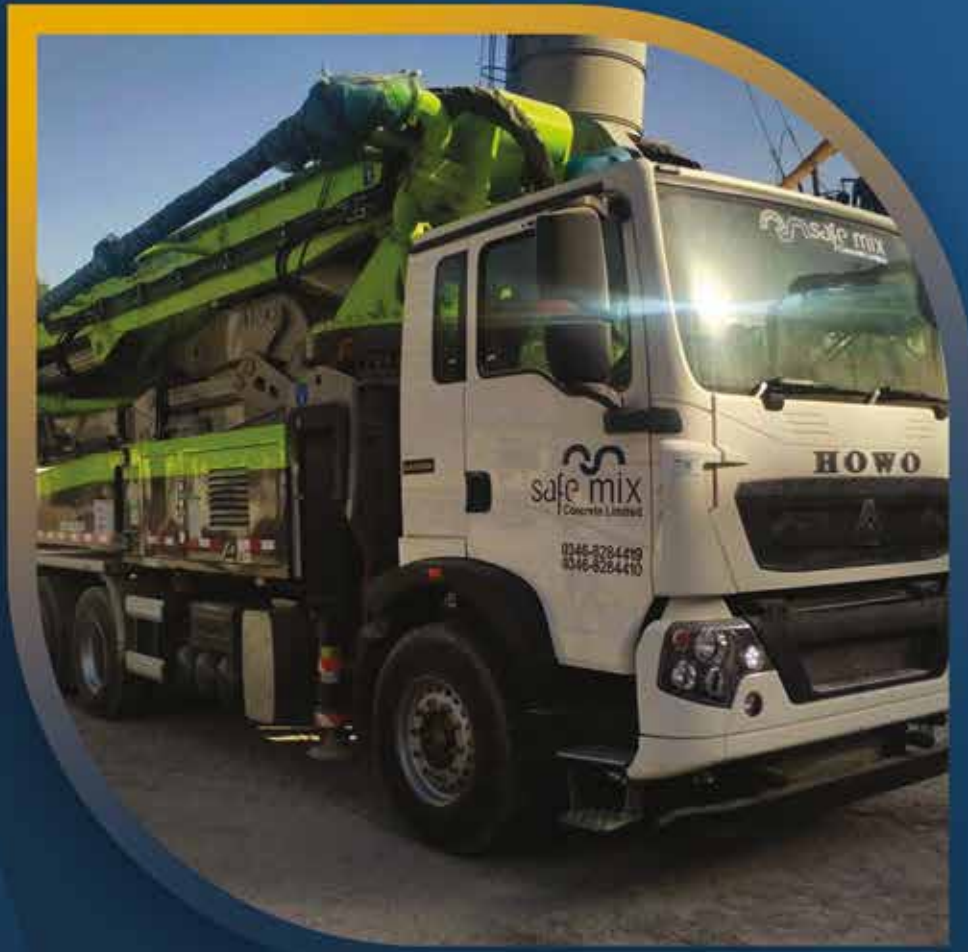




## Quarterly Report September – 2023



**BUILDING  
EXCELLENCE**



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# Directors' Review Report

The Board of Directors of your Company are pleased to present their review report on the financial and operational performance of your Company for the first quarter ended September 30, 2023.

The key financial highlights of the Company are as follows:

Particulars	Year Ended June 30	
	2023	2023
	-----Rupees-----	
Net Sales	282,124,608	249,410,008
Cost Of Sales	(213,995,888)	(197,276,310)
Gross Profit	68,128,720	52,133,698
Profit/(Loss) before Taxation	41,223,897	42,632,137
Taxation	(7,330,998)	4,912,247
Profit/(Loss) after Taxation	<u>33,892,898</u>	<u>47,544,384</u>
Earnings per Share- Basic and Diluted	<u>1.36</u>	<u>1.90</u>

## Financial and Operational Performance

The Company achieved a sales figure of PKR 282 million, compared to the corresponding year's PKR 249 million. The cost of sales for the year amounted to PKR 214 million, from PKR 197 million in the corresponding year. This led to a gross profit of PKR 68 million for the period.

