



Nine Months Report

March 31, 2018

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Company Information

Board of Directors

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

Audit Committee

Mr. Nasim Beg - Chairman
Mr. Samad Habib
Syed Najmuddujah Jaffri

Human Resources & Remuneration Committee

Mr. Samad Habib - Chairman
Mr. Kashif Habib
Syed Najmuddujah Jaffri

Chief Financial Officer

Syed Muhammad Talha

Company Secretary

Mr. Bilal Yasin

Auditors

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Legal Advisor

Advocates 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

Registered Office

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

Shares Registrar

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

Directors’ Review Report

The Board of Directors of Safe Mix Concrete Limited present herewith condensed financial information for the nine months ended 31st March 2018.

Over view

During the third quarter period under review, the Company has earned a profit after tax (PAT) of Rs 16.04 million resulting in profit after tax for the nine months period under review to Rs 12.88 million. The volumetric has increased by 31% compared to corresponding period last year. Further during the end of the period under review, the management of the Company invested heavily to refine the distribution process and increase its asset base which will in turn reduce per unit distribution cost and further increase the volumetric sales of the company.

Operating results

	Three Months Ended		Nine Months Ended	
	March 31		March 31	
	2018	2017	2018	2017
	----- (Rupees) -----			
Profit / (Loss) before taxation	14,943,916	(2,382,880)	10,138,355	(934,988)
Taxation	1,098,125	752,561	2,741,080	1,291,585
Profit / (Loss) after taxation	<u>16,042,041</u>	<u>(1,630,319)</u>	<u>12,879,435</u>	<u>356,597</u>

Earnings per share

Earnings per share for the nine months ended amounted to Re 0.52 per share as compared to earnings per share for the corresponding period of the last year of Re 0.01 per share.

Future Outlook

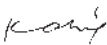
The Company has invested on enhancing delivery capacity. This will not only maximize the plant utilization but will also help in reducing the cost of rental equipment and will also prove helpful in ensuring timely delivery of concrete mix to the builders / contractors. The Company is determined to adopt 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.

Acknowledgement

The management of the Company would like to thank all the shareholders, financial institutions, customers, individuals and staff members who have been associated with the Company for their support and cooperation. Further, we would also like to thank SECP and the management of PSX for their continued support and guidance.

Karachi: April 25, 2018

For and on behalf of the Board



Kashif Habib

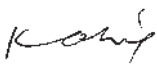
Chief Executive Officer

Safe Mix Concrete Limited

Condensed Interim Balance Sheet (Un-audited)

As at 31 March, 2018

	Note	Un-audited 31 March 2018	Audited 30 June 2017
(-----Rupees-----)			
Non - current assets			
Property, plant and equipment	5	242,386,564	172,125,889
Long term deposits		32,515,770	31,539,270
Deferred tax asset		42,603,170	34,731,372
		317,505,504	238,396,531
Current assets			
Stores, spare parts and loose tools		7,778,395	7,162,780
Stock in trade		57,072,880	27,605,363
Trade debts		249,501,696	104,016,270
Advances, prepayments and other receivables		90,258,724	64,009,740
Taxation - net		55,125,292	45,865,776
Cash and bank balances		1,236,761	16,845,989
		460,973,748	265,505,918
TOTAL ASSETS		778,479,252	503,902,449
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital		350,000,000	350,000,000
35,000,000 ordinary shares of Rs 10 each			
Issued, subscribed and paid up capital		250,000,000	250,000,000
Share premium		14,728,576	14,728,576
Accumulated profit		(13,154,932)	(26,034,366)
		251,573,644	238,694,210
Liabilities			
Non - current liabilities			
Long term financing - secured	6	61,946,875	35,277,562
Staff retirement benefits		7,085,293	6,858,140
Deferred in liability		5,320,000	7,840,000
		74,352,168	49,975,702
Current liabilities			
Trade and other payables		377,131,833	179,760,043
Current portion of dffererd income		3,360,000	3,360,000
Current portion of long term financing		11,759,188	11,759,188
Loan from related party		60,000,000	20,000,000
Accured marup		302,419	353,306
		452,553,440	215,232,537
TOTAL EQUITY AND LIABILITIES		778,479,252	503,902,449
Contingencies and commitments			



CEO



Director



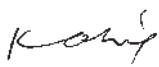
CFO

Safe Mix Concrete Limited


Condensed Interim Profit and Loss Account (Un-audited)

