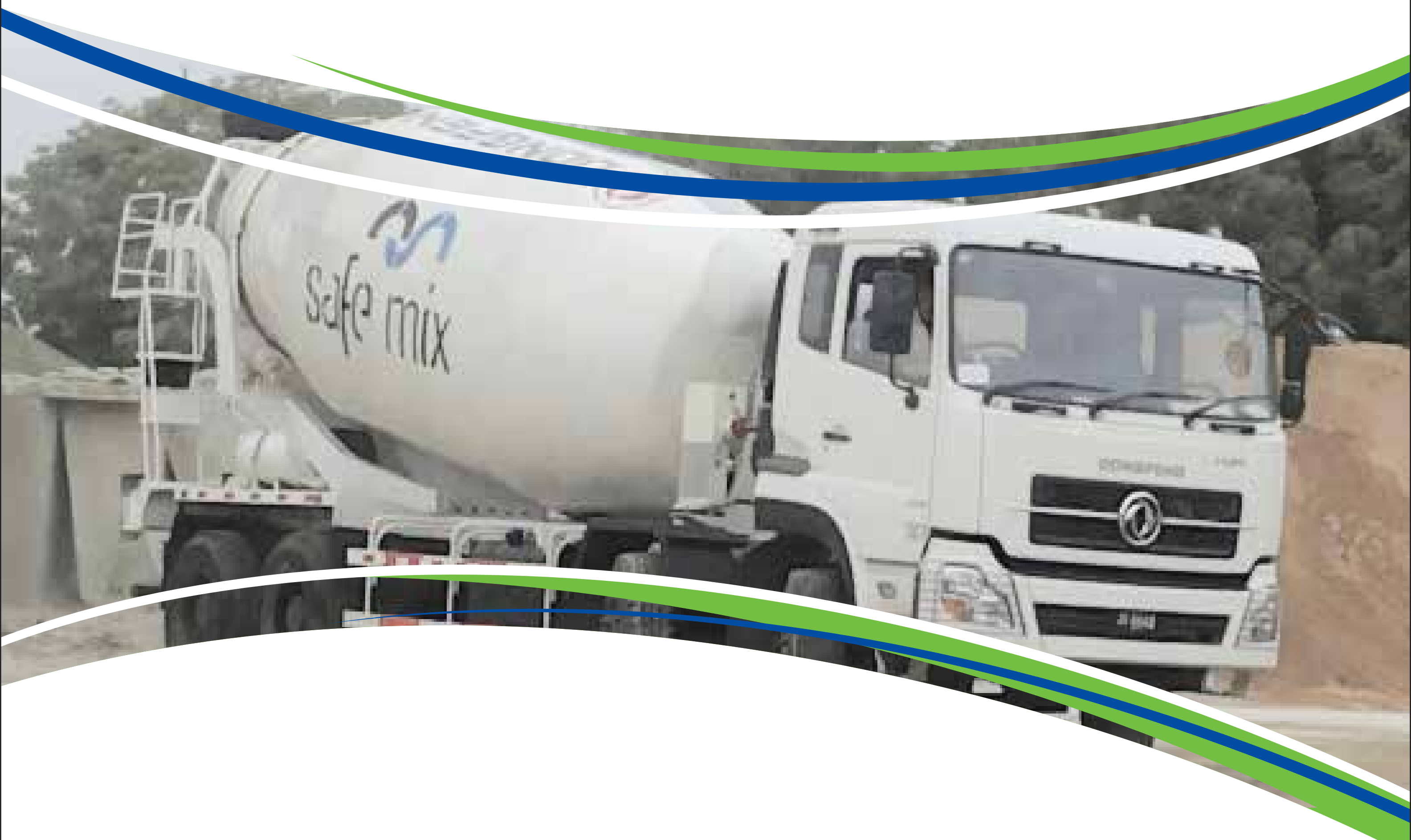
safe mix
Concrete Limited



2017
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	04
Notice of Annual General Meeting	05
Directors' Report	07
Key Operational & Financial Data	10
Pattern of Shareholding	11
Statement of Compliance with the Code of Corporate Governance	13
Review Report to the Members on Statement of Compliance with the Code of Corporate Governance	15
Auditors' report to the Members	16
Balance Sheet	17
Profit and Loss Account	18
Statement of Comprehensive Income	19
Cash Flow Statement	20
Statement of Changes in Equity	21
Notes to the Financial Statements	22
Proxy Form	46
JamaPunji	54

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
Advocate Ahsan-ul-Haque
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
Summit Bank Limited

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
1st Floor, 40-C, Block-6,
P.E.C.H.S., Karachi 75400, Pakistan

Notice of Annual General Meeting

Notice is hereby given that the Twelfth Annual General Meeting of the members of Safe Mix Concrete Limited will be held at the Institute of Chartered Accountant of Pakistan, Karachi on Wednesday, 25th October 2017 at 05:30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of last Annual General Meeting held on October 28, 2016.

2. To receive, consider and adopt the Audited Financial statements of the Company for the year ended 30th June 2017 together with the Directors' and Auditors' reports thereon.

3. To appoint Auditors for the financial year ending June 30, 2018 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.

By order of the Board

Karachi, October 04, 2017

Bilal Yasin
Company Secretary

Notes:

1. Share transfer books of the Company will remain closed from October 19, 2017 to October 25, 2017 (both days inclusive). Transfers received in order at the office of the company's share registrar, M/s THK Associated (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi 75400, Pakistan up to the close of business on October 18, 2017 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.

b) 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.

a) 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, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi 75400, Pakistan.

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 ofSafe Mix Concrete Limited(SMCL) present herewith the Annual Report for the year ended June 30,2017.

Overview

During the year under review, the company's revenues decreased by 35% from Rs 304.467 millionto Rs. 197.858 as a result of new cash management strategy whereby the Company has pursued with its customers to provide the raw materials hence the selling price has reduced which resulted in decrease in total sales amount. The volumetric sales of the Company have increased by 15% i.e 16,962 cubic meter (2017: 127,789 cubic meter and 2016: 110,827 cubic meter) as compared to prior year. However the gross profit margin of the Company has reduced as compared to prior year due to 23% increase in distribution expenses, the root cause ofthis increase is inefficient fleet management. The management of the Company is actively working to refine the distribution process and increase its asset base which will in turn reduce the per unit distribution cost.

Operating Results

	Year Ended June 30	
	2017	2016
	----------Rupees----------	
Lossbefore taxation	**(19,756,611)**	(54,897,677)
Taxation	**2,989,030**	17,646,920
Profit after taxation	**(16,767,581)**	**(37,250,757)**
LPS – Basic and diluted	**(0.67)**	**(1.49)**

Accounting 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. 8.460 million as addition to Vehicles and Plant &Machinery.

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 andshort 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 compositionof the committee:

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

Meetings of the Audit Committee

During the year 2016-17 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	2/4
Syed NajmudujjahJaffri	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 2017-2018.

