed.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is also the Company's functional currency and has been rounded to the nearest rupee.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates and assumptions with a significant risk of material adjustment in the future periods are included in following notes:

- Residual values and useful life of property, plant and equipment (note 3.1)
- Provision for taxation (note 3.9)

2.5 Amendments / interpretations to existing standards and forthcoming requirements

Standards, amendments or interpretations which became effective during the year

During the year, certain new standards and amendments to existing standards became effective. However, they did not have material affect on these financial statements, except for adoption of IFRS -13 'Fair Value Measurement'.

IFRS - 13 'Fair Value Measurement' became effective during the year which establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result, the Company has included additional disclosures in this regard in note 31 to these financial statements. Notwithstanding the above, the aforementioned change does not have material impact on fair value measurement of assets and liabilities.

New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 1 July 2016 and the Company does not expect to have any material / significant changes in its accounting policy except for disclosures, where applicable:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The amendments have no impact on Company's financial statements as the Company has the policy of depreciating / amortizing its property, plant and equipment and intangible assets based on the assessed useful lives.

- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures) (effective for annual periods beginning on or after 1 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Company's financial statements.

- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Company's financial statements.

- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments are not likely to have any impact on the financial statements of the company.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 - Property, plant and equipment for measurement and disclosure purposes. Therefore, the company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less cost to sell under IAS 41 - Agriculture. A bearer plant is a plant that is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed item of property, plant and equipment during construction. These amendments have no impact on the financial statements of the company.

- Amendments to IFRS 2 - 'Share-based payments' (effective for annual periods beginning on or after 1 January 2018). The amendments cover three accounting areas (a) measurement of cash-settled share-based payment; (b) classification of share share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. These amendments have no impact on the financial statements of the company.

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Company's financial statements.

- IAS 7 Disclosure Initiative – Amendments to IAS 7 (Effective for annual periods beginning on or after 1 January 2017.) The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments are likely to result in additional disclosures in the company's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued. The amendments are not likely to have any implication on the company's financial statements.

- IFRS 7 'Financial Instruments- Disclosures'. The amendments Adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. The amendments also clarifies the applicability of the amendments to IFRS 7 on offsetting disclosures to condensed interim financial statements. These amendments are not likely to have any implication on the company's financial statements.

- IAS 19 'Employee Benefits'. The amendments clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid These amendments are not likely to have any implication on the company's financial statements.

- IAS 34 'Interim Financial Reporting'. The amendments clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference. These amendments are not likely to have any implication on the company's financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

Owned

Operating fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on operating fixed assets except for batching plants and concrete pumps included in plant and machinery is charged on reducing balance method whereby the cost of an asset is written off over its estimated useful life at the rates given in note 5.1. Batching plants and concrete pumps are depreciated on the basis of units produced / transported.

Depreciation is charged from the month in which assets are available for use up to the month before the disposal of asset except batching plants and concrete pumps.

Depreciation methods, residual values and the useful lives of the assets are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit and loss as and when incurred.

Assets acquired under Ijarah Arrangements with financial institutions are classified as operating lease under Islamic Financial Accounting Standard (IFAS) No. 2 "Ijarah" was notified by SECP vide S.R.O. 431 (I) / 2007 on 22 May 2007. The said IFAS requires the Ijarah payments under such arrangements to be recognized as an expense over the ijarah term.

Capital work in progress

Capital work in progress is stated at cost less any accumulated impairment loss.

3.2 Impairment of assets

The Company assesses at each balance sheet date, whether there is any indication that assets may be impaired. If such an indication exists, the carrying amount of such assets is reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed their respective recoverable amounts, assets are written down to their recoverable amount and resulting impairment loss is recognized in the profit and loss account. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years. A reversal of the impairment loss is recognized in the profit and loss account.

3.3 Inventories

These are valued at the lower of cost and net realizable value. Cost is determined using weighted average method. Cost includes applicable purchase cost plus other directly attributable charges incurred thereon. Write down in inventories is made for slow moving and obsolete items.

3.4 Trade debts

Trade and other receivables are carried at cost, which is the fair value of the consideration to be received, less provision for doubtful debts, if any. Doubtful debts are estimated on the basis of review of outstanding amounts at the year end. Bad debts are written off when identified.

3.5 Revenue recognition

Revenue is recorded when significant risks and rewards are transferred to the customers, i.e. when dispatch is received and approved by the customer at the project site.

Markup income on deposits is recognized on a time proportion basis.

3.6 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and balances with bank. Bank overdrafts / short term borrowings that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of cash flow statement.

3.7 Financial instruments

Financial assets and liabilities are recognized when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item. These financial assets and liabilities are subsequently measured at fair value or amortized cost using the effective interest rate method, as the case may be.

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset.

3.8 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.9 Taxation

Income tax comprises of current and deferred tax.

Current

Provision for current year taxation is based on the taxable income determined in accordance with the prevailing law for taxation at the current rate of tax or one percent of turnover, whichever is higher, after taking into account applicable tax credits, rebates and exemptions available, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is provided using the balance sheet liability method in respect of all temporary differences arising from 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 deductable temporary differences, unused tax loses and tax credits can be utilized. The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realized or the liability settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

3.10 Borrowing costs

Mark-up, interest and other charges on borrowings are capitalized up to the date of commissioning of the related qualifying asset, acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are recognized in profit and loss account in the period in which they are incurred.

3.11 Provisions

Provisions are recognized when the Company has a 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 amount can be made.

3.12 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.13 Dividend and appropriations

Dividend and other appropriations are recognized in the period in which these are declared / approved.

3.14 Staff retirement benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees. The actuarial valuation is carried out using the Projected Unit Credit Method.

4 RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

"During the year, the Company has restated its prior period financial statement in accordance with International Accounting Standard (IAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors"" to account for recognition of staff retirement benefits provision as per IAS 19 “Employee Benefits”.

Due to oversight previously there was no provision recorded and disclosed in the financial statements as per IAS 19 . Now the company has recognized provision for staff benefit scheme as per IAS 19 and the related disclosures are duly provided in the financial statements.

	As at June 30, 2015		
	As previously reported	Effects	As restated
	---------------------------- (Rupees) ----------------------------		
Effect on balance sheet			
Staff retirement benefit - employees gratuity	**-**	**5,103,987**	**5,103,987**
Deferred tax asset	**(6,366,299)**	**(1,784,788)**	**(8,151,087)**
	(6,366,299)	**3,319,199**	**(3,047,100)**
Effect on profit and loss			
Cost of sales	**-**	**788,232**	**788,232**
Selling and administrative expenses	**-**	**337,814**	**337,814**
Deferred taxation	**981,644**	**(511,847)**	**469,797**
	981,644	**614,199**	**1,595,843**
Effect on earnings per share	**1.04**	**(0.03)**	**1.01**
Effect on other comprehensive income			
Remeasurement of post employment benefits obligation - Actuarial gain net of deferred tax		**473,476**	**473,476**
	-	**(151,512)**	**(151,512)**
	-	**321,964**	**321,964**

There is no cash flow effect of the above restatement.