In terms of expenses, the Company incurred administrative and selling expenses of PKR 11 million during the year. Additionally, finance costs for the year amounted to PKR 14.8 million, while the Company earned other income totaling PKR 1.4 million over the same period

## Future Outlook

The Pakistani economy continues to grapple with various hurdles, including elevated inflation, high-interest rates, and diminished foreign exchange reserves. Nevertheless, we maintain a positive outlook on the nation's economic future, driven by the current administration's proactive measures.

We expect a moderately positive performance in the medium term for the construction and real estate sector, benefiting from a relatively stable currency, input costs, and a gradual improvement in economic activities. Additionally, the ongoing projects led by affiliated companies may provide continued sales opportunities

We hold a strong belief that the Pakistani economy will surmount its present challenges and emerge more resilient. We eagerly anticipate our ongoing contributions to the country's prosperity.



## Acknowledgement

The management of your 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.

For and on behalf of the board

Chief Executive Officer

Chairman


Karachi: October 30th, 2023

# STATEMENT OF FINANCIAL POSITION

As at September 30, 2023

		Unaudited 30 September 2023	Audited 30 June 2023
	Note	(Rupees)	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	291,503,246	296,802,818
Intangible Assets		198,187	203,270
Long term deposits		23,500	23,500
Long term advances to employees		758,006	758,006
Deferred taxation - net		49,370,189	49,303,276
		<u>341,853,128</u>	<u>347,090,870</u>
<b>Current assets</b>			
Stock-in-trade	5	19,695,118	25,495,768
Stores, spares and loose tools		17,442,078	13,462,701
Trade debts	6	391,087,695	330,208,117
Loans and advances	7	5,990,396	3,363,051
Prepayments and other receivables		3,270,885	2,701,209
Taxation - net		7,803,504	6,229,916
Cash and bank balances	8	5,511,366	16,431,416
		<u>450,801,041</u>	<u>397,892,178</u>
<b>Total assets</b>		<u><u>792,654,169</u></u>	<u><u>744,983,048</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized capital</b>			
35,000,000 (June 30, 2022: 35,000,000) ordinary share of Rs. 10 each		<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid up capital		<u>250,000,000</u>	<u>250,000,000</u>
Capital reserve			
Share premium		14,728,576	14,728,576
Revenue reserve			
Accumulated profit		<u>43,458,984</u>	<u>9,566,086</u>
		<u>308,187,560</u>	<u>274,294,662</u>
<b>Non-current liabilities</b>			
Long term financing - secured	9	84,811,115	92,584,308
Staff retirement benefits		13,776,480	12,611,608
		<u>98,587,595</u>	<u>105,195,916</u>
<b>Current liabilities</b>			
Trade and other payables	10	231,877,856	217,115,922
Advance from customers		35,415,409	36,022,325
Current maturity of long term financing		20,527,333	19,563,955
Loan from related parties - unsecured		87,000,000	87,000,000
Accrued markup		11,058,416	5,790,268
		<u>385,879,014</u>	<u>365,492,470</u>
<b>Contingencies and commitments</b>	11		
Total equity and liabilities		<u><u>792,654,169</u></u>	<u><u>744,983,048</u></u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statement

  
**Samad Habib**  
 CEO

  
**Kashif Habib**  
 Director

  
**Vaqas Rafi**  
 CFO

# STATEMENT OF PROFIT OR LOSS

For three months period ended September 30, 2023

		Unaudited 30 September 2023	Unaudited 30 September 2022
	Note	(Rupees)	
Revenue - net		282,124,608	249,410,008
Cost of revenue	13	(213,995,888)	(197,276,310)
<b>Gross profit</b>		<b>68,128,720</b>	52,133,698
Administrative expenses		(9,847,795)	(6,863,315)
Selling and distribution expenses		(1,277,614)	(247,869)
		(11,125,409)	(7,111,184)
<b>Operating profit/(loss)</b>		<b>57,003,311</b>	45,022,514
Other expenses		(2,293,228)	(3,258,153)
Other income		1,385,144	8,762,523
		(908,084)	5,504,370
Finance costs		(14,871,330)	(7,894,747)
<b>Profit / (loss) before taxation</b>		<b>41,223,897</b>	42,632,136
Taxation		(7,330,998)	4,912,247
<b>Profit / (loss) after taxation</b>		<b>33,892,898</b>	47,544,383
<b>Earning per share - basic and diluted</b>		<b>1.36</b>	1.90

