



# **Half Yearly Report**

## December 31, 2019

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# Company Information

## ***Board of Directors***

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

## ***Audit Committee***

Syed Najamuddujah Jaffri  
Mr. Kashif Habib  
Mr. Ahsan Anis

## ***Human Resources & Remuneration Committee***

Mr. Samad Habib  
Syed Najamuddujah Jaffri  
Mr. Kashif Habib

## ***Chief Financial Officer***

Mr. Arif Ghani

## ***Company Secretary***

Mr. Arif Ghani

## ***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](http://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 half year ended 31<sup>st</sup> December 2019.

### **Over view**

During the half year under review, the Company incurred a Loss After Tax of Rs 34.303 million, whereas in second quarter from September to December the company incurred loss of Rs. 21.093 million. During the half year from July to December the volumetric sales has decreased from 79,455 cubic meters to 39,008 cubic meters as compared to corresponding period last year, the decrease is a result of completion of exclusive supply contracts of specific private sector development projects and depressed condition of construction and building industry.

### **Operating results**

	<b>July to December 2019</b>	<b>October to December 2019</b>	<b>July to December 2018</b>	<b>October to December 2018</b>
(Loss) / Profit before taxation	<b>(31,382,390)</b>	<b>(18,331,710)</b>	13,458,019	7,072,516
Taxation	<b>(2,920,402)</b>	<b>(2,760,870)</b>	(5,551,032)	(3,671,885)
(Loss) / Profit after taxation	<b><u>(34,302,792)</u></b>	<b><u>(21,092,580)</u></b>	<u>7,906,987</u>	<u>3,400,631</u>

### **Earnings per share**

Loss per share for the half year ended amounted to Rs. (1.37) per share as compared to earnings per share for the corresponding period of the last year of Rs. 0.32 per share.

### **Future Outlook**

Considering the depressed condition of construction and building industry, the company is working towards bringing efficiencies in the operations.

### **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: February 28, 2020

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the Members of Safe Mix Concrete Limited  
Report on Review of Interim Financial Statement

### **Introduction:**

We have reviewed the accompanying condensed interim statement of financial position of **Safe Mix Concrete Limited** ("the Company") as at December 31, 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statement in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

### **Scope of Review:**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is **Ahsan Elahi Vohra**.

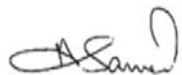
### **Chartered Accountants**

Dated :  
Karachi:

**Safe Mix Concrete Limited**  
**Condensed Interim Statement of Financial Position (Un-audited)**  
**As at December 31, 2019**

	<i>Note</i>	(Un-audited) December 31, 2019	(Audited) June 30, 2019
		------(Rupees)-----	
<b>Non - current assets</b>			
Property, plant and equipment	6	240,782,906	249,491,518
Long term deposits		28,722,030	28,722,030
Deferred taxation		67,470,903	67,034,421
		<b>336,975,839</b>	<b>345,247,969</b>
<b>Current assets</b>			
Stores, spare parts and loose tools		5,392,192	5,668,874
Stock in trade		72,542,727	53,118,037
Trade debts	7	127,785,693	122,915,602
Advances, prepayments and other receivables		43,576,420	44,265,373
Taxation - net of provision		32,855,772	34,523,233
Cash and bank balances		843,460	2,735,321
		<b>282,996,264</b>	<b>263,226,440</b>
<b>Total assets</b>		<b>619,972,103</b>	<b>608,474,409</b>
<b>Equity and Liabilities</b>			
<b>Share capital and reserves</b>			
<b>Authorized capital</b>			
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		(110,882,935)	(76,580,143)
		<b>153,845,641</b>	<b>188,148,433</b>
<b>Non - current liabilities</b>			
Long term financing - secured	8	6,217,239	21,044,135
Staff retirement benefits		7,861,565	6,937,495
Deferred income		1,120,000	1,120,000
		<b>15,198,804</b>	<b>29,101,630</b>
<b>Current liabilities</b>			
Trade and other payables	9	331,211,320	267,198,223
Current portion of deferred income		1,680,000	3,360,000
Current portion of long term financing	8	29,653,996	29,653,996
Loan from related party		87,000,000	90,000,000
Accrued markup		1,382,342	1,012,127
		<b>450,927,658</b>	<b>391,224,346</b>
<b>Contingencies and commitments</b>	10		
		<b>619,972,103</b>	<b>608,474,409</b>

The annexed notes from 1 to 14 form an intergral part of these condensed interim financial statements.