	For the year ended June 30, 2014		
	As previously reported	Effects	As restated
	---------------------------- (Rupees) ----------------------------		
Effect on balance sheet			
Staff retirement benefit - employees gratuity	-	3,504,465	3,504,465
Deferred tax asset	(7,347,943)	(1,121,429)	(8,469,372)
	(7,347,943)	2,383,036	(4,964,907)
Effect on profit and loss			
Cost of sales	469,813,447	2,453,126	472,266,573
Selling and administrative expenses	25,026,483	1,051,340	26,077,823
Deferred taxation	(2,087,387)	(1,121,429)	(3,208,816)
	492,752,543	2,383,036	495,135,579
Effect on earnings per share	0.68	(0.12)	0.56

There is no cash flow effect of the above restatement.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2016	2015
		(Rupees)	
Operating fixed assets	5.1	**170,887,438**	195,265,263
Capital work in progress	5.4	**3,287,154**	4,631,153
		174,174,592	199,896,416

5.1 **Operating fixed assets**

	2016										
	Cost					Depreciation				Net book value as at 30 June 2016	
Particulars	**As at 01 July 2015**	**Additions**	**Transfers**	**Disposals**	**As at 30 June 2016**	**As at 01 July 2015**	**For the year**	**Transfers**	**On Disposal**	**As at 30 June 2016**	**Rate**
Building	4,572,931	141,473	917,652	-	**5,632,056**	1,330,446	195,656	-	-	**1,526,102**	**4,105,954**	5%
Project civil works	1,906,967	-	-	-	**1,906,967**	1,782,276	62,345	-	-	**1,844,621**	**62,346**	50%
Plant and machinery	278,809,935	159,020	18,989,733	(62,067,035)	**235,891,653**	90,112,191	9,365,678	-	(27,207,755)	**72,270,114**	**163,621,539**	10% & units of production / transported
Vehicles	6,102,617	154,000	84,000	(576,500)	**5,764,117**	4,561,757	335,097	-	(549,375)	**4,347,479**	**1,416,638**	20%
Furniture and fixture	528,306	57,800	-	-	**586,106**	245,819	31,465	-	-	**277,284**	**308,822**	10%
Computers	1,441,391	238,130	-	-	**1,679,521**	905,150	199,882	-	-	**1,105,032**	**574,489**	30%
Electrical equipment	655,847	-	-	-	**655,847**	334,935	32,091	-	-	**367,026**	**288,821**	10%
Office equipment	1,111,565	44,292	-	-	**1,155,857**	591,722	55,306	-	-	**647,028**	**508,829**	10%
Rupees	295,129,559	794,715	19,991,385	(62,643,535)	**253,272,124**	99,864,296	10,277,520	-	(27,757,130)	**82,384,686**	**170,887,438**	

	2015										
	Cost					Depreciation				Net book value as at 30 June 2014	
Particulars	As at 01 July 2014	Additions	Transfers	Disposals	As at 30 June 2015	As at 01 July 2014	For the year	Transfers	On Disposal	As at 30 June 2015	Rate
Owned											
Building	4,319,436	253,495	-	-	4,572,931	1,165,348	165,098	-	-	1,330,446	3,242,485	5%
Project civil works	1,906,967	-	-	-	1,906,967	1,657,586	124,690	-	-	1,782,276	124,691	50%
Plant and machinery	246,442,205	32,367,730	-	-	278,809,935	80,660,999	9,451,192	-	-	90,112,191	188,697,744	10% & units of production / transported
Vehicles	7,458,827	322,290	-	(1,678,500)	6,102,617	5,497,918	392,532	-	(1,328,693)	4,561,757	1,540,860	20%
Furniture and fixture	491,756	36,550	-	-	528,306	215,108	30,711	-	-	245,819	282,487	10%
Computers	1,328,451	112,940	-	-	1,441,391	704,979	200,171	-	-	905,150	536,241	30%
Electrical equipment	653,947	1,900	-	-	655,847	299,472	35,463	-	-	334,935	320,912	10%
Office equipment	1,073,915	37,650	-	-	1,111,565	536,270	55,452	-	-	591,722	519,843	10%
Rupees	263,675,504	33,132,555	-	(1,678,500)	295,129,559	90,737,680	10,455,309	-	(1,328,693)	99,864,296	195,265,263	

5.2 The details of operating assets sold, having net book value in excess of Rs. 50,000 each are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of buyers
Plant and machinery	4,478,669	(2,674,111)	1,804,558	2,700,000	Negotiation	Adam Khan
"	3,759,153	(1,476,476)	2,282,677	3,300,000	Negotiation	Adam Khan
"	3,700,107	(1,511,638)	2,188,469	2,400,000	Negotiation	Muhammad Jamal
"	4,061,088	(1,891,895)	2,169,193	2,450,000	Negotiation	Muhammad Jamal
"	3,599,741	(843,739)	2,756,002	2,600,000	Negotiation	Ameer Jaan
"	3,310,659	(1,599,030)	1,711,629	2,300,000	Negotiation	Ameer Jaan
"	3,228,169	(1,782,109)	1,446,060	2,400,000	Negotiation	Shahid Mustafa
"	2,323,316	(1,299,947)	1,023,369	2,300,000	Negotiation	Shahid Mustafa
"	2,080,745	(954,130)	1,126,615	2,300,000	Negotiation	Shahid Mustafa
"	4,036,168	(1,673,439)	2,362,730	2,275,000	Negotiation	Syed Kamal
"	5,160,770	(2,069,307)	3,091,462	2,275,000	Negotiation	Syed Kamal
"	4,582,036	(1,587,537)	2,994,499	2,275,000	Negotiation	Syed Kamal
"	4,588,086	(1,592,991)	2,995,095	2,275,000	Negotiation	Syed Kamal
"	5,471,769	(2,086,491)	3,385,278	3,250,000	Negotiation	Syed Kamal
"	4,486,086	(1,569,051)	2,917,035	1,000,000	Negotiation	Syed Kamal
"	3,200,473	(2,595,863)	604,610	1,000,000	Negotiation	Syed Kamal
Vehicles	576,500	(549,376)	27,124	510,000	Negotiation	Taj
	62,643,535	**(27,757,130)**	**34,886,405**	**37,610,000**		

	Note	2016	2015
		(Rupees)	
5.3 The depreciation charge is allocated as follows:			
Cost of sales	20	**9,529,526**	9,711,756
Selling and administrative expenses	21	**747,994**	743,553
		10,277,520	10,455,309

5.4 This includes capital work in progress mainly pertaining to plant and machinery, office equipments and certain civil works amounting to Rs. 1,432,292, 709,070 and Rs. 629,317 respectively.