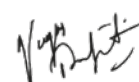
The annexed notes from 1 to 15 form an integral part of these condensed interim financial statement



**Samad Habib**  
CEO



**Kashif Habib**  
Director



**Vaqas Rafi**  
CFO

# STATEMENT OF COMPREHENSIVE INCOME

For three months period ended September 30, 2023

Note	Unaudited 30 September 2023	Unaudited 30 September 2022
	(Rupees)	
<b>Profit after taxation</b>	<b>33,892,898</b>	47,544,384
Other comprehensive loss		
Items that will not be reclassified subsequent to profit or loss		
Remeasurements loss on defined benefit liability	-	-
Tax thereon	-	-
<b>Total comprehensive income for the year</b>	<b>33,892,898</b>	47,544,384

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statement



**Samad Habib**  
CEO



**Kashif Habib**  
Director



**Vaqas Rafi**  
CFO



# STATEMENT OF CHANGES IN EQUITY

For the quarter ended September 30, 2023

	Issued subscribed and paid-up capital	Loan from related party	Capital reserve	Revenue reserve	Total
			Share premium	Accumulated losses	
(Rupees)					
<b>Balance as at June 30, 2022</b>	250,000,000	87,000,000	14,728,576	(122,527,313)	229,201,263
Total comprehensive income for the year ended June 30, 2023					
- Transferred to short term loan from related parties	-	(87,000,000)	-	-	(87,000,000)
- Profit after taxation	-	-	-	133,370,457	133,370,457
- Other comprehensive loss	-	-	-	(1,277,058)	(1,277,058)
	-	(87,000,000)	-	132,093,399	132,093,399
<b>Balance as at June 30, 2023</b>	250,000,000	-	14,728,576	9,566,086	274,294,662
Total comprehensive income for the period ended September 30, 2023					
- Profit after taxation	-	-	-	33,892,898	33,892,898
- Other comprehensive loss	-	-	-	-	-
	-	-	-	33,892,898	33,892,898
<b>Balance as at September 30, 2023</b>	<b>250,000,000</b>	<b>-</b>	<b>14,728,576</b>	<b>43,458,984</b>	<b>308,187,560</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statement

  
**Samad Habib**  
 CEO

  
**Kashif Habib**  
 Director


  
**Vaqas Rafi**  
 CFO

# STATEMENT OF CASH FLOWS

For three months period ended September 30, 2023

	Unaudited 30 September 2023	Unaudited 30 September 2022
Note	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (loss) before taxation</b>	41,223,897	42,632,137
Adjustments for non-cash items:		
- Depreciation on property, plant and equipment	5,540,823	12,097,072
- Provision for staff retirement benefit	1,164,872	620,213
- Provision for Workers' Profit Participation Fund	2,293,228	3,258,153
- Amortization Expense	5,082	
- Profit on saving accounts	(633,727)	(119,992)
- Finance costs	14,871,330	7,894,747
	<b>23,241,608</b>	<b>23,750,193</b>
<b>Cash generated from operating activities before</b>	<b>64,465,505</b>	<b>66,382,330</b>
Effect on cash flow due to working capital changes (Increase) / decrease in current assets		
- Stock-in-trade	5,800,650	(9,838,394)
- Stores, spares and loose tools	(3,979,377)	370,410
- Trade debts	(60,879,578)	(32,595,296)
- Loan, advances, prepayments and other receivables	(3,197,021)	7,025,290
	<b>(62,255,326)</b>	<b>(35,037,990)</b>
Increase in current liabilities		
- Trade and others payables	12,468,706	(11,153,127)
- Advance from customers	(606,916)	4,539,462
	<b>11,861,790</b>	<b>(6,613,665)</b>
<b>Cash generated from / (used in) operations</b>	<b>14,071,968</b>	<b>24,730,675</b>
tax (paid) / received	(8,971,499)	(5,370,247)
Finance cost paid	(9,603,182)	(9,867,096)
	<b>(18,574,681)</b>	<b>(15,237,343)</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>(4,502,713)</b>	<b>9,493,332</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(241,250)	(3,256,000)
Profit on saving accounts	633,727	119,992
<b>Net cash used in investing activities</b>	<b>392,477</b>	<b>(3,136,008)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipt / (payment) to bank against financing	(6,809,815)	(2,239,390)
Loan repaid from related parties	-	(8,238,875)
<b>Net cash generated from financing activities</b>	<b>(6,809,815)</b>	<b>(10,478,265)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(10,920,050)</b>	<b>(4,120,940)</b>
Cash and cash equivalents at the beginning of the year	16,431,416	26,474,946
<b>Cash and cash equivalents at the end of the year</b>	<b>5,511,366</b>	<b>22,354,006</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statement