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 2016-17 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	3/4
Mr. Nasim Beg	3/4
Mr. Kashif Habib	4/4
Mr. Samad Habib	2/4
Syed NajmuddujahJaffri	4/4
Mr. Khalil Ahmed	4/4
Syed Muhammad Talha	2/4

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

Statutory Payments

There are no outstanding statutory payment on account of taxes, duties and levies except of normal and routine charges.

Earnings per Share

Loss per share for the year ended June 30, 2017 is Rs.(0.67) as compared to loss per share for the same period of the last year of Re. (1.49).

Future Outlook

The Company is focusing on enhancing delivery capacity. This will not only maximize the plant utilization but will also help in reducing the cost of rental equipment and will also prove helpful in ensuring timely delivery of concrete mix to the builders / contractors. The Company is determined to adopt new marketing strategies to capture the growing market of ready mix services. Further the company is focusing on investing in exclusive supply contracts of specific private sector development projects. Shareholders of the company stand to gain significantly in terms of returns and value in the long term.

Acknowledgement

The Company strongly believes that its success is 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 3, 2017

Kashif Habib
Chief Executive Officer

KEY OPERATIONAL & FINANCIAL DATA

	2017	2016	2015	2014	2013	2012
	-- (Rupees) --					
Revene	197,858,437	304,467,342	690,183,505	506,199,046	646,488,473	566,124,208
Cost of sales	190,969,639	281,687,468	628,727,921	469,813,447	606,656,918	537,201,896
Gross Profit	6,888,798	22,779,874	61,455,584	36,385,599	39,831,555	28,922,312
Selling and administrative expenses	28,467,849	25,056,498	32,345,513	25,026,483	28,483,362	25,770,323
Provision for doubful debts	-	61,440,920	-	-	-	-
Finance cost	9,524,898	6,721,723	7,620,577	7,358,526	9,403,233	11,871,773
Profit / (Loss) before tax	(19,756,611)	(54,897,677)	30,146,264	8,031,425	7,887,447	(1,031,425)
Profit / (Loss) after tax	(16,767,581)	(37,250,757)	22,262,785	13,546,182	15,225,877	(6,754,736)
Paid up Capital	250,000,000	250,000,000	250,000,000	200,000,000	200,000,000	200,000,000
Total Assets	503,902,449	453,987,266	458,307,524	387,934,327	346,208,180	328,989,914
Total Liabilities	265,208,239	197,546,247	160,180,512	162,070,100	133,890,135	131,897,746

Pattern of Shareholding

As on 30/06/2017

No. of shareholders	<-- Having shares --> From	To	Shares held	Percentage
174	1	100	1,961	0.01%
304	101	500	149,697	0.60%
207	501	1000	204,319	0.82%
334	1001	5000	1,016,238	4.07%
113	5001	10000	950,392	3.80%
32	10001	15000	420,500	1.68%
32	15001	20000	602,985	2.41%
25	20001	25000	607,000	2.43%
13	25001	30000	383,500	1.53%
7	30001	35000	220,414	0.88%
5	35001	40000	197,500	0.79%
16	45001	50000	796,000	3.18%
5	50001	55000	268,500	1.07%
2	60001	65000	128,000	0.51%
3	70001	75000	225,000	0.90%
2	80001	85000	169,500	0.68%
1	85001	90000	90,000	0.36%
8	95001	100000	800,000	3.20%
1	105001	110000	110,000	0.44%
1	110001	115000	112,000	0.45%
1	115001	120000	116,500	0.47%
2	120001	125000	243,000	0.97%
1	145001	150000	150,000	0.60%
1	155001	160000	155,423	0.62%
1	165001	170000	170,000	0.68%
2	170001	175000	347,000	1.39%
1	175001	180000	177,500	0.71%
1	180001	185000	185,000	0.74%
3	195001	200000	599,000	2.40%
1	200001	205000	204,000	0.82%
1	215001	220000	218,000	0.87%
1	220001	225000	225,000	0.90%
1	255001	260000	259,199	1.04%
1	320001	325000	325,000	1.30%
2	345001	350000	700,000	2.80%
1	380001	385000	385,000	1.54%
1	1145001	1150000	1,146,042	4.58%
1	1630001	1635000	1,631,500	6.53%
1	2875001	2880000	2,879,002	11.52%
1	7430001	7435000	7,430,328	29.72%
1310			**25,000,000**	**100.00%**

Category of shareholders
As on 30/6/2017

PARTICULARS	NO. OF FOLIO	BALANCE SHARE	PERCENTAGE
Directors, Sponsors & Childern	7	4,027,544	16.11%
Associated Companies	1	7,430,328	29.72%
Corporate Share Holders	23	2,611,873	10.45%
General Public	1279	10,930,255	43.72%
Total	**1310**	**25,000,000**	**100.00%**

List of shareholders holding 5 % and above shares
As on 30/6/2017

NAME	NO. OF SHARES	PERCENTAGE
Arif Habib Limited	7,430,328	29.72%
Abdus Samad	2,879,002	11.52%
Munaf Ibrahim	1,631,500	6.53%
Total	**11,940,830**	**47.76%**

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate governance contained in regulation no 5.19.1 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 Directors	Mr.Shahid Aziz Siddiqi, Mr.Khalil Ahmed, Syed Najmuddujah Jaffri
Executive Directors	Mr. Kashif Habib, Syed Muhammad Talha
Non-Executive Directors	Mr. Nasim Beg, Mr. Samad Habib

The independent director meets the criteria of independence under clause 5.19.1(b) of the CCG

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

3. All the 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. There was no casual vacancy of directors during the year.

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. The Company has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the company.

6. The Board has developed vision and mission statement, over all corporate strategy and significant policies of the company, which have been approved by the Board of Directors.

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 and others 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. The Board held seven meetings during the year. 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. The board already consists of certain directors who are 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 The company is committed to get all those directors of its board acquire the certification under the director's training program by June 30, 2018 which require such certification in accordance with the subject regulation.

10. The board has approved appointment of Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The director's 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 was duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and Executive 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 three members, of whom all are non-executive directors and the Chairman of the Committee is an independent director.

16. The meeting 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 three members, all of whom are non-executive directors including the chairman of the committee.

18. The Board has setup an internal audit function.

19. The statutory auditors of the Company have confirmed that they have given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, 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 partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

20. The statuary auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and 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(s).

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

23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by Company Secretary in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principals contained in the Code have been complied with.

(Kashif Habib)
Chief Executive

(Nasim Beg)
Director

Karachi: October 3, 2017

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 2017 to comply with the requirements of Chapter 5, Clause 5.19.24 (b) of the Code of Corporate Governance of Rule Book of Pakistan Stock Exchange Limited, 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 2017.