	Note	2016	2015
		(Rupees)	
6 LONG TERM DEPOSITS			
Deposits against Ijarah finance		**28,227,420**	14,769,420
Others	6.1	**3,292,430**	3,351,930
		31,519,850	18,121,350

6.1 These represent security deposits mainly against rented premises.

	Note	2016	2015
		(Rupees)	
7 DEFERRED TAXATION			
The asset / (liability) for deferred taxation comprises of temporary differences relating to:			
Deferred tax liability			
Accelerated tax depreciation		**(25,767,502)**	(29,430,155)
Deferred tax assets			
Provision for doubtful debts		**19,046,685**	-
Staff retirement benefits		**2,571,411**	1,784,788
Unabsorbed tax credits	7.1	**33,493,495**	35,796,454
		29,344,089	8,151,087

7.1 Tax loss on account of unabsorbed depreciation amounting to Rs. 43.643 million and minimum tax credit amounting to Rs. 19.428 million is available to the Company's credit. Deferred tax asset in respect thereof has been recognized as availability of sufficient taxable profits in future tax years to avail tax credit is expected.

	Note	2016	2015
		(Rupees)	
8 TRADE DEBTS - UNSECURED			
Considered good		**93,538,254**	134,566,806
Considered doubtful		**61,440,920**	-
		154,979,174	134,566,806
Provision for doubtful debts	8.1	**(61,440,920)**	-
		93,538,254	134,566,806
8.1 Provision for doubtful debts			
Balance as at July 1		**-**	-
Charge for the year	29.1	**61,440,920**	-
Balance as at June 30		**61,440,920**	-
9 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances to staff	9.1	**5,924,753**	2,202,941
Advances to suppliers - unsecured, considered good		**37,925,476**	7,572,758
Prepayment		**1,278,803**	1,019,017
Other receivables		**3,226,072**	2,704,794
		48,355,104	13,499,510

9.1 These represent advances given to employees against expenses on behalf of the Company amounting to Rs. 4.265 million (2015: Rs. 1.917 million).

	Note	2016	2015
		(Rupees)	

10 TAXATION - NET

Advance taxation		**38,078,158**	44,340,803
Provision for taxation		**(3,044,673)**	(6,901,835)
		35,033,485	37,438,968

10.1 Income tax returns of the Company have been filed up to tax year 2015, which are deemed to be assessment orders under section 120 (1) of the Income Tax Ordinance, 2001 (the Ordinance). The Assistant Commissioner Inland Revenue (ACIR) has also issued a notice under section 177 of the Ordinance to conduct the audit of the affairs of the Company for the tax year 2011. The audit proceedings for the same have not yet commenced.

11 CASH AND BANK BALANCES

	Note	2016	2015
		(Rupees)	
Cash in hand		**586,025**	412,671
Cash at bank			
- current accounts		**1,654,230**	13,835,727
- deposit accounts	11.1	**7,606,150**	3,320,460
		9,260,380	17,156,187
		9,846,405	17,568,858

11.1 These carry profit at the rate of 6 % (2015: 6 %) per annum.

12 SHARE CAPITAL

12.1 Authorised share capital:

35,000,000 ordinary shares of Rs. 10 each	**350,000,000**	350,000,000

12.2 Issued, subscribed and paid-up capital

2016	2015			
(Number of shares)				
25,000,000	25,000,000	Fully paid ordinary shares of Rs. 10 each issued for cash	**250,000,000**	250,000,000

13 LONG TERM FINANCING - SECURED

Details of long term financing are as follows:

Islamic

	Note	2016	2015
Diminishing musharka	13.1	**47,036,750**	-

13.1 During the current year, the Company converted its short term running finance facility from Bank of Punjab to Islamic mode of financing and entered into a diminishing musharka of Rs. 47.037 million for plant and machinery with the Bank of Punjab Taqwa Islamic Banking. The arrangement carry profit at the rate of 1 year KIBOR + 2.5% and with quarterly rental repayments. The arrangement is for a tenure of five years from the date of disbursement and are structured in such a way first principal repayment installment will commence from the fifth installment. Arrangement is secured against 1st charge of PKR 160 million over all present and future fixed assets (plant and machinery) of the Company registered with SECP.

14 STAFF RETIREMENT BENEFITS

The latest actuarial valuation of the scheme as at June 30, 2016 was carried out using the Projected Unit Credit Method. Details of the scheme as per the actuarial valuation are as follows:

		Note	2016	2015 (Restated)
			(Rupees)	
14.1	Balance sheet reconciliation			
	Present value of defined benefit obligation		**6,677,428**	5,103,987
	Fair value of plan assets		**-**	-
	Net liability at the end of the year		**6,677,428**	5,103,987
14.2	**Movement in net liability in the balance sheet**			
	Net liability at beginning of the year		**5,103,987**	3,504,465
	Charge for the year		**1,366,869**	1,126,046
	Remeasurement (gain) / loss recognized in Other comprehensive income		**1,617,445**	473,476
	Benefits paid during the year		**(1,410,873)**	-
	Net liability at end of the year		**6,677,428**	5,103,987
14.3	**Movement in the present value of defined benefit obligation**			
	Present value of defined benefit obligation at beginning of the year		**5,103,987**	3,504,465
	Current service cost		**1,021,220**	810,644
	Interest cost		**345,649**	315,402
	Benefits paid during the year		**(1,410,873)**	-
	Remeasurement gain on obligation		**1,617,445**	473,476
	Present value of defined benefit obligation at the end of the year		**6,677,428**	5,103,987
14.4	**Expense recognized in profit and loss account**			
	Current service cost		**1,021,220**	810,644
	Net interest		**345,649**	315,402
			1,366,869	1,126,046

14.5 Actuarial assumptions used

	2016	2015
Withdrawal rate	**Low**	Low
Mortality rate	**SLIC 2001-05-1**	SLIC 2001-05-1
Valuation discount rate	**9%**	9%
Expected rate of increase in salaries	**9%**	9%

14.6 Charge for the year has been allocated as follows:

	Note	2016	2015 (Restated)
		(Rupees)	
Cost of sales		**956,808**	788,232
Selling and administrative expense		**410,061**	337,814
		1,366,869	1,126,046

14.7 Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

		2016	
		Increase / (decrease) in obligation	
		(Rupees)	
Discount rate	+ / - 1%	5,944,797	7,552,481
Expected rate of salary increase	+ / - 1%	7,605,986	5,891,121

The sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for gratuity recognized within the balance sheet.

14.8 The scheme exposes the Company to the actuarial risks such as:

Salary risks

The risks that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries' service / age distribution and the benefit.

