



Nine Months Report

March 31, 2019

CONTENTS

Company Information	02
Directors' Review Report	03
Condensed Interim Balance Sheet (Un-audited)	04
Condensed Interim Profit and Loss Account (Un-audited)	05
Condensed Interim Statement of Comprehensive Income (Un-audited)	06
Condensed Interim Statement of Cash Flows (Un-audited)	07
Condensed Interim Statement of Changes in Equity (Un-audited)	08
Condensed Interim Notes to the Financial Information (Un-audited)	09
Directors' Review Report (URDU)	13
Jama Punji	14

Company Information

Board of Directors

Mr. Shahid Aziz Siddiqi – Chairman
Mr. Samad Habib - Chief Executive Officer
Mr. Kashif Habib
Syed Najamuddujah Jaffri
Mr. Khalil Ahmed
Mr. Ahsan Anis
Mrs. Anna Samad

Audit Committee

Syed Najamuddujah Jaffri
Mr. Kashif Habib
Mr. Ahsan Anis

Human Resources & Remuneration Committee

Mr. Samad Habib
Syed Najamuddujah Jaffri

Chief Financial Officer

Mr. Bilal Yasin

Company Secretary

Mr. Bilal Yasin

Auditors

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Legal Advisor

Advocate Ahsan-ul-haq
Advocates and Corporate council

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
Meezan 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, PECHS, Karachi.

Directors' Review

The Board of Directors of Safe Mix Concrete Limited present herewith condensed financial information for the nine months ended 31st March 2019.

Over view

During the nine months under review, the Company earned a Profit After Tax (PAT) of Rs 21.112 million, whereas the profit in third quarter from January to March the company has earned Rs. 13.205 million. The increase in profit is a result of effective and efficient utilization of resources and the company is making efforts to further enhance its efficiency.

Operating results

	July to March 2019	January to March 2019	July to March 2018	January to March 2018
Profit before taxation	30,628,064	17,170,045	10,138,355	14,943,916
Taxation	(9,516,063)	(3,965,031)	2,741,080	1,098,125
Profit after taxation	21,112,001	13,205,014	12,879,435	16,042,041

Earnings per share


Earnings per share for the nine months ended amounted to Re. 0.84 per share as compared to Earnings per share for the corresponding period of the last year of Re. 0.52 per share.

Future Outlook

The company is working to further bring efficiency in the operations and hopeful it will have positive impact on the bottom line of the company. Further, the company is focusing on diversified portfolio in the industry. Lifting of ban on high rise building also helps to increase in ready mix business.

Acknowledgement

The management of the Company would like to thank all the 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.



For and on behalf of the Board

Samad Habib

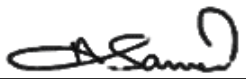
Chief Executive Officer

Karachi: April 29, 2019

Safe Mix Concrete Limited
Condensed Interim Balance Sheet (Un audited)
As at 31 March, 2019

	Note	Un-audited 31 March 2019	Audited 30 June 2018
		Rupees	
Non - current assets			
Property, plant and equipment	5	247,502,669	258,357,963
Long term deposits		34,222,030	34,078,430
Deferred taxation		38,710,350	43,306,892
		320,435,049	335,743,285
Current assets			
Stores, spare parts and loose tools		5,241,136	5,231,438
Stock in trade		65,457,225	76,725,427
Trade debts		393,568,099	203,430,112
Advances, prepayments and other receivables		42,048,764	84,685,953
Taxation - net of provision		42,144,111	43,320,476
Cash and bank balances		1,601,428	4,371,758
		550,060,763	417,765,164
Total assets		870,495,812	753,508,449
Equity and Liabilities			
Share capital and reserves			
Authorized capital			
35,000,000 ordinary shares of Rs 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital		250,000,000	250,000,000
Share premium		14,728,576	14,728,576
Accumulated loss		(2,560,181)	(23,672,182)
		262,168,395	241,056,394
Liabilities			
Non - current liabilities			
Long term financing - secured	6	39,016,974	49,925,874
Staff retirement benefits		6,920,497	7,687,190
Deferred income liability		4,480,000	4,480,000
		50,417,471	62,093,064
Current liabilities			
Trade and other payables		460,284,910	365,384,070
Current portion of deferred income		840,000	3,360,000
Current portion of long term financing		20,561,688	20,561,688
Loan from related party		75,000,000	60,000,000
Accrued markup		1,223,348	1,053,233
		557,909,946	450,358,991
		870,495,812	753,508,449
Contingencies and commitments			

The annexed notes from 1 to 12 form an integral part of these financial statements.