Chartered Accountants
Engagement Partner: **Ahsan Elahi Vohra – FCA**

Karachi :
Dated :

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Safe Mix Concrete Limited ("the Company") as at June 30, 2017; and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity, together with the 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 and the requirements of the repealed 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 statements. 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 repealed 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 repealed Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

   ii. the expenditure incurred during the year was for the purpose of the Company's business: and

   iii. the business conducted, investments 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, the 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 repealed 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 June 30, 2017 and of the loss, its comprehensive loss, 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 (XVII of 1980)

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
Engagement Partner: Ahsan Elahi Vohra– FCA
Karachi
Dated:

BALANCE SHEET
As at 30 June 2017

	Note	2017	2016
		(Rupees)	
ASSETS			
Non - current assets			
Property, plant and equipment	4	**172,125,889**	174,174,592
Long term deposits	5	**31,539,270**	31,519,850
Deferred taxation	6	**34,731,372**	29,344,089
		238,396,531	235,038,531
Current assets			
Stores and spares		**7,162,780**	6,469,144
Stock in trade		**27,605,363**	25,706,343
Trade debts - unsecured	7	**104,016,270**	93,538,254
Advances, prepayments and other receivables	8	**64,009,740**	48,355,104
Taxation - net of provision	9	**45,865,776**	35,033,485
Cash and bank balances	10	**16,845,989**	9,846,405
		265,505,918	218,948,735
TOTAL ASSETS		**503,902,449**	453,987,266
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
35,000,000 ordinary shares of Rs. 10 each		**350,000,000**	350,000,000
Issued, subscribed and paid-up capital	11	**250,000,000**	250,000,000
Share premium		**14,728,576**	14,728,576
Accumulated loss		**(26,034,366)**	(8,287,557)
		238,694,210	256,441,019
LIABILITIES			
Non - current liabilities			
Long term financing - secured	12	**35,277,562**	47,036,750
Staff retirement benefits	13	**6,858,140**	6,677,428
Deferred income	14	**7,840,000**	11,200,000
		49,975,702	64,914,178
Current liabilities			
Trade and other payables	15	**179,760,043**	129,272,069
Current portion of deffered income	14	**3,360,000**	3,360,000
Current portion of long term financing	12	**11,759,188**	-
Loan from related party	16	**20,000,000**	-
Accrued markup		**353,306**	-
		215,232,537	132,632,069
TOTAL EQUITY AND LIABILITIES		**503,902,449**	453,987,266
Contingencies and commitments	17		

The annexed notes 1 to 36 form an integral part of these financial statements.

CEO **Director**

Profit and Loss Account
For the year ended 30 June 2017

	Note	2017	2016
		(Rupees)	
Revenue	18	**197,858,437**	304,467,342
Cost of sales	19	**(190,969,639)**	(281,687,468)
Gross profit		**6,888,798**	22,779,874
Selling and administrative expenses	20	**(28,467,849)**	(25,056,498)
Finance cost	21	**(9,524,898)**	(6,721,723)
Other operating income	22	**12,334,716**	15,541,590
Other operating expenses	23	**(987,378)**	-
Provision for doubful debts	7.1	-	(61,440,920)
Loss before taxation		**(19,756,611)**	(54,897,677)
Taxation	24	**2,989,030**	17,646,920
Loss after taxation		**(16,767,581)**	(37,250,757)
Loss per share - basic and diluted	25	**(0.67)**	(1.49)

The annexed notes 1 to 36 form an integral part of these financial statements.

CEO **Director**

Statement of Comprehensive Income
For the year ended 30 June 2017

	2017	2016
	(Rupees)	
Loss after taxation	**(16,767,581)**	(37,250,757)
Other comprehensive loss for the year		
Items that will never be reclassified to profit and loss account		
Remeasurements of defined benefit liability	**(1,398,897)**	(1,617,445)
Tax thereon	**419,669**	501,408
Other comprehensive loss - net of tax	**(979,228)**	(1,116,037)
Total comprehensive loss for the year	**(17,746,809)**	(38,366,794)

The annexed notes 1 to 36 form an integral part of these financial statements.

CEO

Director

Cash Flow Statement

For the year ended 30 June 2017

	Note	2017	2016
		(Rupees)	
Cash flow from operating activities			
Loss before taxation		**(19,756,611)**	(54,897,677)
Adjustments for:			
Depreciation		**10,236,710**	10,277,520
Loss / (Gain) on sale of fixed assets		**987,378**	(2,723,595)
Provision for doubtful debts		-	61,440,920
Provision for staff benefits		**1,451,492**	1,366,869
Amortization of deferred income		**(3,360,000)**	(2,240,000)
Finance cost		**9,524,898**	6,721,723
		18,840,478	74,843,437
		(916,133)	19,945,760
Changes in working capital			
(Increase) / decrease in current assets:			
Stores and spares		**(693,636)**	89,871
Stock in trade		**(1,899,020)**	(1,416,041)
Trade debts		**(10,478,016)**	(20,412,368)
Advances, prepayments and other receivables		**(15,654,636)**	(34,855,594)
		(28,725,308)	(56,594,132)
Increase / (decrease) in current liabilities:			
Trade and other payables		**50,487,975**	36,364,645
Cash flow from operating activities		**20,846,534**	(283,727)
Taxes paid		**(12,810,876)**	(639,191)
Finance cost paid		**(9,171,593)**	(7,873,020)
Gratuity paid		**(2,669,677)**	(1,410,873)
		(24,652,146)	(9,923,084)
Net cash used in operating activities		**(3,805,612)**	(10,206,811)
Cash flow from investing activities			
Capital expenditure incurred		**(11,175,385)**	(19,442,101)
Proceeds from sale of fixed assets		**2,000,000**	37,610,000
Deferred income		-	16,800,000
Long term deposits paid		**(19,420)**	(13,398,500)
Net cash (used in) / generated from investing activities		**(9,194,805)**	21,569,399
Cash flow from financing activities			
Proceeds from long term financing		-	47,036,750
Loan from related party		**20,000,000**	-
Net cash generated from financing activities		**20,000,000**	47,036,750
Net increase in cash and cash equivalents		**6,999,583**	58,399,338
Cash and cash equivalents at beginning of the year		**9,846,405**	(48,552,933)
Cash and cash equivalents at end of the year	32	**16,845,989**	9,846,405

The annexed notes 1 to 36 form an integral part of these financial statements.

CEO **Director**

Statement of Changes in Equity

For the year ended 30 June 2017

	Issued, subscribed and paid-up capital	Share premium	Accumulated profit / (loss)	Total
	----------(Rupees)----------			
Balance as at June 30, 2015 - restated	250,000,000	14,728,576	30,079,237	294,807,813
Total comprehensive loss for the year ended June 30, 2016	-	-	(38,366,794)	(38,366,794)
Balance as at June 30, 2016	**250,000,000**	**14,728,576**	**(8,287,557)**	**256,441,019**
Total comprehensive loss for the year ended June 30, 2017	-	-	(17,746,809)	(17,746,809)
Balance as at June 30, 2017	**250,000,000**	**14,728,576**	**(26,034,366)**	**238,694,210**

The annexed notes 1 to 36 form an integral part of these financial statements.