  
**ABDUS SAMAD**  
Chief Executive Officer

  
**ARIF GHANI**  
Chief Finance Officer

  
**KASHIF HABIB**  
Director

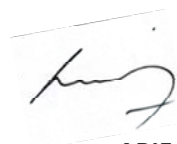
**Safe Mix Concrete Limited**  
**Condensed Interim Statement of Profit or Loss (Un-audited)**  
**For the half year ended December 31, 2019**

	Note	Half Year Ended		Quarter Ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
		Rupees		Rupees	
Revenue		223,792,270	516,038,233	112,415,521	268,295,292
Cost of sales	11	<u>(244,574,806)</u>	<u>(485,289,584)</u>	<u>(124,549,672)</u>	<u>(253,443,451)</u>
<b>Gross (loss) / profit</b>		<b>(20,782,536)</b>	30,748,649	<b>(12,134,151)</b>	14,851,841
Selling and administrative expenses		<u>(12,059,173)</u>	<u>(15,909,075)</u>	<u>(6,030,503)</u>	<u>(7,484,859)</u>
<b>Operating (loss) / profit</b>		<b>(32,841,709)</b>	14,839,574	(18,164,654)	7,366,982
Finance cost		<b>(5,766,739)</b>	(5,885,342)	<b>(2,947,458)</b>	(2,877,753)
Other operating income		<u>7,226,058</u>	<u>4,503,787</u>	<u>2,780,402</u>	<u>2,583,286</u>
<b>(Loss) / Profit before taxation</b>		<b>(31,382,390)</b>	13,458,019	<b>(18,331,710)</b>	7,072,515
Provision for taxation		<b>(2,920,402)</b>	(5,551,032)	<b>(2,760,870)</b>	(3,671,885)
<b>(loss) / Profit after taxation</b>		<u><b>(34,302,792)</b></u>	<u>7,906,987</u>	<u><b>(21,092,580)</b></u>	<u>3,400,630</u>
<b>(Loss) / Profit per share - basis and diluted</b>		<u><b>(1.37)</b></u>	<u>0.32</u>	<u><b>(0.84)</b></u>	<u>0.14</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



**ABDUS SAMAD**  
**Chief Executive Officer**



**ARIF GHANI**  
**Chief Finance Officer**



**KASHIF HABIB**  
**Director**

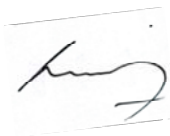
**Safe Mix Concrete Limited**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
**For the half year ended December 31, 2019**

	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	-----Rupees-----			
<b>(loss) / Profit after taxation</b>	<b>(34,302,792)</b>	7,906,987	<b>(21,092,580)</b>	3,400,630
Other comprehensive loss - net of tax			-	-
<b>Total comprehensive (loss) / income for the year</b>	<b><u>(34,302,792)</u></b>	<b><u>7,906,987</u></b>	<b><u>(21,092,580)</u></b>	<b><u>3,400,630</u></b>

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**Chief Executive Officer**



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**Director**



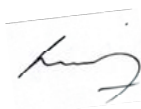
**Safe Mix Concrete Limited**  
**Condensed Interim Statement of Cash Flows (Un-audited)**  
**For the half year ended December 31, 2019**