Longevity risks

The risk arises when the actual lifetime of the retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

14.9 The expected gratuity cost to be recognized for the next one year amounts to Rs. 1,439,787.

15 DEFFERED INCOME

During the current year, the Company purchased eight transit mixers through auction sale for Rs. 47.2 million and entered into Ijarah arrangement with various financial institutions. The said financial institutions carried valuation of these transit mixers from a third party, who valued them for Rs. 64 million. Therefore, financial institutions entered into Ijarah arrangement for Rs. 64 million, resulting in deferred income of Rs. 16.8 million (representing excess of sales proceeds over the carrying amount of respective assets) out of which 3.36 million is classified in current liabilities; being current portion of deferred income. The deferred income will be amortized to profit and loss account over the lease term. During the year Rs. 2.24 million is amortized in the profit and loss account.

16 TRADE AND OTHER PAYABLES

	Note	2016	2015
		(Rupees)	
Trade creditors		**74,386,819**	67,344,866
Murabaha finance facilities	16.1	**32,134,968**	-
Advances from customers		**4,490,536**	8,144,680
Accrued expenses		**1,645,678**	4,490,473
Withholding tax payable		**3,790,897**	470,078
Workers' Welfare Fund (WWF)		**1,715,311**	1,715,311
Workers' Profit Participation Fund (WPPF)	16.2	**8,439,379**	7,566,575
Other payables		**2,668,481**	3,175,441
		129,272,069	92,907,424

16.1 This represents murabaha financing facilities under Islamic mode of financing from Bank of Punjab (Taqwa Islamic) for procurement of raw material for concrete mix including cement, sand and chemical etc. to the extent of Rs. 120 million (2015: nil). The financing facility carries profit rate of matching KIBOR plus 2%. This secured against 1st charge of PKR 160 million over all present and future current assets of the Company registered with SECP.

16.2 Workers' Profit Participation Fund

	Note	2016	2015
		(Rupees)	
As at the beginning of the year		**7,566,575**	5,183,679
Interest on funds utilized by the Company	16.2.1	**872,804**	724,937
Charge for the year		**-**	1,657,959
As at end of the year		**8,439,379**	7,566,575

16.2.1 Interest on Workers' Profit Participation Fund is charged at 13.61% (2015: 13.99%) per annum.

17 ACCRUED MARK-UP

	Note	2016	2015
Mark-up on short term running finance	13.1	**-**	1,151,297

18 SHORT TERM RUNNING FINANCE - SECURED

CONVENTIONAL	***Limit in millions of Rupees***			
The Bank of Punjab	120.00	18.1	**-**	66,121,791

18.1 This represents utilized portion of short term running finance facility available from the Bank of Punjab under mark-up arrangement. This facility is secured by way of first exclusive charge over non-current and current assets of the Company for Rs. 160 million registered with Securities and Exchange Commission of Pakistan. It carries mark-up at the rate of 3 months average KIBOR plus 200 bps.

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 Section 113(2)(c) of the Income Tax Ordinance, 2001 was interpreted by a Divisional Bench of the Sindh High Court (SHC) in the Income Tax Reference Application (ITRA) No. 132 of 2011 dated 7 May 2013, whereby it was held that the benefit of carry forward of minimum tax is only available in the situation where the actual tax payable in a tax year is less than minimum tax. Therefore, where there is no tax payable, interalia, due to brought forward tax losses, minimum tax could not be carried forward for adjustment with future tax liability. The Company has carried forward minimum tax of current and previous years amounting to Rs. 19.964 million and the Company expects to adjust the amount against the future taxable profits. The management is of the view that the interpretation of SHC has been challenged in the Supreme Court of Pakistan and they are waiting for its final outcome.

19.1.2 Tax Authorities have conducted proceedings of withholding tax under section 161 of Income Tax Ordinance, 2001 for tax year 2012 and created an arbitrary demand of Rs. 11.252 million. The Company's appeal before CIR (A) / Appellate Tribunal Inland Revenue (ATIR) is pending for adjudication. The management is confident that the appeal will be decided in favor of the company; therefore, no provision has been made against the said demand of Rs. 11.252 million.

19.2 Commitments

There are no commitments at the balance sheet date (2015: Nil).

20 COST OF SALES

	Note	2016	2015 (Restated)
		(Rupees)	
Raw material and stores consumed		**122,162,308**	485,925,898
Salaries, Wages and Other benefits	20.1	**38,974,334**	45,832,999
Depreciation	5.3	**9,529,526**	9,711,756
Ijarah payments	28	**21,968,307**	8,257,541
Fuel and power		**18,326,163**	39,139,866
Repair and maintenance		**2,215,671**	3,589,651
Equipment hiring charges		**17,560,821**	6,015,772
Carriage and freight		**1,125,000**	22,180
Fleet outsourcing charges		**41,837,460**	22,184,876
Insurance expenses		**4,093,022**	2,968,338
Premises rent		**3,698,946**	5,441,348
Site preparation and sample testing		**195,910**	425,928
		281,687,468	629,516,153

20.1 Salaries, wages and other benefits include Rs. 956,808 for the year ended 30 June 2016 (2015: Rs. 788,232) in respect of staff retirement benefits.

21 SELLING AND ADMINISTRATIVE EXPENSES

	Note	2016	2015 (Restated)
		(Rupees)	
Salaries, Wages and Other benefits	21.1	**11,755,330**	15,010,805
Traveling and conveyance		**1,085,054**	1,213,134
Depreciation	5.3	**747,994**	743,553
Auditors' remuneration	21.2	**895,000**	782,500
Sales commission	21.3	**3,405,018**	5,869,716
Security expenses		**-**	2,200
Postage, telegram and telephones		**778,939**	667,091
Rent, rates and taxes		**1,549,218**	2,039,552
Insurance		**824,156**	262,483
Entertainment		**321,928**	363,228
Printing and stationery		**654,111**	579,484
Utilities		**380,411**	690,829
Advertisement and sales promotion		**295,680**	232,945
Legal and professional fee		**962,647**	596,800
Repair and maintenance		**417,728**	668,787
Miscellaneous		**983,284**	672,236
		25,056,498	30,395,343

21.1 Salaries, wages and other benefits include Rs. 410,061 for the year ended 30 June 2016 (2015: Rs. 337,814) in respect of staff retirement benefits.