CEO **Director**

Notes to the Financial Statements
For the year ended 30 June 2017

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 repealed Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of repealed the Companies Ordinance, 1984 shall prevail.

The companies ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by Securities and Exchange Commission of Pakistan (SECP) vide its press release dated 20th July 2017, theses financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

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 and deferred tax (note 3.9)
- Provision for doubtful debts (note 3.4)

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.

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 01 July 2017:

- 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 further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Amendments to IFRS 2 - 'Share-based Payment' clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of 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. The amendments are not likely to have an impact on Company's financial statements.

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:

- Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on 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 4.1. 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 recognised 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.

Mark-up 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 lia

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. Income tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or below equity, in which case it is recognised in other comprehensive income or below equity respectively.

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 deductible 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 Mark-up bearing borrowings

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit and loss account over the period of borrowings on an effective interest basis.

3.15 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.

	Note	**2017**	2016
		(Rupees)	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**166,123,278**	170,887,438
Capital work in progress	4.4	**6,002,611**	3,287,154
		172,125,889	174,174,592

4.1 Operating fixed assets

	2017											
	Cost					Depreciation						
Particulars	**As at 01 July 2016**	**Additions**	**Transfers**	**Disposals**	**As at 30 June 2017**	**As at 01 July 2016**	**For the year**	**Transfers**	**On Disposal**	**As at 30 June 2017**	**Net book value as at 30 June 2017**	**Rate**
Building	5,632,056	-	-	-	**5,632,056**	1,526,102	205,298	-	-	**1,731,400**	**3,900,656**	5%
Project civil works	1,906,967	-	-	-	**1,906,967**	1,844,622	31,173	-	-	**1,875,795**	**31,172**	50%
Plant and machinery	235,891,653	-	7,510,184	(4,691,231)	**238,710,606**	72,270,113	9,433,917	-	(1,703,853)	**80,000,177**	**158,710,429**	10% & units of production / transported
Vehicles	5,764,117	-	949,744	-	**6,713,861**	4,347,478	283,328	-	-	**4,630,806**	**2,083,055**	20%
Furniture and fixture	586,106	-	-	-	**586,106**	277,284	30,882	-	-	**308,166**	**277,940**	10%
Computers	1,679,521	-	-	-	**1,679,521**	1,105,033	172,347	-	-	**1,277,380**	**402,141**	30%
Electrical equipment	655,847	-	-	-	**655,847**	367,027	28,882	-	-	**395,908**	**259,938**	10%
Office equipment	1,155,857	-	-	-	**1,155,857**	647,027	50,883	-	-	**697,911**	**457,947**	10%
Rupees	**253,272,124**	**-**	**8,459,928**	**(4,691,231)**	**257,040,821**	**82,384,686**	**10,236,710**	**-**	**(1,703,853)**	**90,917,543**	**166,123,278**	

	2016											
	Cost					Depreciation						
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	Net book value as at 30 June 2016	Rate
Owned												
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	

4.2 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	4,691,231	(1,703,853)	2,987,378	2,000,000	Negotiation	Syed Kamal

4.3 The depreciation charge is allocated as follows:

	Note	2017	2016
		(Rupees)	
Cost of sales	19	**9,520,140**	9,529,526
Selling and administrative expenses	20	**716,570**	747,994
		10,236,710	10,277,520

4.4 This includes capital work in progress mainly pertaining to plant and machinery, office equipments and certain civil works amounting to Rs. 3,597,014, 938,472 and Rs. 950,650 respectively.

5 LONG TERM DEPOSITS

	Note	2017	2016
Deposits against Ijarah finance		**28,246,840**	28,227,420
Others	5.1	**3,292,430**	3,292,430
		31,539,270	31,519,850

5.1 These represent security deposits mainly against rented premises.

6 DEFERRED TAXATION

The asset / (liability) for deferred taxation comprises of temporary differences relating to:

	Note	2017	2016
Deferred tax liability			
Accelerated tax depreciation		**(25,479,921)**	(25,767,502)
Assets subject to finance lease		**-**	-
Deferred tax assets			
Provision for doubtful debts		**18,432,276**	19,046,685
Staff retirement benefits		**2,477,111**	2,571,411
Unabsorbed tax credits	6.1	**39,301,906**	33,493,495
		34,731,372	29,344,089

6.1 Tax loss on account of unabsorbed depreciation amounting to Rs. 57.879 million and minimum tax credit amounting to Rs. 21.942 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	2017	2016
			(Rupees)	
7	**TRADE DEBTS - UNSECURED**			
	Considered good		**104,016,270**	93,538,254
	Considered doubtful		**61,440,920**	61,440,920
			165,457,190	154,979,174
	Provision for doubtful debts	7.1	**(61,440,920)**	(61,440,920)
			104,016,270	93,538,254
7.1	**Provision for doubtful debts**			
	Balance as at July 1		**61,440,920**	-
	Charge for the year	29.1	**-**	61,440,920
	Balance as at June 30		**61,440,920**	61,440,920
8	**ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**			
	Advances to staff	8.1	**6,885,415**	5,924,753
	Advances to suppliers - unsecured, considered good		**52,300,777**	37,925,476
	Prepayment		**1,727,223**	1,278,803
	Other receivables		**3,096,325**	3,226,072
			64,009,740	48,355,104

8.1 This includes advances given to employees mainly against expenses on behalf of the Company amounting to Rs. 5.097 million (2016: Rs. 4.265 million).

		Note	2017	2016
9	**TAXATION - NET**			
	Advance taxation		**47,844,360**	38,078,158
	Provision for taxation		**(1,978,584)**	(3,044,673)
			45,865,776	35,033,485

9.1 Income tax returns of the Company have been filed up to tax year 2016, 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.

		Note	2017	2016
10	**CASH AND BANK BALANCES**			
	Cash in hand		**377,835**	586,025
	Cash at bank			
	- current accounts		**16,368,154**	1,654,230
	- deposit accounts	10.1	**100,000**	7,606,150
			16,468,154	9,260,380
			16,845,989	9,846,405

		Note	2017	2016
			(Rupees)	
10.1	These carry profit at the rate of 6 % (2016: 6 %) per annum.			