For the third quarter ended March 31, 2018

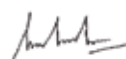
		July to March (9 Months)		January to March (3 Months)	
		2018	2017	2018	2017
		(------(Rupees)-----)			
Revenue		410,457,431	157,949,892	243,663,337	55,354,228
Cost of sales	8	(374,939,052)	(142,414,534)	(217,640,823)	(50,468,055)
Gross profit		35,518,379	15,535,358	26,022,514	4,886,173
Selling and administrative expenses		(23,242,703)	(13,409,026)	(7,394,506)	(5,507,399)
Operating profit / (loss)		12,275,676	2,126,332	18,628,008	(621,226)
Finance cost		(7,465,103)	(6,041,489)	(3,299,099)	(2,223,095)
Other operating income		5,327,782	2,980,169	(384,993)	461,441
Profit / (Loss) before taxation		10,138,355	(934,988)	14,943,916	(2,382,880)
Taxation		2,741,080	1,291,585	1,098,125	752,561
Profit / (Loss) after taxation		12,879,435	356,597	16,042,041	(1,630,319)
Profit per share - basis and diluted		0.52	0.01	0.64	(0.07)



CEO



Director



CFO

Safe Mix Concrete Limited

Condensed Interim Statement of Comprehensive Income

(Un-audited)

For the third quarter ended March 31, 2018

	July to March (9 Months)		January to March (3 Months)	
	2018	2017	2018	2017
	(------(Rupees)-----)			
Profit / (loss) after taxation	12,879,435	356,597	16,042,041	(1,630,319)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>12,879,435</u>	<u>356,597</u>	<u>16,042,041</u>	<u>(1,630,319)</u>

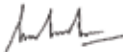
The annexed notes form an integral part of this condensed interim financial information.



CEO



Director



CFO

Safe Mix Concrete Limited

Condensed Interim Cash Flow Statement (Un-audited)

For the third quarter ended March 31, 2018

July to March 2018 July to March 2017
(-----Rupees-----)

CASH FLOWS FROM OPREATING ACTIVITIES

Profit / (Loss) before taxation	10,138,355	(934,988)
Adjustments of items not involving movement of cash:		
Depreciation	10,639,609	5,537,898
Interest income	(74,782)	(460,169)
Provision for gratuity	1,275,000	1,079,840
Amortization of deferred income	(2,520,000)	(2,520,000)
Finance cost	7,465,103	6,041,489
	16,784,930	9,679,058
Operating profit before working capital changes	26,923,285	8,744,070

Changes in working capital

(Increase) / decrease in current assets

Stores, spare parts and loose tools	(615,615)	(2,278,988)
Stock in trade	(29,467,517)	(738,364)
Trade debts	(145,485,426)	(52,709,258)
Advances, prepayments and other receivables	(26,248,984)	(17,319,914)
	(201,817,542)	(73,046,524)

Decrease / increase in current liabilities

Trade and other payables	197,371,790	77,706,736
Cash outflow from operating activities	22,477,533	13,404,282

Taxes paid

Staff benefits paid	(14,390,235)	(10,107,810)
Finance cost paid	(1,047,847)	(833,887)
	(7,515,990)	(6,041,489)

	(22,954,072)	(16,983,186)
Net cash outflow from operating activities	(476,540)	(3,578,904)

CASH FLOW FROM INVESTING ACTIVITIES

Fixed capital expenditure	(80,900,284)	(10,060,168)
Long term deposits	(976,500)	(229,300)
Interest received	74,782	460,169
Net cash outflow from investing activities	(81,802,002)	(9,829,299)

CASH FLOW FROM FINANCING ACTIVITIES

Loan from related party	40,000,000	20,000,000
Proceeds from long term loan financing	35,210,000	-
Repayment of long term loan financing	(8,540,687)	-
Net cash outflow from financing activities	66,669,313	20,000,000
Net decrease in cash and cash equivalents	(15,609,228)	6,591,797
Cash and cash equivalents at beginning of the period	16,845,989	9,846,405
Cash and cash equivalents at the end of the period	1,236,761	16,438,202

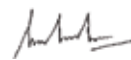
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CEO



Director



CFO

Safe Mix Concrete Limited

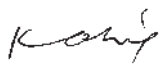
Condensed Interim Statement of Changes in Equity

(Un-audited)

For the third quarter ended March 31, 2018

	Issued, subscribed and paid-up capital	Share premium Reserve	Accumulated profit/(loss)	Total
	(-----Rupees)-----)			
Balance as at 30 June 2016 - audited	250,000,000	14,728,576	(8,287,557)	256,441,019
Total comprehensive income for the period ended 31 March 2017	-	-	356,597	356,597
Balance as at 31 March 2017 - un-audited	<u>250,000,000</u>	<u>14,728,576</u>	<u>(7,930,960)</u>	<u>256,797,616</u>
Balance as at 30 June 2017 - audited	250,000,000	14,728,576	(26,034,366)	238,694,210
Total comprehensive income for the period ended 31 March 2018	-	-	12,879,435	12,879,435
Balance as at 31 March 2018 - un-audited	<u>250,000,000</u>	<u>14,728,576</u>	<u>(13,154,931)</u>	<u>251,573,645</u>

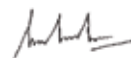
The annexed notes form an integral part of this condensed interim financial information.