  
**Samad Habib**  
 CEO

  
**Kashif Habib**  
 Director

  
**Vaqas Rafi**  
 CFO

# NOTES TO THE FINANCIAL STATEMENTS

For three months period ended September 30, 2023

## 1 STATUS AND NATURE OF BUSINESS

- 1.1** Safe Mix Concrete Limited ("the Company") was incorporated on 04 April 2005 as Private Limited Company. Subsequently, it was 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 (now repealed with the enactment of the Companies Act, 2017 on May 30, 2017). 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.
- 1.2** The registered office as well as the manufacturing unit of the Company is situated at Plot no. 1, Global Industry, Nusrat Bhutto Colony, North Nazimabad, Karachi.

## 2 BASIS OF PREPARATION

- 2.1** The preparation of these condensed interim financial information require management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
- 2.2** In preparing these condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the annual financial statements of the Company as at and for the year ended June 30, 2023. The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2023.
- 2.3** These condensed interim financial information are presented in Pakistani Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest rupees, otherwise stated.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2023.

## 4 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets  
Capital work in progress - at cost

Note	Unaudited 30 September 2023	Audited 30 June 2023
	(Rupees)	
4.1	291,503,246	296,802,818
	-	-
	<u>291,503,246</u>	<u>296,802,818</u>

	Unaudited 30 September 2023	Audited 30 September 2023
Note	(Rupees)	
<b>4.1 Operating Assets- at the book value</b>		
Opening Book Value	296,802,817	328,930,165
Addition during the period	241,250	6,869,358
Transfer - net book value	-	-
Impairment	-	-
Disposal during the period - net book value	-	(10,532,172)
Depreciation charged during the period	(5,540,823)	(28,464,534)
	<u>291,503,244</u>	<u>296,802,817</u>
<b>4.2 Breakup of addition - at cost</b>		
Vehicles	-	3,297,748
Building	-	1,918,840
Plant and Machinery	-	1,010,000
Furniture and Fixtures	-	210,000
Computers	192,000	365,170
Office Equipment	49,250	67,600
	<u>241,250</u>	<u>6,869,358</u>
<b>5 STOCK-IN-TRADE</b>		
Cement	-	-
Fly Ash	266,236	455,898
Sand	9,689,646	8,449,438
Crush	6,483,624	9,693,222
Chemical	3,255,606	6,897,210
	<u>19,695,112</u>	<u>25,495,768</u>
<b>6 TRADE DEBTS</b>		
Total trade debts outstanding	524,471,563	463,591,985
Less : provision for expected credit loss	(133,383,868)	(133,383,868)
	<u>391,087,695</u>	<u>330,208,117</u>
<b>7 LOANS AND ADVANCES</b>		
Advances to suppliers	5,148,946	2,222,459
Loans to employees	841,450	1,140,592
	<u>5,990,396</u>	<u>3,363,051</u>



## 8 CASH AND BANK BALANCES

Cash in hand  
Cash at bank:  
- Balance held In current accounts  
- Balances held in saving accounts

Note

	Unaudited 30 September 2023	Audited 30 June 2023
	(Rupees)	
	126,361	47,130
	4,573,690	393,500
	811,315	15,990,786
	5,385,005	16,384,286
	5,511,366	16,431,416

## 9 LONG TERM FINANCING – SECURED

Dimishing Musharka Facility – I  
Less: Current portion of long term finance shown  
under current liabilities

9.1

	105,338,448	112,148,263
	(20,527,333)	(19,563,955)
	84,811,115	92,584,308

### 9.1 Dimishing Musharka Facility – I

Opening Carrying Amount  
Add: Facilities received during the period  
Less: Installments paid during the period