11 SHARE CAPITAL

11.1 Authorized share capital:

	2017	2016
35,000,000 ordinary shares of Rs. 10 each	**350,000,000**	350,000,000

11.2 Issued, subscribed and paid-up capital

2017	2016		2017	2016
(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

12 LONG TERM FINANCING - SECURED

Details of long term financing are as follows:

	Note	2017	2016
Islamic			
Diminishing musharka	12.1	**47,036,750**	47,036,750
Less: Current portion of long term finance shown under current liabilities		**11,759,188**	-
		35,277,562	47,036,750

12.1 Last 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.

13 STAFF RETIREMENT BENEFITS

The latest actuarial valuation of the scheme as at June 30, 2017 was carried out using the Projected Unit Credit Method. Details of the scheme as per the actuarial valuation are as follows:

13.1 Balance sheet reconciliation

	2017	2016
Present value of defined benefit obligation	**6,858,140**	6,677,428
Fair value of plan assets	**-**	-
Net liability at the end of the year	**6,858,140**	6,677,428

13.2 Movement in net liability in the balance sheet

	2017	2016
Net liability at beginning of the year	**6,677,428**	5,103,987
Charge for the year	**1,451,492**	1,366,869
Remeasurement (gain) / loss recognized in Other comprehensive income	**1,398,897**	1,617,445
Benefits paid during the year	**(2,669,677)**	(1,410,873)
Net liability at end of the year	**6,858,140**	6,677,428

	Note	2017	2016
		(Rupees)	

13.3 Movement in the present value of defined benefit obligation

Present value of defined benefit obligation at beginning of the year		**6,677,428**	5,103,987
Current service cost		**970,659**	1,021,220
Interest cost		**480,833**	345,649
Benefits paid during the year		**(2,669,677)**	(1,410,873)
Remeasurement gain on obligation		**1,398,897**	1,617,445
Present value of defined benefit obligation at the end of the year		**6,858,140**	6,677,428

13.4 Expense recognized in profit and loss account

Current service cost		**970,659**	1,021,220
Net interest		**480,833**	345,649
		1,451,492	1,366,869

13.5 Actuarial assumptions used

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%

13.6 Charge for the year has been allocated as follows:

Cost of sales		**1,016,044**	956,808
Selling and administrative expense		**435,448**	410,061
		1,451,492	1,366,869

13.7 Sensitivity analysis

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

		2017 Increase / (decrease) in obligation (Rupees)	
Discount rate	**+ / - 1%**	**6,067,282**	**7,816,837**
Expected rate of salary increase	**+ / - 1%**	**7,868,063**	**6,015,840**

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.

13.8 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.

13.9 The expected maturity analysis of undiscounted retirement benefit obligation is:

	Note	2017	2016
		(Rupees)	
Less than a year		**1,234,751**	697,769
Between 1-2 years		**197,586**	85,562
Between 2-3 years		**217,101**	94,471
Between 3-4 years		**224,116**	104,403
Between 4-5 years		**225,432**	110,220
Between 6-10 years		**2,734,944**	682,604
11 years and above		**2,972,947**	2,382,792

13.10 The expected gratuity cost, to be recognized for the next one year amounts to Rs. 1,793,573.

14 DEFFERED INCOME

	Note	2017	2016
Balance at the beginning of the year	14.1	**14,560,000**	-
Defferred income arised during the year		**-**	16,800,000
less: Amortizaion charged during to profit and loss account		**3,360,000**	2,240,000
		11,200,000	14,560,000
Less: Current portion of deffered income shown under current liabilities		**3,360,000**	3,360,000
		7,840,000	11,200,000

14.1 During last 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 i.e five years.

		Note	2017	2016
			(Rupees)	
15	**TRADE AND OTHER PAYABLES**			
	Trade creditors		**105,776,436**	74,386,819
	Murabaha finance facilities	15.1	**47,750,000**	32,134,968
	Advances from customers		**3,822,836**	4,490,536
	Accrued expenses		**1,850,530**	1,645,678
	Withholding tax payable		**3,230,348**	3,790,897
	Workers' Welfare Fund (WWF)		**1,715,311**	1,715,311
	Workers' Profit Participation Fund (WPPF)	15.2	**9,356,036**	8,439,379
	Other payables		**6,258,546**	2,668,481
			179,760,043	129,272,069

15.1 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 70 million (2016: 120 million). 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.

15.2 Workers' Profit Participation Fund

	Note	2017	2016
As at the beginning of the year		**8,439,379**	7,566,575
Interest on funds utilized by the Company	15.2.1	**916,657**	872,804
Charge for the year		**-**	-
As at end of the year		**9,356,036**	8,439,379

15.2.1 Interest on Workers' Profit Participation Fund is charged at 10.86% (2016: 13.61%) per annum.

16 LOAN FROM RELATED PARTY

	Note	2017	2016
Loan from Related Party	16.1	**20,000,000**	-

16.1 This represent interest free loan taken from Mr. Arif Habib (Lineal Ascendant of CEO) payable on demand for working capital requirement.

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 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.

17.1.2 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.

17.2 Commitments

There are no commitments at the balance sheet date (2016: Nil).

		Note	2017	2016
18	**REVENUE**		(Rupees)	
	Toll manufacturing income		**138,155,900**	131,976,830
	Sale of concrete mix		**74,616,103**	187,672,780
			212,772,003	319,649,610
	Less: Sales tax		**14,913,566**	15,182,268
			197,858,437	304,467,342
19	**COST OF SALES**			
	Raw material and stores consumed		**8,739,346**	122,162,308
	Salaries, Wages and Other benefits	19.1	**37,152,448**	38,974,334
	Depreciation	4.3	**9,520,140**	9,529,526
	Ijarah payments	28	**28,373,064**	21,968,307
	Fuel and power		**26,046,946**	18,326,163
	Repair and maintenance		**992,139**	2,215,671
	Equipment hiring charges		**19,807,078**	17,560,821
	Carriage and freight		**-**	1,125,000
	Fleet outsourcing charges		**51,977,122**	41,837,460
	Insurance expenses		**4,651,781**	4,093,022
	Premises rent		**3,099,996**	3,698,946
	Site preparation and sample testing		**609,579**	195,910
			190,969,639	281,687,468

19.1 Salaries, wages and other benefits include Rs. 1,016,044 for the year ended June 30, 2017 (2016: Rs. 956,808) in respect of staff retirement benefits.

		Note	2017	2016
20	**SELLING AND ADMINISTRATIVE EXPENSES**			
	Salaries, Wages and Other benefits	20.1	**15,759,571**	11,755,330
	Travelling and conveyance		**563,037**	1,085,054
	Depreciation	4.3	**716,570**	747,994
	Auditors' remuneration	20.2	**1,000,000**	895,000
	Sales commission	20.3	**2,477,903**	3,405,018
	Postage, telegram and telephone		**1,171,801**	778,939
	Rent, rates and taxes		**2,650,379**	1,549,218
	Insurance		**824,160**	824,156
	Entertainment		**194,638**	321,928
	Printing and stationery		**641,906**	654,111
	Utilities		**-**	380,411
	Advertisement and sales promotion		**872,208**	295,680
	Legal and professional fee		**714,344**	962,647
	Repair and maintenance		**746,413**	417,728
	Miscellaneous		**134,919**	983,284
			28,467,849	25,056,498

20.1 Salaries, wages and other benefits include Rs. 435,448 for the year ended June 30, 2017 (2016: Rs. 410,061) in respect of staff retirement benefits.