CEO



Director



CFO

Safe Mix Concrete Limited

Notes to the Condensed Interim Financial Information

(Un-audited)

For the third quarter ended March 31, 2018

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 repealed Companies Ordinance, 1984. On 16th 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

Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company as at and for the year ended June 30, 2017.

In 2017, the Companies Act, 2017 (the new Companies Act) was enacted and promulgated by the SECP on May 30, 2017. An exemption was granted to companies whose financial year ended on or before June 30, 2017 via Circular No. 17 of July 20, 2017. No further exemption has been provided and the Company is currently in process of determining impact, if any, on annual financial statements due to implementation of the Act. There is no impact on this condensed interim financial information as they have been prepared primarily under IAS 34 as stated above.

This condensed interim financial information is being submitted to the shareholders as required by section 237 of the Companies Act 2017.

This condensed interim financial information has been presented in Pakistani Rupees, which is the functional currency of the Company. The figures are rounded off to the nearest rupee.

3 ESTIMATES

In preparing this condensed interim financial information, management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of the Company as at and for the year ended June 30, 2017.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the year ended June 30, 2017.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period were either not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

	Note	Un-audited 31 March 2018 (-----Rupees-----)	Audited 30 June 2017
5	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	5.1	220,467,043	166,123,278
Capital work in progress		21,919,521	6,002,611
		<u>242,386,564</u>	<u>172,125,889</u>
5.1	Operating fixed assets		
Opening book value		166,123,278	170,887,438
Add: Additions during the period	5.1.1	64,983,374	8,459,928
Less: Depreciation charged during the period		10,639,609	10,236,710
Disposals and Transfers during the period - net book value		-	2,987,378
		<u>220,467,043</u>	<u>166,123,278</u>
5.1.1	Break-up of additions - at cost		
Building		6,576,890	-
Plant and machinery		55,566,915	7,510,184
Vehicles		-	949,744
Computers		122,469	-
Office equipment		2,717,100	-
		<u>64,983,374</u>	<u>8,459,928</u>
6	LONG TERM FINANCING - SECURED		
Details of long term financing are as follows:			
Diminishing musharaka - Bank of Punjab	6.1	38,496,063	47,036,750
Diminishing musharaka - Summit Bank	6.2	35,210,000	-
less: Current portion of long term financing shown under current liabilities		11,759,188	11,759,188
Diminishing musharaka		<u>61,946,875</u>	<u>35,277,562</u>
6.1	During the financial year 2016, 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.		
6.2	During the current year, the Company entered into a diminishing musharka of Rs.35.2 million for plant and machinery with the Summit Bank Limited- Islamic Banking. The arrangement carry profit at the rate of 1 year KIBOR + 3.75% and with monthly rental repayments. The arrangement is for a tenure of three years from the date of disbursement and are structured in such a way first principal repayment installment will commence from the thirteenth installment. Arrangement is secured against exclusive charge of PKR 50.75 million over plant and machinery of the Company located at Nooriabad, registered with SECP.		

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 There are no significant changes in the status of contingencies as reported in note 17 to the annual audited financial statements of the Company for the year ended June 30, 2017.

	Note	Un-audited 31 March 2018	Audited 30 June 2017
		(-----Rupees-----)	
7.2 Commitments			
Bank guarantee issued on behalf of the Company		(33,333,334)	-

8 COST OF SALES

	Un-audited July to March		Quarter Ended January to March	
	2018	2017	2018	2017
	(-----Rupees-----)			
Raw material and stores consumed	222,327,352	6,169,987	158,872,091	2,155,103
Salaries, wages and other benefits	46,089,934	33,928,684	20,849,145	12,164,185
Depreciation	9,572,970	5,066,244	4,042,097	1,430,527
Ijarah Rentals	21,102,462	21,399,084	7,034,154	7,034,154
Fuel and power	27,481,547	18,513,206	14,081,886	6,797,681
Repair and maintenance	6,212,620	608,199	5,258,873	381,351
Site preparation and sample testing	815,905	259,125	170,150	161,750
Fleet outsourcing charges	16,133,841	38,482,731	-	13,893,723
Equipment hiring charges	19,287,304	12,817,288	5,312,939	4,711,724
Land rent	2,324,997	2,324,997	774,999	774,999
Insurance expenses	3,590,119	2,844,989	1,244,488	962,859
	374,939,052	142,414,534	217,640,823	50,468,056

9 TRANSACTIONS WITH RELATED PARTIES

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.