CEO


Director


CFO

Safe Mix Concrete Limited
Condensed Interim Profit and Loss Account (Un audited)
For the third quarter ended 31 March, 2019

	July to March (9 Months)		January to March (3 Months)	
	2019	2018	2019	2018
Revenue	743,329,198	410,457,431	227,290,965	243,663,337
Cost of sales	(687,705,671)	(374,939,052)	(202,416,087)	(217,640,823)
Gross profit	55,623,527	35,518,379	24,874,878	26,022,514
Selling and distribution expenses	(23,298,977)	(23,242,703)	(7,389,902)	(7,394,506)
Operating profit	32,324,550	12,275,676	17,484,976	18,628,008
Finance cost	(8,935,613)	(7,465,103)	(3,050,271)	(3,299,099)
Other operating income	7,239,127	5,327,782	2,735,340	(384,993)
Profit before taxation	30,628,064	10,138,355	17,170,045	14,943,916
Provision for taxation	(9,516,063)	2,741,080	(3,965,031)	1,098,125
Profit after taxation	21,112,001	12,879,435	13,205,014	16,042,041
Profit per share - basis and diluted	0.84	0.52	0.53	0.64

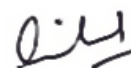
The annexed notes from 1 to 12 form an integral part of these financial statements.



CEO



Director



CFO

Safe Mix Concrete Limited
Condensed Interim Statement of Comprehensive Income (Un-audited)
For the third quarter ended 31 March, 2019

	July to March (9 Months)		January to March (3 Months)	
	2019	2018	2019	2018
	-----Rupees-----			
Profit after taxation	21,112,001	12,879,435	13,205,014	16,042,041
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>21,112,001</u>	<u>12,879,435</u>	<u>13,205,014</u>	<u>16,042,041</u>

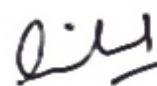
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CEO



Director



CFO

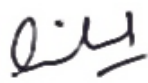
Safe Mix Concrete Limited
Condensed Interim Cash Flow Statement (Un-audited)
For the third quarter ended 31 March, 2019

	2019	2018
	(Rupees)	
Cash flow from operating activities		
Profit / before taxation	30,628,064	10,138,355
Adjustments for:		
Depreciation	13,537,928	10,639,609
Interest income	(719,211)	(74,782)
Gain on sale of fixed assets	(218,223)	-
Provision for staff benefits	1,304,154	1,275,000
Amortization of deferred income	(2,520,000)	(2,520,000)
Finance cost	8,935,613	7,465,103
	20,320,261	16,784,930
	50,948,325	26,923,285
Changes in working capital		
<i>(Increase) / decrease in current assets:</i>		
Stores and spares	(9,698)	(615,615)
Stock in trade	11,268,202	(29,467,517)
Trade debts	(190,137,987)	(145,485,426)
Advances, prepayments and other receivables	42,637,189	(26,248,984)
	(136,242,294)	(201,817,542)
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	94,900,840	197,371,790
Cash flow from operating activities	9,606,871	22,477,533
Taxes paid	(3,743,156)	(14,390,235)
Finance cost paid	(8,765,498)	(7,515,990)
Gratuity paid	(2,070,847)	(1,047,847)
	(14,579,501)	(22,954,072)
Net cash generated / (used) in operating activities	(4,972,630)	(476,539)
Cash flow from investing activities		
Capital expenditure incurred	(3,179,411)	(80,900,284)
Proceeds from sale of fixed assets	715,000	-
Interest received	719,211	74,782
Long term deposits paid	(143,600)	(976,500)
Net cash used in investing activities	(1,888,800)	(81,802,002)
Cash flow from financing activities		
Net Proceeds from long term financing	(10,908,900)	26,669,313
Net Proceeds from loan from related party	15,000,000	40,000,000
Net cash generated from financing activities	4,091,100	66,669,313
Net (decrease) / increase in cash and cash equivalents	(2,770,330)	(15,609,228)
Cash and cash equivalents at beginning of the year	4,371,758	16,845,989
Cash and cash equivalents at end of the year	1,601,428	1,236,761

The annexed notes from 1 to 12 form an integral part of these financial statements.