		Note	2017	2016
20.2	**Auditors' remuneration**		(Rupees)	
	Statutory audit and other certifications		**740,000**	660,000
	Half yearly review		**200,000**	175,000
	Out of pocket expenses		**60,000**	60,000
			1,000,000	895,000

20.3 This includes sales commission of Rs. 1,560,392 (2016: Rs. 2,350,873) related to Karachi Metropolitan Corporation.

21 FINANCE COST

	Note	2017	2016
Bank charges		**17,020**	144,936
Mark-up expenses		**8,591,221**	5,703,983
Interest on WPPF	15.2	**916,657**	872,804
		9,524,898	6,721,723

22 OTHER OPERATING INCOME

	Note	2017	2016
Income from financial assets			
- profit on deposit accounts		**539,453**	423,668
Income from assets other than financial assets			
- gain on sale of fixed assets	4.2	**-**	2,723,595
- miscellaneous income		**11,795,263**	12,394,327
		12,334,716	15,541,590

23 OTHER OPERATING EXPENSES

	Note	2017	2016
Loss on sale of fixed assets	4.2	**987,378**	-

24 TAXATION

	Note	2017	2016
Income tax			
- Current	24.1	**1,978,584**	3,044,673
Deferred taxation		**(4,967,614)**	(20,691,593)
		(2,989,030)	(17,646,920)

24.1 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.

25 LOSS PER SHARE - BASIC AND DILUTED

25.1 Loss per share - basic and diluted

	2017	2016
Loss after tax (Rupees)	**(16,767,581)**	(37,250,757)
Weighted average number of ordinary shares outstanding during the year	**25,000,000**	25,000,000
Loss per share - basic (Rupees)	**(0.67)**	(1.49)

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

26 REMUNERATION OF Chief Executive Officer, DIRECTORS AND EXECUTIVES

	2017		
	Chief Executive Officer	**Non- Executive Directors**	**Executives**
	----------------------------	(Rupees)	----------------------------
Remuneration	**2,649,136**	**-**	**14,398,274**
Meeting fee	**-**	**237,500**	**-**
Total	**2,649,136**	**237,500**	**14,398,274**
Number of persons	**1**	**2**	**8**

	2016		
	Chief Executive Officer	Non- Executive Directors	Executives
	----------------------------	(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

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:

	2017	2016
	(Rupees)	
Average number of employees during the year	**83**	80
Total number of employees as at June 30	**87**	72

28 IJARAH

Total future ijarah payment

Up to one year	**28,033,116**	29,355,351
Later than one year but not later than five years	**53,009,615**	82,702,455
	81,042,731	112,057,806

The total ijarah rentals due under the ijarah agreements aggregate Rs. 81.042 million (June 30, 2016 : Rs. 112.058 million) and are payable in equal monthly installments under various ijarah agreements, latest by 2021. 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, 2016 : Rs. 28.227 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:	**2017**	2016
	(Rupees)	
Long term deposits	**31,539,270**	31,519,850
Trade debts - net of provision	**104,016,270**	93,538,254
Advances and other receivables	**62,282,517**	47,076,301
Bank balances	**16,468,154**	9,260,380
	214,306,211	181,394,785

All trade debts are in domestic currency and the ageing of trade receivables at the reporting date is:

	2017		2016	
	Gross	**Provision**	**Gross**	**Provision**
	------------------------- (Rupees) -------------------------			
Not past due	**40,542,202**	**-**	35,146,378	-
Past due 1 – 180 days	**37,832,020**	**-**	42,572,401	-
Over 180 days	**87,082,968**	**61,440,920**	77,260,397	61,440,920
	165,457,190	**61,440,920**	154,979,176	61,440,920

Out of total impairment of 61.44 million 38.056 million relates to Lahore operations which were closed during the first half of the previous 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. 31.873 million (2016: Rs 29.525 million) of trade debts as at the reporting date. Exposure to any single customer does not exceed 8 % (2016: 16 %) 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	2017	2016
				(Rupees)	
Bank of Punjab	AA	A1+	PACRA	**718,930**	891,071
Bank Alfalah Islamic	AA	A1+	PACRA	**10,146,500**	1,000
Habib Metropolitan Bank Limited	AA+	A1+	PACRA	**162,132**	7,706,150
Bank Islamic Pakistan Limited	A+	A1	PACRA	**2,434,592**	662,159
Summit Bank Limited	A-	A-1	JCR-VIS	**3,006,000**	-
				16,468,154	9,260,380

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:

	2017			
	Carrying amount	**Contractual maturities**	**Maturity upto one year**	**Maturity upto five years**
	------------------------- (Rupees) -------------------------			
Long term financing	**47,036,750**	**47,036,750**	**11,759,188**	**35,277,562**
Trade and other payables	**179,760,043**	**179,760,043**	**179,760,043**	**-**
	226,796,793	**226,796,793**	**191,519,231**	**35,277,562**

	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	130,245,551	130,245,551	130,245,551	-
	177,282,301	177,282,301	134,444,876	42,837,425

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:

	2017	2016
	Carrying Amount (Rupees)	
Variable rate instruments:		
Financial liabilities	**94,786,750**	79,171,718

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 2017 and for 2016 would have decreased / increased respectively by the following amounts as a result of increase / decrease in finance cost on the variable rate financial liabilities:

	2017	2016
	Carrying Amount (Rupees)	
Effect on profit	**947,868**	791,717

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:

	Note	2017	2016
		(Rupees)	
Total debt		**67,036,750**	47,036,750
Total equity and debt		**285,730,960**	303,477,769
Gearing ratio		**23.5%**	15.5%

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	2017	2016
		(Rupees)	
Associated companies:			
Thatta Cement Limited:			
Purchase of raw material		**4,564,328**	56,443,174
Power Cement Limited:			
Purchase of raw material		**498,086,250**	167,738,288
Javedan Corporation Limited:			
Sales		**74,317,150**	26,503,305
Mr. Arif Habib			
Advance for purchases	16	**20,000,000**	-

	Note	2017	2016
		(Rupees)	

30.2 Balances with related parties

	Note	2017	2016
Payable to Thatta Cement Limited		**31,562**	3,757,973
Payable to Power Cement Limited		**29,903,550**	2,601,474
Receivable from Javedan Corporation Limited		**3,034,237**	17,660,637
Payable to Mr. Arif Habib	16	**20,000,000**	-

31 INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

31.1

Description	Note	2017 Carried Under: Non-Shariah arrangements	2017 Carried Under: Shariah arrangements	2016 Carried Under: Non-Shariah arrangements	2016 Carried Under: Shariah arrangements
Assets					
Loans and advances					
Advance to employees	8	-	**6,885,415**	-	5,924,753
Advances to supplier	8	-	**52,300,777**	-	37,925,476
Others	8	-	**3,096,325**	-	3,226,072
Deposits					
Long term deposits	5	-	**31,539,270**	-	31,519,850
Bank balances		-	**16,368,154**	8,375,398	884,982
Liabilities					
Loan and advances					
Long term financing	12	-	**47,036,750**	-	47,036,750
Murahaba	15	-	**47,750,000**	-	32,134,968
Advances from customers	15	-	**3,822,836**	-	4,490,536
Payable to associated companies		-	**20,000,000**	-	-
Income					
Profit on savings account		**539,453**	**-**	423,668	-