Detail of transactions and balances with related parties are as follows:

9.1 Transactions with related parties	Un-audited 31 March 2018	Un-audited 31 March 2017
	(-----Rupees-----)	
Associated Companies:		
Power Cement Limited		
Purchase of cement	309,139,802	187,930,070
Javedan Corporation Limited		
Sale of goods	40,924,805	54,848,073
Mr. Arif Habib		
Loan	40,000,000	-

		Un-audited 31 March 2018	Audited 30 June 2017
9.2	Balances with related parties		
		(-----Rupees-----)	
	Associated companies:		
	Payable to Power Cement Limited	168,260,110	45,081,608
	Payable from Javedan Corporation Limited	5,231,846	18,187,792
	Payable to Mr. Arif Habib	60,000,000	-

10 OPERATING SEGMENTS

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

10.1 100% (2017: 100%) of the gross sales of the Company were made to customers located in Pakistan.

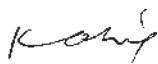
10.2 All non-current assets of the Company as at March 31, 2018 are located in Pakistan.

11 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorized for issue on 25th April 2018 by the Board of Directors of the Company.

12 CORRESPONDING FIGURES

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



CEO



Director



CFO

ڈائریکٹران کا عمومی جائزہ

سیف کس کنکریٹ لمیٹڈ کے بورڈ آف ڈائریکٹران تفصیلی مالی معلومات برائے اختتام نو ماہ 31 مارچ 2018 پیش کرتے ہیں۔

جائزہ:

زیر جائزہ سہ ماہی مدت کے دوران، کمپنی نے 16.04 ملین روپے کا منافع بعد از ٹیکس کمایا جس کے نتیجے میں زیر جائزہ نو ماہ کیلئے 12.88 ملین روپے تک بعد از ٹیکس منافع ہوا۔ گزشتہ رواں سالہ مدت کے مقابلے میں معیاری حجم 31% تک بڑھ چکا ہے۔ مزید یہ کہ زیر جائزہ اختتامی مدت کے دوران کمپنی نے تقسیم کاری عمل کو بہتر کرنے اور اپنے اثاثہ جاتی بنیاد میں اضافے کیلئے بھاری سرمایہ کاری کی ہے جو فی یونٹ تقسیم کاری لاگت کو کم کرنے اور کمپنی کے معیاری فروختگی، حجم میں مزید اضافہ کا باعث ہوگی۔

افعالی نتائج:

افعالی نتائج:		سہ ماہی اختتام		اختتام نو ماہ	
		31		مارچ 31	
		2017	2018	2017	2018
منافع / (نقصان) قبل از ادائیگی ٹیکس		14943,916	(2,382,880)	10,138,355	(934,988)
ادائیگی ٹیکس		1,098,125	752,561	2,741,080	1,291,585
منافع / (نقصان) بعد از ادائیگی ٹیکس		16,042,041	(1,630,319)	12,879,435	356,597

آمدنی فی شیئر

فی شیئر آمدنی برائے اختتام نو ماہ 0.52 روپے تک ہوئی بہ نسبت گزشتہ سال کی رواں مدت میں 0.01 فی شیئر آمدنی کے مقابلے میں۔

مستقبل کا خاکہ

کمپنی نے ترسیلی گنجائش میں اضافے کیلئے سرمایہ کاری کی ہے۔ یہ نہ صرف پلانٹ کی استعداد میں اضافہ کرے گا بلکہ کرایہ پر حاصل کردہ ساز و سامان کی لاگت میں کمی کیلئے مددگار ہوگا اور بلڈرز / ٹھیکیداروں کو کنکریٹ مکس کی بروقت فراہمی کو یقینی بنانے میں بھی معاون ثابت ہوگا۔ کمپنی نے ریڈی مکس کی خدمات میں بڑھتی ہوئی مارکیٹ کو گرفت میں رکھنے کیلئے جدید مارکیٹنگ لائحہ عمل اپنانے کا فیصلہ کیا ہے۔ مزید یہ کہ کمپنی مخصوص پرائیویٹ ترقیاتی منصوبوں کے خاص سپلائی کنٹریکٹس میں سرمایہ کاری پر توجہ مرکوز کر رہی ہے۔

اعتراف

کمپنی کی انتظامیہ تمام شیئر ہولڈرز، مالیاتی اداروں، صارفین، فرد، اور اشاف اراکین کا شکریہ ادا کرنا چاہے گی جو اپنی حمایت اور تعاون کیلئے کمپنی سے منسلک رہے۔ مزید یہ کہ، ہم SEC اور PSX کی انتظامیہ کا ان کی مسلسل حمایت اور رہنمائی کیلئے بھی شکریہ ادا کرنا چاہیں گے۔

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
کراچی: 25 مارچ 2018










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