CEO



Director


CFO

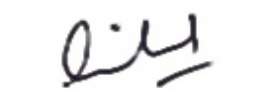
Safe Mix Concrete Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the third quarter ended 31 March, 2019

	Issued, subscribed and paid up capital	Share premium reserve	Accumulated (loss) / profit	Total
	Rupees			
Balance as at July 01, 2017	250,000,000	14,728,576	(26,034,366)	238,694,210
Total comprehensive for the year ended March 31, 2018	-	-	12,879,435	12,879,435
Balance as at March 31, 2018	250,000,000	14,728,576	(13,154,931)	251,573,645
Balance as at July 01, 2018	250,000,000	14,728,576	(23,672,182)	241,056,394
Total comprehensive income for the period ended March 31, 2019	-	-	21,112,001	21,112,001
Balance as at March 31, 2019	250,000,000	14,728,576	(2,560,181)	262,168,395

The annexed notes from 1 to 12 form an integral part of these financial statements.


CEO


Director


CFO

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" and provisions of and directives issued under the Companies Act, 2017. In case the requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail. 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, 2018.

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, 2018.

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.

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	230,963,611	241,654,158
Capital work in progress		16,539,058	16,703,805
		247,502,669	258,357,963

5.1 Operating fixed assets

Opening book value		241,654,158	166,123,278
Add: Additions during the period	5.1.1	3,344,158	92,831,770
Less: Depreciation charged during the period		13,537,928	13,375,698
Disposals during the period - net book value		496,777	3,925,192
		230,963,611	241,654,158

5.1.1 Break-up of additions - at cost

Building	291,000	7,316,990
Plant and machinery	1,382,111	81,337,074
Vehicles	1,455,500	851,630
Computers	-	181,769
Electrical equipment	-	102,000
Furniture and fixture	215,547	325,207
Office equipment	-	2,717,100
	3,344,158	92,831,770

6 LONG TERM FINANCING - SECURED

Details of long term financing are as follows:

Diminishing musharaka - Summit Bank	6.1	32,275,834	35,210,000
Diminishing musharaka - Bank of Punjab	6.2	26,458,171	35,277,562
Diminishing musharaka - Bank Islami	6.3	844,657	-
Less: Current portion of long term financing		20,561,688	20,561,688
		39,016,974	49,925,874

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 financial year 2017, 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.

6.3 During the financial year, the company entered into a diminishing musharka of Rs.1.4 million for motor vehicles with the Bank Islami Limited. The arrangement carry profit at the rate of KIBOR + 25% and with monthly rental repayments. The arrangement is for a tenure of four years from the date of disbursement. Arrangement is secured against the subject motor vehicles.

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, 2018.

7.2 Commitments

Bank guarantee issued on behalf of the Company.

(Un-audited)	(Audited)
March 31,	June 30,
2019	2018
Rupees	Rupees

2,267,702	18,750,602
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8 COST OF SALES

	Nine Months Ended		Quarter Ended	
	Un-audited	Un-audited	Un-audited	Un-audited
	2019	2018	2019	2018
	Rupees	Rupees	Rupees	Rupees
Raw material and stores consumed	530,822,206.00	222,327,352	150,953,900	158,872,091
Salaries, wages and other benefits	62,213,261.00	46,089,934	20,479,677	20,849,145
Depreciation	12,702,981.00	9,572,970	4,240,283	4,042,097
Fuel and power	39,873,681.00	27,481,547	14,811,250	14,081,886
Fleet outsourcing charges	-	16,133,841	-	-
Equipment hiring charges	3,301,103.00	19,287,304	963,514	5,312,939
Ijarah Rentals	20,705,064.00	21,102,462	6,901,688	7,034,154
Repair and maintenance	11,781,283.00	6,212,620	2,301,686	5,258,873
Site preparation and sample testing	859,595.00	815,905	169,830	170,150
Land rent	2,557,503.00	2,324,998	852,501	775,000
Insurance expenses	2,888,994.00	3,590,119	741,758	1,244,488
	687,705,671	374,939,052	202,416,087	217,640,823