31.2 Sources of Other Income

	Note	2017	2016
		(Rupees)	
Profit on deposit accounts		**539,453**	423,668
Gain on sale of fixed assets		**-**	2,723,595
Pumping and Grout charges		**8,435,263**	10,154,327
Amortization of deferred income	14	**3,360,000**	2,240,000
		12,334,716	15,541,590

	Relationship	
	Non Islamic window operation	Islamic window operation
Habib Metropolitan Bank Limited	✓	×
Bank Islamic	×	✓
Bank Of Punjab	✓	✓
Bank Alfalah Islamic	×	✓
Summit Bank Islamic Account	×	✓

32 CASH AND CASH EQUIVALENTS

	Note	2017	2016
		(Rupees)	
Cash and bank balances	10	**16,845,989**	9,846,405

33 PLANT CAPACITY AND ACTUAL PRODUCTION

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

	2017	2016
	--------(Cubic Meter)---------	
Available capacity		
Batching plant	**770,400**	770,400
Actual production		
Batching plant	**127,789**	110,827

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

34 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 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, 2017 no assets and liabilities are recognized at fair values.

35 OPERATING SEGMENTS

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

35.1 100 % (2016: 100 %) of the gross sales of the Company are made to customers located in Pakistan.

35.2 All non-current assets of the Company as at June 30, 2017 are located in Pakistan.

36 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on ______________ 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 25, 2017 and at any adjournment thereof.

As witness my / our hand this ______________________ day of ____________________ 2017.

Signature of member(s)	Please affix of Rs. 5/- Revenue stamp

Witness: ______________________________	Witness: ______________________________
Name: ______________________________	Name: ______________________________
CNIC No.: ______________________________	CNIC No.: ______________________________
Address: ______________________________	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 ــــــــــــــــــــــ ساکن ـــــــــــــــــــــــــــــــ ضلع ــــــــــــــــــــــ

بحیثیت ممبر سیف مکس کنکریٹ لمیٹڈ، مسمّٰی / مسماۃ ــــــــــــــــــــــــــــــــــــ

ساکن ــــــــــــــــــــــــــــ کو بطورِ مختار (پراکسی) مقرر کرتا ہوں تا کہ وہ میری جگہ اور میری طرف سے کمپنی کے

سالانہ اجلاسِ عام جو بتاریخ 25 اکتوبر، 2017 منعقد ہو رہا ہے میں اور ان کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

دستخط: ــــــــــــــ بروز/ بتاریخ ــــــــــــــــ 2017

گواہان:

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

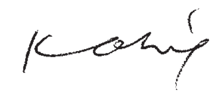
دستخط ۵ روپے
ریوینیو اسٹیمپ

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 ہو سکتا ہے، خطاب کر سکتا ہے یا ووٹ کا اندراج کر سکتا ہے۔
- پراکسی ثابت کرنے کے لئے اُسے اپنا اصل پاسپورٹ اور فولیو نمبر سے دکھانا لازمی ہے تا کہ اجلاس میں شرکت کی اجازت سے قبل اُس کی شناخت کی جا سکے۔
- 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 تصدیقی شدہ نقول، پراکسی فارم کے ساتھ منسلک کرنا ضروری ہے۔

ادارے کوتقویت دی اور ہم ہر اچھی کاوشوں میں ہمارے ساتھ کھڑے ہیں تا کہ آنے والے سالوں میں ہم اپنی سرمایہ کاری سے زیادہ سے زیادہ استفادہ حاصل کرسکیں۔مزید یہ کہ ہم SECP اور PSX کی انتظامیہ کی مسلسل تعاون اور رہنمائی کے بھی مشکور ہیں۔

منجانب و برائے بورڈ



کاشف حبیب

چیف ایگزیکیوٹو آفیسر

کراچی 3 اکتوبر 2017

جناب کاشف حبیب	4/4
جناب صمد حبیب	2/4
سید نجم الدوجاہ جعفری	4/4
جناب خلیل احمد	4/4
سید محمد طلحہ	2/4

جو ڈائریکٹرز شرکت نہ کر سکے تھے ان کو غیر حاضری کی اجازت دی گئی تھی۔

موضع (قانونی) ادائگیاں

ٹیکس، محصول وغیرہ کی مد میں کوئی موضع (قانونی) واجبات نہیں ہیں۔

منافع فی حصص

نقصان فی حصص برائے اختتام سال 30 جون 2017 کو 0.67 ہے۔ بمقابلہ فی حصص نقصان سابقہ سال جو Rs.1.49 تھا۔

مستقبل کے امکانات

کمپنی اپنی پیداواری صلاحیت کے اضافے پر بھرپور توجہ دے رہی ہے۔ اس طرح نہ صرف پلانٹ سے زیادہ سے زیادہ استفادہ کیا جائے گا بلکہ کرائے پر حاصل کردہ آلات کی لاگت میں بھی کمی آئے اور سے بلڈر یا کنٹریکٹر کو 'کنکریٹ مکس' کی بروقت ترسیل ممکن ہو سکے گی۔ کمپنی نئی مارکیٹ حکمت عملی کو اختیار کرنے کی منصوبہ بندی کر رہے ہے تا کہ کنریکٹ مکس کی بڑھتی ہوئی مانگ تک رسائی حاصل کی جا سکے۔ مزید یہ کہ کمپنی مخصوص پرائیویٹ سیکٹر کے ترقیاتی منصوبوں کے حامل منفرد سپلائی کنریکٹرز پر سرمایہ لگانے پر توجہ دے رہی ہے۔ کمپنی کے حصص یافتگان طویل مدتی منافع اور قدر کی مد میں نمایاں آمدن کے خواہاں ہیں۔

تسلیمات (اعتراف خدمات)

کمپنی کو اس بات پر یقین ہے کہ اس کی کامیابی اس کے عملے کے خلوص اور انتھک محنت پر نتیجہ ہے۔ ہم تسلیم کرتے ہیں ہر ممبر نے اپنی کاوشوں کے ذریعے کمپنی کی کامیابی میں حصہ لیا ہے۔ ہم اپنے صارفین کا بھی شکریہ ادا کرنا چاہتے ہیں جنھوں ہمارے مصنوعات پر اعتماد کیا اور آگے بھی اس سرپرستی کو جاری رکھنا متمنی ہیں۔ ہم اپنے شیئر ہولڈرز (حصص یافتگان)، بینکس، اور مالیاتی اداروں کے بھی مشکور ہیں جنھوں نے اپنے تعاون، رہنمائی اور اعتماد کے ذریعے ہمارے

آڈیٹرز

موجودہ آڈیٹر میسرز نوید ظفر اشفاق جعفری اینڈ کو چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہلیت کے باعث ان کو 2017-18 کے لئے دوبارہ تعینات کیا جا رہا ہے۔