21.2 Auditors' remuneration

	Note	2016	2015
		(Rupees)	
Statutory audit and other certifications		**660,000**	600,000
Half yearly review		**175,000**	137,500
Out of pocket expenses		**60,000**	45,000
		895,000	782,500

21.3 This includes sales commission of Rs. 2,350,873 (2015: Rs. 3,695,416) related to Karachi Metropolitan Corporation.

22 FINANCE COST

	Note	2016	2015
		(Rupees)	
Bank charges		**144,936**	325,989
Mark-up expense		**5,703,983**	6,569,651
Interest on WPPF and WWF	16.2	**872,804**	724,937
		6,721,723	7,620,577

		Note	2016	2015
			(Rupees)	
23	**OTHER OPERATING INCOME**			
	Income from financial assets			
	- profit on deposit accounts		**423,668**	527,624
	Income / (loss) from assets other than financial assets			
	- gain / (loss) on sale of fixed assets	5.2	**2,723,595**	640,193
	- miscellaneous income		**12,394,327**	7,488,953
			15,541,590	8,656,770

			2016	2015
24	**OTHER CHARGES**			
	Workers' welfare fund (WWF)		**-**	630,025
	Workers' profit participation fund (WPPF)		**-**	1,657,959
			-	2,287,984

25 TAXATION

	Note	2016	2015 (Restated)
		(Rupees)	
Income tax			
- Current	25.1	**3,044,673**	6,901,835
Deferred taxation		**(20,691,593)**	469,797
		(17,646,920)	7,371,632

25.1 Provision for current tax has been made in accordance with section 113 of the Income Tax Ordinance, 2001 ("the Ordinance"). There is no relationship between tax expense and accounting profit as the provision for current taxation is based on turnover tax therefore no numerical reconciliation has been presented.

26 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2016		
	Chief Executive	**Non- Executive Directors**	**Executive**
	---------------------------- (Rupees) ----------------------------		
Remuneration	**2,352,000**	**-**	**15,677,542**
Meeting fee	**-**	**50,000**	**-**
Total	**2,352,000**	**50,000**	**15,677,542**
Number of persons	**1**	**1**	**13**

	2015		
	Chief Executive	Non- Executive Dircetors	Executive
	---------------------------- (Rupees)		----------------------------
Remuneration	2,352,000	-	18,945,182
Meeting fee	-	62,500	-
Total	2,352,000	62,500	18,945,182
Number of persons	1	1	14

No other benefits are being paid by the Company other than those mentioned above.

27 NUMBER OF EMPLOYEES

The average number of employees during the year and as at reporting date are as follows:

	2016	2015
	(Number of employees)	
Average number of employees during the year	**80**	135
Total number of employees as at June 30	**72**	115

28 IJARAH

	2016	2015
	(Rupees)	
Total future ijarah payment		
Up to one year	**29,355,351**	14,430,854
Later than one year but not later than five years	**82,702,455**	47,528,579
	112,057,806	61,959,433

The total ijarah rentals due under the ijarah agreements aggregate Rs. 5.315 million (June 30, 2015 : Rs. 7.446 million) and are payable in equal monthly installments under various ijarah agreements, latest by 2019. If any Ijarah is terminated, the Mustajir (lessee) is required to pay the purchase price specified in the ijarah agreements. The cost of repairs and insurance are borne by the Mustajir (lessee). The Ijarah is partially secured by a deposit of Rs. 28.227 million (June 30, 2015 : Rs. 14.769 million) and demand promissory note. The company intend to exercise the option of purchasing the assets under Ijarah at residual value upon completion of Ijarah term.

29 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company’s risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

29.1 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted and arise principally from deposits, trade debts, advances, other receivables and bank balances.

To manage exposure to credit risk in respect of trade debts, 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.

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 effected by the changes in economic, political or other conditions. The Company manages its exposure to concentration of credit risk arising out of trade debts through credit reviews taking into account the customer's financial position and by making sales against advanced receipts.

The maximum exposure to credit risk at the reporting date was:

	2016	2015
	(Rupees)	
Long term deposits	**31,519,850**	18,121,350
Trade debts - net of provision	**93,538,254**	134,566,806
Advances and other receivables	**47,076,301**	12,480,493
Bank balances	**9,260,380**	17,156,187
	181,394,785	182,324,836

All trade debts are in domestic currency and the aging of trade receivabels at the reporting date is:

	2016		2015	
	Gross	**Provision**	**Gross**	**Provision**
	(Rupees)			
Not past due	**35,146,378**	**-**	34,389,391	-
Past due 1 – 180 days	**42,572,401**	**-**	48,899,846	-
Over 180 days	**77,260,394**	**61,440,920**	51,277,569	-
	154,979,176	**61,440,920**	134,566,806	-

Out of total impairment of 61.44 million, 38.056 million relates to north side of country’s operations which were closed during the financial year. While the Management will continue to pursue these receivables vigorously, it is of the view that prudence demands that provisioning be made for receivables from customers in such cases where the Company does not have a continuing business relationship or for such cases where the Company’s claims have not been settled well beyond the market norms.

The Company's five significant customers account for Rs. 29.525 million (2015: Rs 43.747 million) of trade debts as at the reporting date. Exposure to any single customer does not exceed 16 % (2015: 12 %) of trade debts as at the reporting date.

Credit quality of major financial assets

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (where available) or to historical information about counterparty default rate:

Bank	Rating Long term	Rating Short term	Rating Agency	2016 (Rupees)	2015 (Rupees)
Bank of Punjab	AA-	A1+	PACRA	**891,071**	12,366,146
Bank Alfalah Islamic	AA	A1+	PACRA	**1,000**	-
Habib Metropolitan Bank Limited	AA+	A1+	PACRA	**7,706,150**	4,135,458
Bank Islami Pakistan Limited	A+	A1	PACRA	**662,159**	654,583
				9,260,380	17,156,187

29.2 **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet 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 stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return from operations. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation.

The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

	2016			
	Carrying amount	**Contractual maturities**	**Maturity upto one year**	**Maturity upto five years**
	------------------------- (Rupees) -------------------------			
Long term financing	**47,036,750**	**47,036,750**	**4,199,325**	**42,837,425**
Trade and other payables	**129,272,069**	**129,272,069**	**129,272,069**	**-**
	176,308,819	**176,308,819**	**133,471,394**	**42,837,425**

	2015			
	Carrying amount	**Contractual maturities**	**Maturity upto one year**	**Maturity upto five years**
	------------------------- (Rupees) -------------------------			
Trade and other payables	92,907,424	92,907,424	92,907,424	-
Accrued mark-up	1,151,297	1,151,297	1,151,297	-
Short term bank borrowings	66,121,791	66,121,791	66,121,791	-
	160,180,512	160,180,512	160,180,512	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

29.3 **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 arises mainly from receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to currency risk as all the operations of the Company are being carried out in local currency.

b) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments is:

	2016	2015
	Carrying Amount (Rupees)	
Variable rate instruments:		
Financial liabilities	**47,036,750**	**66,121,791**

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.
Cash flow sensitivity analysis for variable rate instruments

If interest rates at reporting date, fluctuate by 100 bps higher / lower with all other variables held constant, profit after taxation for the year 2016 and for 2015 would have decreased / increased respectively by the following amounts as a result of increase / decrease in finance cost on the variable rate financial liabilities:

	Note	**2016**	2015
		(Rupees)	
Effect on profit		**470,368**	661,218

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

29.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

29.5 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the debt-to-equity ratio calculated as a ratio of total debt to equity. Debt comprises long term debts and liabilities against assets subject to finance lease. Equity includes total equity as shown in the balance sheet.