	December 31, 2019	December 31, 2018
	(Rupees)	
<b>Cash flow from operating activities</b>		
<b>(Loss) / Profit before taxation</b>	<b>(31,382,390)</b>	13,458,019
<b>Adjustments for:</b>		
Depreciation	8,781,612	9,209,001
Markup income	-	(476,959)
Gain on sale of fixed assets	-	(218,223)
Provision for staff benefits	1,370,556	869,436
Amortization of deferred income	(1,680,000)	(1,680,000)
Finance cost	5,766,739	5,885,342
	<b>14,238,907</b>	13,588,597
	<b>(17,143,483)</b>	27,046,616
<b>Changes in working capital</b>		
<i>Increase in current assets:</i>		
Stores and spares	276,682	383,677
Stock in trade	(19,424,690)	10,210,598
Trade debts	(4,870,091)	(134,912,263)
Advances, prepayments and other receivables	688,953	16,937,076
	<b>(23,329,146)</b>	(107,380,913)
<i>Increase in current liabilities:</i>		
Trade and other payables	64,013,097	86,300,169
<b>Cash flow from operating activities</b>	<b>23,540,467</b>	5,965,872
Taxes paid	(1,689,423)	(3,001,444)
Finance cost paid	(5,396,524)	(6,086,158)
Gratuity paid	(446,485)	(2,146,384)
	<b>(7,532,432)</b>	(11,233,986)
<b>Net cash generated from / (used) in operating activities</b>	<b>16,008,035</b>	(5,268,113)
<b>Cash flow from investing activities</b>		
Capital expenditure incurred	(73,000)	(2,543,630)
Proceeds from sale of fixed assets	-	698,997
Long term deposits paid	-	(143,600)
Markup received	-	476,959
<b>Net cash used in investing activities</b>	<b>(73,000)</b>	(1,511,274)
<b>Cash flow from financing activities</b>		
Net Proceeds from long term financing	(14,826,896)	(4,962,535)
Net Proceeds from Loan from related party	(3,000,000)	15,000,000
<b>Net cash (used in) / generated from financing activities</b>	<b>(17,826,896)</b>	10,037,465
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,891,861)</b>	3,258,078
<b>Cash and cash equivalents at beginning of the year</b>	<b>2,735,321</b>	4,371,758
<b>Cash and cash equivalents at end of the year</b>	<b>843,460</b>	7,629,836

The annexed notes from 1 to 14 form an intergral part of these condensed interim financial statements.



**ABDUS SAMAD**  
**Chief Executive Officer**



**ARIF GHANI**  
**Chief Finance Officer**



**KASHIF HABIB**  
**Director**

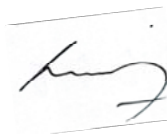
**Safe Mix Concrete Limited**  
**Condensed Interim Statement of Changes in Equity (Un-audited)**  
**For the half year ended December 31, 2019**

	Issued, subscribed and paid up capital	Share premium reserve	Accumulated (loss) / profit	Total
	-----Rupees-----			
Balance as at June 30,2018	250,000,000	14,728,576	(23,672,182)	241,056,394
Adjustment on the initial application of IFRS 9	-	-	(23,515,657)	(23,515,657)
Adjusted balance as at July 01, 2018	250,000,000	14,728,576	(47,187,839)	217,540,737
Total comprehensive income for the period	-	-	7,906,987	7,906,987
Balance as at Decmeber, 2018	250,000,000	14,728,576	(39,280,852)	225,447,724
Total comprehensive loss for the period	-	-	(37,299,291)	(37,299,291)
<b>Balance as at June 30, 2019</b>	<b>250,000,000</b>	<b>14,728,576</b>	<b>(76,580,143)</b>	<b>188,148,433</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(34,302,792)</b>	<b>(34,302,792)</b>
<b>Balance as at December 31, 2019</b>	<b>250,000,000</b>	<b>14,728,576</b>	<b>(110,882,935)</b>	<b>153,845,641</b>

The annexed notes from 1 to 14 form an intergral part of these condensed interim financial statements.



**ABDUS SAMAD**  
**Chief Executive Officer**



**ARIF GHANI**  
**Chief Finance Officer**



**KASHIF HABIB**  
**Director**

**Safe Mix Concrete Limited**  
**Condensed Interim Notes to the Financial Information (Un-audited)**  
**For the half year ended December 31, 2019**

**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.

The manufacturing facilities of the company are situated at the following addresses:

- Plot no. 1 - 6, Sector 26, Korangi Industrial Area, Karachi, Pakistan.
- Naya Nazimabad, Karachi.
- Nooriabad Industrial Area, Kalo Kohar Distt. Jamshoroo, Sindh

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** These condensed financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2019.
- 2.3** The comparative condensed statement of financial position presented in these condensed interim financial statements have been extracted from the audited annual financial statements of the Company for the year ended 30 June 2019, whereas the cash flows and condensed statement changes in equity are extracted from the unaudited condensed interim financial statements for the period ended 31 December 2018.

These condensed interim financial statements are un-audited and are submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

**3 BASIS OF MEASUREMENT**

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

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 4.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the financial statements for the year
- 4.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period**

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 1, 2019 but are considered not to be relevant or to have any significant effect on the company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

- 4.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company**

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these unconsolidated condensed

#### 5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 5.1** The preparation of these condensed interim financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumption and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimations and uncertainty were the same as those that were applied to the annual audited financial statements for the year ended June 30, 2019.
- 5.2** The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2019.