نمونہ جات شراکت (حصص) داری:

نمونہ جات شراکت داری کو مطلوب اطلاعی طریقہ کار کے تحت اس رپورٹ کے ساتھ منسلک کیا گیا ہے۔

(

ڈائریکٹر کی روداد و بیان:

ڈائریکٹر نے SECP کے ضابطہ انتظامی امور کے تحت مجوزہ انتظامی اور مالیاتی فریم ورک کی تعمیل کرتے ہوئے درج ذیل کی تصدیق کی ہے:

- ☆ کمپنی کے مالیاتی گوشوارں کمپنی صحیح اور حقیقتی حالات کا آئینہ دار ہے۔
- ☆ باقاعدگی کے ساتھ کھاتہ حساب داری کو تیار کیا گیا ہے۔
- ☆ مالیاتی گوشواروں کی تیاری میں ناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ زیر عمل لایا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور محتاط اندازوں کی بنیاد لگائے گئے ہیں۔
- ☆ بین الاقوامی اکاؤنٹنگ معیار، جو کہ پاکستان میں قابل عمل ہیں، کو مالیاتی گوشواروں کی تیاری میں بروے کار لایا گیا ہے اور اس سے کسی بھی انحراف کو مناسب طریقے سے واضح کیا گیا ہے۔
- ☆ انٹرنل کنٹرول (اندورنی انصرام) کا نظام کا ڈھانچہ بہت مستحکم ہے اور اس کی تعمیل اور نگرانی نہایت موثر طریقے سے کی گئی ہے۔
- ☆ کمپنی کا اپنی کاوشوں کو جاری رکھنے کی اہلیت میں کوئی معنی خیز شبہ نہیں۔
- ☆ کمپی نے ضابطہ انتظامی امور کی اعلی کارکردگی سے انحراف نہیں کیا جو کہ ضابط (قواعد) کی فہرست درج ہیں۔

بورڈ آف ڈائریکٹرز کے اجلاس

سال 2016-17 میں بورڈ کے چار اجلاس کا انعقاد کیا گیا اور ان میں ڈائریکٹرز کی شرکت کی تفصیل درج ذیل ہے:

نام ڈائریکٹر	اجلاس میں شرکت
جناب شاہد عزیز صدیقی	3/4
جناب نسیم بیگ	3/4

سرمایہ جاتی اخراجات

کمپنی نے گاڑیوں، پلانٹ اور مشنری میں اضافے کی مد میں 8.460 ملین روپے کے اخراجات کئے ہیں۔

روپے کے بہاؤ (کیش فلو) کی حکمت عملی

کمپنی کے پاس ایک موثر کیش فلو مینجمنٹ سسٹم (روپے کی آمدورفت کا انتظامی نظام) ہے جس میں روپے کی داخلی اور خارجی بہاؤ کو مستقل بنیادوں پر بروئے کار لایا جاتا ہے۔

زیر کار سرمایہ کی مطلوبات کی اندورنی روپے افزائش اور مختصر مدتی قرضوں کے ذریعے منصوبہ سازی کی گئی ہے۔

آڈٹ کمیٹی

کمپنی کے انتظامی ضابطوں کی تعمیل کرتے ہوئے بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی تشکیل دی ہے جو کہ نان ایگزیکٹو ڈائریکٹر پر مشتمل ہے اور اس میں درج ذیل شامل ہیں:

۱)	جناب نسیم بیگ	چیئرمین
۲)	جناب صمد حبیب	ممبر
۳)	جناب نجم الدُجاہ جعفری	ممبر

آڈٹ کمیٹی کے اجلاس

سال 17-2016 کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد کئے گئے۔ ہر ممبر کی جانب سے اجلاسوں میں شرکت کی تفصیل درج ذیل ہے:

	ڈائریکٹر کا نام	اجلاس میں شرکت
۱)	جناب نسیم بیگ	3/4
۲)	جناب صمد حبیب	2/4
۳)	جناب نجم الدجاہ جعفری	4/4

ڈائریکٹرکی جائزہ رپورٹ

سیف مکس کنکریٹ لمیٹڈ(SMCL) کے بورڈ آف ڈائریکٹرز برائے اختتام سال30 جون 2017 کی سالانہ رپورٹ پیش کررہے ہیں۔

عمومی جائزہ

زیر جائزہ سال کے دوران کمپنی کی آمدنی میں 35 فیصد کمی ہوئی یعنی304.467 سے کم ہوکر197.858 روپے رہ گئی جس کا باعث نئی نقد(روپے انتظامی حکمت عملی جس میں کسٹمر(صارف) سے خام مال کے حصول کرنے کی سعی کہ ہے جس کی وجہ سے قیمت فروخت میں کم ہوئی اوراس کے نیتجے میں کل فروخت کی مالیت میں کمی واقع ہوئی۔ کمپنی کی پیدوار اور فروخت میں پچھلے سال کی نسبت 15% اضافہ ہوا جو16962 مکعب میٹر(یعنی 2017 میں 127,728 مکعب میٹر ہے جو2016 میں مکعب میٹر110,827 تھی)۔ تاہم تقسیم کاری کے اخراجات میں اضافے کے باعث سابقہ سال کی نسبت کمپنی کے خام منافع میں 23% کمی واقع ہوئی جس کی وجہ نااہل انتظامی ترسیل ہے۔ کمپنی کی انتظامیہ انتہائی مستعدی کے ساتھ تقسیم کاری کے نظام کو بہتر بنانے کے لئے اپنی بنیادی اثاث میں اضافہ کررہی ہے جس کے نتیجے میں فی یونٹ تقسیمی لاگت میں کمی آئی گی۔

نتائج عمل کاری

	سال اختتام 30 جون 2017	سال اختتام 30 جون 2016
نقصان قبل از ٹیکس	(19,756,611)	(54,897,677)
ٹیکس	2,989,030	17,646,920
نقصان بعد از ٹیکس	(16,767,581)	(37,250,757)
LPS۔بنیادی اور رقیق	(0.67)	(1.49)

اکاؤنٹنگ (کھاتہ حساب داری) کے معیارات

کمپنی کی اکاؤنٹنگ (کھاتہ حساب داری) پالیسی کمپنیز آرڈیننس 1984 سے مکمل طور پر ہم آہنگ ہے لہذا بین الاقوامی اکاونٹنگ معیار اور بین الاقوامی مالیاتی رپورٹنگ معیار سے منظور شدہ ہے جو کہ سیکیورٹیز اینڈ ایکسچینج کمیشن پاکستان کی ہدایت کے مطابق اوراس آرڈیننس کے تحت ہے۔

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BOOK POST
PRINTED MATTER

Safe Mix Concrete Limited

Karachi Plot # 1,6 Sector No. 26, Bilal Chorangi Korangi Industrial Area (Near Fire Brigade) Karachi.
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Email: info@safemixlimited.com