The debt-to-equity ratios as at reporting dates are as follows:

	2016	2015
	(Rupees)	
Total debt	**47,036,750**	-
Total equity and debt	**303,477,769**	298,127,012
Gearing ratio	**15.5%**	0.0%

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

30 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise associated undertakings, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties at arm's length basis, unless otherwise disclosed. Amounts due from and due to related parties are shown under respective notes to the accounts. Other significant transactions and balances with related parties are as follows:

30.1 Transactions with related parties

	Note	**2016**	2015
		(Rupees)	
Associated companies:			
Thatta Cement Limited:			
Purchase of raw material		**56,443,174**	-
Power Cement Limited:			
Purchase of raw material		**167,738,288**	48,380,670
Javedan Corporation Limited:			
Sales		**26,503,305**	12,878,020

30.2 Balances with related parties

	Note	2016	2015
Payable to Power Cement Limited		**2,601,474**	10,198,186
Receivable from Javedan Corporation Limited		**17,660,637**	7,034,627
Receivable from Kaizen Construction (Private) Limited	30.3	**-**	114,269

30.3 Kaizen Construction (Private) Limtied was a related party in 2014. However, this has ceased to be related parties as of 30 June 2015.

31 CASH AND CASH EQUIVALENTS

	Note	2016	2015
		(Rupees)	
Cash and bank balances	11	**9,846,405**	17,568,858
Short term borrowings	18	-	(66,121,791)
		9,846,405	(48,552,933)

32 PLANT CAPACITY AND ACTUAL PRODUCTION

The production capacity and the actual production achieved during the year are as follows:

	2016	2015
	--------(Cubic meter)---------	
Available capacity		
Batching plant	**770,400**	770,400
Actual production		
Batching plant	**110,827**	107,550

The available capacity of the batching plant could not be fully utilized due to depressed activity in the construction industry.

33 MEASUREMENT OF FAIR VALUES

A number of the company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the company uses valuation technique techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 : quoted prices (Unadjusted) in active markets for identical assets or liabilities

Level 2 : inputs other than quote prices included in Level 1 that are observables for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : inputs for the asset or liability that are based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy a, then the fair value measurements is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. As at June 30, 2016 no assets and liabilities are recognized at fair values.

34 **OPERATING SEGMENTS**

The financial information has been prepared on the basis of a single reportable segment.

34.1 100 % (2015: 100 %) of the gross sales of the Company are made to customers located in Pakistan.

34.2 All non-current assets of the Company as at 30 June 2016 are located in Pakistan.

35 **(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED**

		2016	2015
		(Rupees)	
35.1	**(Loss) / earnings per share - basic and diluted**		
	(Loss) / profit after tax (Rupees)	**(37,250,757)**	21,648,586
	Weighted average number of ordinary shares outstanding during the year	**25,000,000**	21,438,356
	(Loss) / earnings per share - basic (Rupees)	**(1.49)**	1.01

There is no dilution effect on the basic earnings per share as the Company has no such commitments.

36 **CORRESPONDING FIGURES**

Corresponding figures have been re-arranged, where necessary, for the purpose of comparison.

From	To	Rupees
Miscellaneous	Other charges	2,287,984
Other payables	Creditors	676,454

37 **DATE OF AUTHORIZATION FOR ISSUE**

The financial statements were authorized for issue on 03 October, 2016 by the Board of Directors of the Company.

CEO

Director

PROXY FORM

I / We____ of
____ (full address) being member(s) of Safe Mix Concrete Limited and holding ____ ordinary shares as per Share Registrar Folio No. ____
______________________ or CDC Participant ID No. ____________________________________ and Sub A/c No.
_____________________ hereby appoint Mr./Mrs./Miss _________________________________ Folio No.________________________________of ____ (full address) failing Mr./Mrs./Miss ____ Folio No.________________________ of
____ (full address) another member of the Company to vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on October 28, 2016 and at any adjournment thereof.

As witness my / our hand this _________________________ day of _______________________ 2016.

	Please affix of Rs. 5/- Revenue stamp

Signature of member(s)

Witness: ________________________________
Name: __________________________________
CNIC No.: _______________________________
Address: ________________________________

Witness: ________________________________
Name: __________________________________
CNIC No.: _______________________________
Address: ________________________________

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as his / her proxy to attend ant vote instead of his / her. No person shall act as proxy (except for corporation) unless he / she is entitled to be present and votein his / her own right.

2. The instrument appointing proxy should be signed by the member(s)or by his / her attorney duly authorized, in writing, or if the member is a corporation / company either under the common seal or under the hand of an authorized or attorney so authorized.

3. This proxy form duly completed must be deposited at the registered office of the Company not later than 48 hours before the time of holding of meeting.

4. CDC Shareholders and their proxies must each attach an attested copy of of their NIC or Passport with this proxy form. The proxy form shall be witnessed by two persons whose names; addresses and NIC number shall be mentioned on the form.

5. In case Corporate entity the Board of Directors resolution / Power of Attorney with specimen signatures shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

پراکسی فارم

سالانہ جنرل اجلاس

میں مسمّٰی / مسماۃ ـــــــــــــــــ ساکن ــــــــــــــــــــــــ ضلع ــــــــــــــــــ

بحیثیت ممبر سیف مکس کنکریٹ لمیٹڈ، مسمّٰی / مسماۃ ــــــــــــــــــــــــــــــــ

ساکن ــــــــــــــــــــــــ کو بطورِ مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے

سالانہ اجلاسِ عام جو بتاریخ 28 اکتوبر، 2016 منعقد ہو رہا ہے میں اور ان کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

دستخط: ـــــــــــــ بروز/ بتاریخ ـــــــــــــــ 2016

گواہان:

1	2
نام: ــــــــــ	نام: ــــــــــ
پتہ: ــــــــــ	پتہ: ــــــــــ
شناختی کارڈ نمبر: ــــــــــ	شناختی کارڈ نمبر: ــــــــــ
دستخط: ــــــــــ	دستخط: ــــــــــ

دستخط ۵ روپے
ریوینیو اسٹیمپ

نوٹ:

- وہ رُکن جسے یہ اجلاس یا اجلاس میں ووٹ کا حق حاصل ہے وہ کسی ناگزیر صورتحال میں اپنی جگہ کسی دوسرے (مخصوص) رُکن کو یہ حق دے سکتا ہے کہ وہ رُکن اُس کی پراکسی استعمال کرتے ہوئے، اُس کے بجائے اجلاس میں شریک ہوسکتا ہے، خطاب کرسکتا ہے یا ووٹ کا اندراج کرسکتا ہے۔
- پراکسی ثابت کرنے کے لئے اُسے اپنا اصل پاسپورٹ اور فولیو نمبر سے دکھانا لازمی ہے تاکہ اجلاس میں شرکت کی اجازت سے قبل اُس کی شناخت کی جاسکے۔
- مئوثر بنانے کے لئے، پراکسی فارم ہمارے رجسٹرار کے دفتر (ایم/ایس) سینٹرل ڈیپوزیٹری کمپنی آف پاکستان، شیئر رجسٹرار ڈیپارٹمنٹ، سی ڈی سی ہاؤس، B-99، ایس، ایم، سی، ایچ، ایس، شاہراہِ فیصل، کراچی، پاکستان، میں اجلاس سے کم از کم 48 گھنٹے قبل وصول ہونا لازمی ہے۔ فارم میں تمام مطلوبہ معلومات، رُکن کے دستخط اور مہر، نیز دو گواہان کی بنیادی معلومات یعنی نام پتے، دستخط اور شناختی کارڈ نمبر کا اندراج ضروری ہے۔
- انفرادی رُکن کی صورت میں اصل اونر اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول منسلک کرنا لازمی ہے۔
- پراکسی کے کارپوریٹ ہونے کی صورت میں بورڈ آف ڈائیریکٹر کی قرارداد، پاور آف اٹارنی، شناختی کارڈ اور پاسپورٹ کی تصدیق شدہ نقول، پراکسی فارم کے ساتھ منسلک کرنا ضروری ہے۔

فی شیئر آمدنی:

مالیاتی سال 30 جون 2016 کے لئے فی شیئر خسارہ 1.49 روپے ہے جس کا موازنہ گزشتہ سال اسی مدت کے دوران فی شیئر آمدنی 1.01 روپے سے کیا جاسکتا ہے۔

مستقبل پر نظر:

ترقیاتی کام حکومت نے کی ہے جبکہ تعمیراتی سرگرمیوں میں پرائیویٹ اداروں کی جانب سے اضافہ ہوا ہے اس کے ساتھ ہی کمپنی کی پروڈکٹ کی ڈیمانڈ میں اضافہ ہوا ہے۔ بالخصوص چائنا پاکستان اکنامک کوریڈور CPEC کے علاوہ انٹریسٹ ریٹ کے تحت ملک میں اقتصادی سرگرمیوں میں کافی ترویج ہوئی ہے۔ اس ڈیمانڈ کو پورا کرنے کے لئے اور صنعت میں مقابلہ کرنے کے لئے کمپنی نے اپنا پلانٹ نئ 14 میٹر ٹیوب ٹرانزٹ مکسچر اپنی فیلڈ میں داخل کیا ہے۔

کمپنی اور اس کی انتظامیہ اور دیگر ماہر انسانی ذرائع کی سپورٹ کے ساتھ مستقل طور پر اضافی پروجیکٹس پر کام ہو رہا ہے اور یہ امید کی جاتی ہے کہ آگے چل کر بہتر نتائج حاصل ہونگے۔

اقرارنامہ:

کمپنی اس بات پر مکمل یقین رکھتی ہے کہ کامیابی کا دارومدار اس کے ملازمین کی سخت محنت اور جدوجہد سے ہوتی ہے۔ ہم کمپنی کے ہر ایک ممبر کی اس کام میں شمولیت کی تصدیق کرتے ہیں اور اپنے صارفین کے بھی مشکور ہیں جو کہ ہماری پروڈکٹس پر اعتماد کرتی ہیں ہم اپنے شیئر ہولڈرز، بینکس اور مالیاتی اداروں کے ان کی سپورٹ، ہدایت اور رہنمائی پر ان کا شکریہ ادا کرتے ہیں اور یقین دلاتے ہیں کہ اسی طرح یہ کمپنی رواں دواں رہے گی اور آنے والے سالوں میں ان کی سرمایہ کاری مکمل طور پر بے حد کارگر ثابت ہوگی۔ ہم SECP اور PSX کی انتظامیہ کے بھی مسلسل سپورٹ اور رہنمائی پر بے حد مشکور ہیں۔

بورڈ کی جانب سے

کاشف حبیب

چیف ایگزیکیٹو آفیسر

تاریخ: 3 اکتوبر 2016

☆ کمپنی کے مالیاتی اسٹیٹمنٹ جس میں کمپنی کے تمام معاملات صحیح ہیں۔

☆ کمپنی کے حساب کے کھاتے مرتب کئے گئے ہیں۔

☆ مناسب اکاؤنٹنگ کی پالیسیز کا اطلاق مسلسل طور پر مالیاتی اسٹیٹمنٹ کی تیاری میں کیا جاتا ہے اور اکاؤنٹنگ کے تخمینہ مناسب امور کی بنیاد پر تیار کئے جاتے ہیں۔

☆ انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ جس کا اطلاق پاکستان میں ہے اور اس پر مالیاتی اسٹیٹمنٹ کی تیاری میں استعمال کیا جاتا ہے اور موثر طور پر عملدرآمد ہوتا ہے۔

☆ داخلی کنٹرول کا سسٹم مضبوط ہے اور موثر طور پر اس پر عملدرآمد کیا جارہا ہے۔

☆ کمپنی کی مہارت پر کوئی شبہ نہیں ہے جو کہ اسی طرح رواں دواں ہے۔

☆ نظم وضبط کے حوالے سے کوئی بھی مواد بہترین پریکٹس کے حوالے سے مانع نہیں ہے۔

بورڈ آف ڈائریکٹرز کی میٹنگز:

سال 16-2015 کے دوران آڈٹ کمیٹی کی چار میٹنگ منعقد کی گئیں اور ہر ممبر نے کئی میٹنگ میں شرکت کی جس کی تفصیل درج ذیل ہے:۔

	ڈائریکٹرز کے نام:	میٹنگ میں شرکت کی تعداد:
ا۔	شاہد عزیز صدیقی*	4/4
۲۔	جناب نسیم بیگ	3/4
۳۔	جناب کاشف حبیب	4/4
۴۔	جناب صمد حبیب	4/4
۵۔	سید نجم الدین جعفری*	4/4
۶۔	جناب خالد احمد*	4/4
۷۔	سید محمد طلحہٰ*	4/4

وہ ڈائریکٹرز جو بورڈ کی میٹنگ میں حاضر نہ ہو سکے انہیں چھٹی دی گئی تھی۔

اس کمیٹی میں دیگر درج ذیل ہیں:۔

ا۔	جناب وسیم بیگ	(چیئرمین)
۲۔	جناب صمد حبیب	(ممبر)
۳۔	سید نجم الدین جعفری	(ممبر)