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:

	<u>Un-audited</u> March 31, 2019 Rupees	<u>Un-audited</u> March 31, 2018 Rupees
9.1 Transactions with related parties		
Associated Companies:		
<i>Power Cement Limited</i>		
Purchase of cement	254,265,866	309,139,802
<i>Javedan Corporation Limited</i>		
Sale of goods	48,005,990	40,924,805
<i>Mr. Arif Habib</i>		
Loan	15,000,000	40,000,000

	<u>Un-audited</u> March 31, 2019 Rupees	<u>Audited</u> June 30, 2018 Rupees
9.2 Balances with related parties		
Associated companies:		
Payable to Power Cement Limited	260,829,372	118,327,269
Receivable from Javedan Corporation Limited	5,091,963	9,008,633
Payable to Arif Habib Limited	75,000,000	60,000,000

10 OPERATING SEGMENTS

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

10 100% (2018: 100%) of the gross sales of the Company were made to customers located in Pakistan.

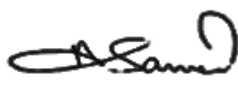
10 All non-current assets of the Company as at March 31, 2019 are located in Pakistan.

11 DATE OF AUTHORIZATION FOR ISSUE

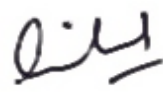
The condensed interim financial information was authorized for issue on 29th April, 2019 by the Board of Directors of the Company.

12 CORRESPONDING FIGURES

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


CEO


Director


CFO

ڈائریکٹر کا جائزہ

سیف مکس کنکریٹ لمیٹڈ کے بورڈ آف ڈائریکٹران اپنی تفصیلی مالی معلومات برائے اختتام نو ماہ 31 مارچ 2019 پیش کرتے ہیں۔

جائزہ:

زیر جائزہ نو ماہ مدت کے دوران، کمپنی نے بعد از ٹیکس Rs.21.112 ملین منافع کمایا ہے جبکہ جنوری تا مارچ 2019 کمپنی کو Rs.13.205 ملین منافع ہوا ہے۔ منافع میں اضافے کی وجہ کمپنی کے وسائل کا بہترین اور موثر استعمال ہے اور کمپنی اس کارکردگی کو مزید بڑھانے کی کوشش کر رہی ہے۔

افعالی نتائج:

جنوری تا مارچ	جولائی تا مارچ	جنوری تا مارچ	جولائی تا مارچ	
2018	2018	2019	2019	
14,943,916	10,138,355	17,170,045	30,628,064	منافع قبل از ادائیگی ٹیکس
1,098,125	2,741,080	(3,965,031)	(9,516,063)	ٹیکس
16,042,041	12,879,435	13,205,014	21,112,001	منافع بعد از ٹیکس

فی شیئر آمدنی:

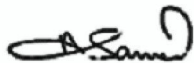
فی شیئر منافع برائے اختتام نو ماہ شمار کردہ Re.0.84 فی شیئر ہوا۔ جبکہ مواز کے مطابق فی شیئر منافع گذشتہ سال اسی مدت کے دوران Re.0.52 فی شیئر تھا۔

مستقبل کے امکانات:

کمپنی اپنے آپریشن میں مسلسل مزید بہتری لانے کیلئے کام کر رہی ہے اور پرامید ہے کہ اس کی وجہ سے کمپنی کے حتمی نتائج پر مثبت اثر پڑے گا، اس کے علاوہ کمپنی مختلف صنعتوں پر توجہ مرکوز کر رہی ہے، اونچی عمارتوں پر عائد پابندی کے خاتمے کی وجہ سے بھی کنکریٹ مکس کے کاروبار میں مزید اضافہ متوقع ہے۔

اعتراف:

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



برائے و منجانب بورڈ

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کراچی: ۲۹ اپریل، ۲۰۱۹










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(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



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