		Un-audited December 31, 2019	Audited June 30, 2019
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>	<b>Note</b>		
Operating fixed assets	<b>6.1</b>	<b>232,870,268</b>	241,578,880
Capital work in progress - at cost		<b>7,912,638</b>	7,912,638
		<b>240,782,906</b>	249,491,518
<b>6.1 Operating assets - at net book value</b>			
Opening book value		<b>241,578,880</b>	241,654,158
Additions during the period		<b>73,000</b>	17,984,728
Disposals during the period - net book value		-	(2,131,760)
Depreciation charged during the period		<b>(8,781,612)</b>	(15,928,246)
		<b>232,870,268</b>	241,578,880
<b>Break-up of additions - at cost</b>			
Building		-	898,267
Plant and machinery		-	14,199,515
Vehicles		-	1,885,218
Furniture and Fixtures		-	50,800
Office equipments		<b>73,000</b>	950,928
		<b>73,000</b>	17,984,728

	Un-audited December 31, 2019	Audited June 30, 2019
	(Rupees)	
<b>7 TRADE DEBTS - UNSECURED</b>		
Considered good	127,785,693	122,915,602
Considered doubtful	-	100,162,815
	127,785,693	223,078,417
Impairment of financial assets	-	(100,162,815)
	127,785,693	122,915,602
<b>Impairment of financial assets</b>		
Balance as at July 1	-	61,440,920
Additional Impairment on initial application of IFRS 9	-	23,515,657
	-	84,956,577
Charge for the year	-	15,206,238
Balance as at December 31	-	100,162,815

Trade debts includes amounts receivable from associated company Javedan Corporation Limited Rs. 1,905,747 (June 30,2019: 1,756,884).

## 8 LONG TERM FINANCING - SECURED

Details of long term financing are as follows:

### Islamic

Diminishing musharka - Bank of Punjab	8.1	17,638,780	23,518,374
Diminishing musharka - Summit Bank	8.2	17,605,000	26,407,502
Diminishing musharka - Bank Islami	8.3	627,455	772,255
Less: Current portion of long term finance shown under current liabilities		(29,653,996)	(29,653,996)
		6,217,239	21,044,135

- 8.1** 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) and current assets (including stock) of the Company registered with SECP.
- 8.2** During the year 2018, 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.
- 8.3** During the year 2018, 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 + 2.5% 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.

	Un-audited December 31, 2019	Audited June 30, 2019
	(Rupees)	
<b>9 TRADE AND OTHER PAYABLES</b>		
Trade creditors	161,695,805	197,215,847
Murabaha finance facilities	58,126,077	22,914,195
Advances from customers	73,454,142	8,089,873
Accrued expenses	9,111,170	12,189,060
Withholding tax payable	7,157,087	3,791,368
Workers' Welfare Fund (WWF)	1,715,311	1,715,311
Workers' Profit Participation Fund (WPPF)	12,326,250	12,326,250
Other payables	7,625,478	8,956,318
	331,211,320	267,198,222

Trade creditors includes amount payable to associated company Power Cement Limited Rs. 39,949,601 (June 30,2019: 84,381,519 ).

## 10 CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

**10.1.1** 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, inter alia, 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 around Rs. 24 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.

**10.1.2** 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.

**10.1.3** Federal Board of Revenue (FBR) issued a notice to the company for payment of Sales Tax under Sales Tax Act, 1990. The Company filed a petition in Sindh High Court challenging the lawful authority and jurisdiction of FBR on the ground that the Company is engaged in providing service in respect of Ready Mix Concrete and is accordingly registered with Sindh Revenue Board (SRB) and is paying Sales Tax under HS Code No. 9837.0000 to the Second Schedule of 2011 Act. The Sindh High Court granted stay order against the notice issued by FBR.

11	COST OF SALES	Half Year Ended		Quarter Ended	
		Un-audited	Un-audited	Un-audited	Un-audited
		December 31,	December 31,	December 31,	December 31,
		2019	2018	2019	2018
		(Rupees)		(Rupees)	
	Raw material and stores consumed	153,679,138	379,868,306	79,111,220	204,517,060
	Salaries, wages and other benefits	35,010,057	41,733,584	16,992,227	20,537,990
	Depreciation	8,604,324	8,462,698	4,302,162	5,253,109
	Fuel and power	26,890,844	25,062,431	13,718,643	10,579,112
	Equipment hiring charges	2,012,623	2,337,589	679,700	818,629
	Ijarah Rentals	11,325,456	13,803,376	5,814,594	6,901,688
	Repair and maintenance	3,350,763	9,479,597	1,947,984	2,684,735
	Site preparation and sample testing	337,560	689,765	187,410	372,745
	Land rent	1,705,002	1,705,002	852,501	852,501
	Insurance expenses	1,659,039	2,345,631	943,231	925,882
		<b>244,574,806</b>	<b>485,487,979</b>	<b>124,549,672</b>	<b>253,443,451</b>