آڈٹ کمیٹی کی میٹنگ:

سال2015-16 کے دوران آڈٹ کمیٹی کی چار میٹنگ منعقد کی گئیں اور ہر ممبر نے کئی میٹنگ میں شرکت کی جس کی تفصیل درج ذیل ہے:۔

	ڈائریکٹرز کے نام:	میٹنگ میں شرکت کی تعداد:
ا۔	جناب وسیم بیگ	3/4
۲۔	جناب صمد حبیب	4/4
۳۔	سید نجم الدین جعفری	4/4

آڈیٹرز:

موجودہ آڈیٹرز میسرز نوید ظفر اشفاق جعفری اینڈ کمپنی چارٹرڈ اکاؤنٹینٹ ریٹائر ہونے کی وجہ سے دوبارہ سال2016-17 کے لئے تقرری کیلئے پیشکش کی ہے۔

شیئر ہولڈنگ کا طریقہ کار:

شیئر ہولڈنگ کا طریقہ کار اس رپورٹ کے ساتھ منسلک رپورٹنگ فریم ورک میں دیا گیا ہے۔

ڈائریکٹرز کا بیان:

ڈائریکٹرز مکمل طور پر نظم وضبط اور SECP کوڈ آف کارپوریٹ گورننس کی مالیاتی رپورٹنگ فریم ورک پر پابند ہیں جو کہ درج ذیل ہے:

کاروباری نتائج:

	مالیاتی سال 30 جون	
	2016	2015
ٹیکس کی ادائیگی سے قبل خسارہ/منافع	(54,897,677)	29,020,218
ٹیکسیشن	17,646,920	(7,371,632)
ٹیکس کی ادائیگی کے بعد منافع	(37,250,757)	21,648,586
EPS / (LPS) ۔ بنیادی اور تناسب	(1.49)	1.01

اکاؤنٹنگ کا معیار:

کمپنی کی اکاؤنٹنگ کی پالیسیز کمپنیز آرڈیننس 1984 کے مطابق ہے لہذا منظور شدہ انٹرنیشنل اکاؤنٹنگ اسٹینڈر اور انٹرنیشنل فنانشل رپورٹنگ سینٹر کو اس آرڈیننس کے تحت درج کیا گیا ہے اس کے علاوہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے ہدایات کے توسط سے شامل کیا گیا ہے۔

اہم اخراجات:

کمپنی نے گاڑیوں اور پلانٹ و مشینری کے سلسلے میں کوئی اضافی اخراجات مبلغ 19.442 ملین روپے خرچ کئے ہیں جس میں کیرتیج ٹرک، کنکریٹ پمپ پارٹس اور دیگر مشینری اور سامان شامل ہیں۔

کیش فلو کی حکمت عملی:

کمپنی کا اپنا موثر کیش فلو مینجمنٹ سسٹم ہے اور کیش میں اتار چڑھاؤ کو باقاعدگی کی بنیاد پر پیش کیا جاتا ہے۔ ورکنگ کیپٹل کی ضروریات داخلی کیش اور مختصر مدتی قرضہ جات کے توسط سے پلان کیا گیا ہے۔

آڈٹ کمیٹی:

بورڈ آف ڈائریکٹرز کوڈ آف کارپوریٹ گورننس پر مکمل پابند ہیں جس کے تحت آڈٹ کمیٹی تشکیل دی گئی ہے جو کہ غیر ایگزیکیٹیو ڈائریکٹرز پر مشتمل ہے اور

ڈائریکٹرز کا جائزہ

سیف مکس کنکریٹ لمیٹڈ (SMCL) کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 30 جون 2016 کی سالانہ رپورٹ پیش کرتے ہیں۔

جائزہ:

کمپنی دو مختلف محل وقوع یعنی لاہور اور کراچی میں اپنا کاروبار چلا رہی تھی جس کا انحصار تمام تر کاروباری گنجائش پر تھا اور پھر یہ طے پایا کہ یہ زیادہ بہتر ہوگا کہ اس کاروبار کے لئے ایک ہی محل وقوع پر توجہ مرکوز کی جائے۔ لہٰذا زیرنظر مدت کے دوران انتظامیہ نے یہ فیصلہ کیا کہ لاہور میں یہ آپریشن بند کردیا جائے اور یہ بھی فیصلہ کیا گیا کہ کراچی آپریشنز کے لئے کاروباری گنجائش میں اضافہ کیا جائے اس کے علاوہ انتظامیہ نے صارفین کی جانب سے سپلائی کردہ میٹریل کے حوالہ سے کیش فلو کو بھی بہتر کرنے کے اقدامات کئے اور ساتھ ہی صارفین کو کریڈٹ دینے کا بھی انتخاب کیا جس کے نتیجہ میں کمپنی میں اعلیٰ خطوط پر (کل آمدنی) کمی 56% یعنی مبلغ 690.183 ملین روپے سے 304.467 ملین روپے ہوگئی جو کہ پراسیسنگ کسٹمرز کے تحت فراہم کردہ خام مال اور بہترین کسٹمرز کا انتخاب تھا لہٰذا کمپنی کا کیش فلو میں بہتری آئی جس کا اثر مالیاتی اخراجات میں کمی سے ہوا۔ کمپنی کے ان منافع کے تناسب میں کمی آئی ہے جس کا موازنہ گزشتہ سال سے کیا جاسکتا ہے جو کہ سامان کے زیادہ چارجز اور اجراء کی ادائیگی سے مطابقت رکھتا ہے۔ انتظامیہ نے موثر طور پر اپنے اثاثہ جات میں اضافہ کیلئے کام کیا ہے جو کہ آگے چل کر مزید کاروبار میں اضافہ ہوگا۔ زیرنظر سال کے دوران کمپنی نے تمام مستقل ملازمین کیلئے بورڈ کی جانب سے منظور کردہ پالیسی کے مطابق گریجویٹی فراہم کی۔ مذکورہ سال کا مالیاتی اسٹیٹمنٹ منسلک ہے جس میں اس کا ذکر کیا گیا ہے۔

مالیاتی سال کے دوران کمپنی نے مشکوک ڈیبٹس مبلغ 61.44 ملین روپے بھی بک کیا ہے جبکہ انتظامیہ ان قابل وصول مالیات کو مستقل کرے گی کیونکہ اس کی ڈیمانڈ میں کسٹمرز کی جانب سے کافی اضافہ ہو رہا ہے اور ان کیسز میں جہاں پر کمپنی اپنے کاروباری تعلقات کو مستقل نہیں رکھ سکتی یا وہ کیسز جس میں کمپنی کے کلیمز کا تصفیہ نہیں کیا گیا وہ ابھی تک زیرغور ہیں۔

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