## 12 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:

	Note	Un-audited December 31, 2019	Un-audited December 31, 2018
		(Rupees)	
<b>12.1 Transactions with related parties</b>			
<b><i>Power Cement Limited</i></b>			
Purchase of cement		20,934,080	199,593,042
<b><i>Javedan Corporation Limited</i></b>			
Sales of goods		18,056,295	27,387,190
<b><i>Mr. Arif Habib</i></b>			
Loan received during the year		63,000,000	15,000,000
Loan paid		78,000,000	-

Un-audited

Audited

## 12.2 Balances with related parties

### Associated companies :


Payable to Power Cement Limited	39,949,601	84,381,519
Receivable from Javedan Corporation Limited	1,905,747	1,756,884
Payable to Arif Habib	-	78,000,000
Payable to Samad Habib - Director	87,000,000	12,000,000

## 13 DATE OF AUTHORIZATION FOR ISSUE

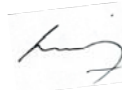
The financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

## 14 CORRESPONDING FIGURES

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



**ABDUS SAMAD**  
Chief Executive Officer



**ARIF GHANI**  
Chief Finance Officer



**KASHIF HABIB**  
Director

# ڈائریکٹر کی جائزہ رپورٹ

سیف مکس کنکریٹ (SMCL) بورڈ آف ڈائریکٹر اختتام برائے ششماہی سال 31 دسمبر 2019 کی سالانہ رپورٹ پیش کر رہے ہیں۔

## عمومی جائزہ

زیر جائزہ ششماہی کے دوران کمپنی کو Rs. 34,303 ملین کا بعد از ٹیکس نقصان ہوا جبکہ ستمبر سے دسمبر دوسری سہ ماہی میں کمپنی کو Rs. 21,093 ملین کا نقصان ہوا۔ دوران ششماہی جولائی سے دسمبر میں فروخت کا حجم گذشتہ سال اسی عرصہ کے مقابلے میں 79,455 کیوبک میٹر سے کم ہو کر 39,008 کیوبک میٹر ہو گیا۔ یہ کمی چند پرائیویٹ سیکٹر کے منصوبے مکمل ہونے اور تعمیراتی صنعت میں غیر یقینی صورت حال کی وجہ سے ہوئی۔

## نتائج عمل کاری

اکتوبر تا دسمبر 2018	جولائی تا دسمبر 2018	اکتوبر تا دسمبر 2019	جولائی تا دسمبر 2019	
7,072,516	13,458,019	(18,331,710)	(31,382,390)	فائدہ / (نقصان) قبل از ٹیکس
(3,671,885)	(5,551,032)	(2,760,870)	(2,920,402)	ٹیکس
3,400,631	7,906,987	(21,092,580)	(34,302,792)	فائدہ / (نقصان) بعد از ٹیکس

## منافع فی حصص

نقصان فی حصص برائے اختتام سال 31 دسمبر 2019 کو (1.37) ہے بمقابلہ فی حصص فائدہ سابقہ سال جو 0.32 تھا۔

## مستقبل کے امکانات

تعمیرات اور عمارتی صنعت کی غیر یقینی اور بگڑتی ہوئی صورت حال کو مد نظر رکھتے ہوئے کمپنی اپنے آپریشنز میں بہتری لانے پر توجہ دے گی۔

## تسلیمات (اعترافات خدمات)

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

برائے ومنجانب بورڈ

صدر صیب

چیف ایگزیکٹو آفیسر

کراچی ۲۸ فروری ۲۰۲۰ء



















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\*Mobile apps are also available for download for android and ios devices

## **Safe Mix Concrete Limited**

Karachi Plot # 1,6 Sector No. 26, Bilal Chorangi Korangi Industrial Area (Near Fire Brigade) Karachi.  
Phone +92 21 3507 4581 & 84, Fax +92 21 3507 4603, Help Line 0345 2022 473  
Email: [info@safemixlimited.com](mailto:info@safemixlimited.com)