	112,148,263	118,034,615
	-	13,004,800
	(6,809,815)	(18,891,152)
	105,338,448	112,148,263

There are no major changes in the terms and conditions of long-term financings as disclosed in note 16 to the annual audited financial statements of the Company for the year ended June 30, 2023

## 10 TRADE AND OTHER PAYABLES

Trade creditors  
Withholding tax payable  
Accrued expenses  
Worker's Profit Participation Fund Payable  
Worker's Welfare Fund payable  
Other payables

Note

	Unaudited 30 September 2023	Audited 30 June 2023
	(Rupees)	
	152,240,757	132,050,917
	27,371,181	31,351,093
	6,897,422	12,535,117
	40,780,368	36,139,703
	1,715,311	1,715,311
	2,872,816	3,323,781
	231,877,856	217,115,922

## 11 CONTINGENCIES AND COMMITMENTS

The status and nature of contingencies and commitments are same as those disclosed in an annual audited financial statements of the Company for the year ended June 30, 2023

		<b>Unaudited 30 September 2023</b>	Unaudited 30 September 2022
	Note	(Rupees)	
<b>12</b>	<b>REVENUE – NET</b>		
	Sale of concrete mix	<b>318,800,807</b>	63,454,214
	Less: Sindh Sales Tax revenue	<b>36,676,199</b>	(7,299,308)
		<b>282,124,608</b>	56,154,906
<b>13</b>	<b>COST OF REVENUE</b>		
	Raw materials and stores consumed	<b>160,034,884</b>	21,810,941
	Fuel and power	<b>24,234,547</b>	11,193,372
	Salaries, wages and other benefits	<b>20,303,806</b>	13,409,391
	Repair and maintenance	<b>2,268,657</b>	2,113,584
	Equipment hiring charges	<b>260,008</b>	2,823,439
	Depreciation	<b>5,288,475</b>	3,498,933
	Site preparation and sample testing	<b>768,996</b>	331,065
	Insurance expense	<b>836,515</b>	196,352
		<b>213,995,888</b>	55,377,077

#### 14 TRANSACTIONS 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. Transactions with related parties are as follows

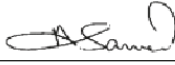
			<b>Unaudited 30 September 2023</b>	Unaudited 30 September 2022	
			(Rupees)		
<b>14.1</b>	<b>Transactions with related parties</b>				
	Power Cement limited	Company under common control	Purchases made during the period	<b>82,222,792</b>	88,623,714
	Javedan Corporation Limited	Company under common control	Sales made during the period	<b>4,111,642</b>	7,694,412
	Arif Habib Corporation Limited	Company under common control	Loan paid during	-	8,238,875
			Interest accrued	-	518,036
			Interest paid during	-	2,161,125
	Mr. Abdus Samad	Chief Executive Officer	Interest accrued during the period	<b>5,460,264</b>	-
	Global Residency REIT	Company under common control	Sales made during	<b>97,683,010</b>	219,640,823
	Rahat Residency Reit	Company under common control	Sales made during	<b>8,021,744</b>	-
	Signature Residency Reit	Company under common control	Sales made during	<b>29,740,152</b>	-

## 14.2 Balances with Related Parties

Name of related party	Nature of relationship	Particulars	Unaudited 30 September 2023	Audited 30 June 2023
			(Rupees)	
Power Cement limited	Company under common control	Amount payable as at period end	25,149,462	11,969,856
Javedan Corporation Limited	Company under common control	Advances as at period end	27,728,717	30,035,492
Mr. Abdus Samad	Chief Executive Officer	Loan payable as at	87,000,000	87,000,000
		Interest Payable	10,683,315	5,223,051
Global Residency REIT	Company under common control	Amount receivable as at period end	225,395,292	196,193,785
Rahat Residency Reit	Company under common control	Amount receivable as at period end	14,623,604	6,860,469
Silk Islamic Development Reit	Company under common control	Amount receivable as at period end	70,356	70,356
Signature Residency Reit	Company under common control	Amount receivable as at period end	11,347,615	2,595,035

## 15 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on October 30,2023 by the Board of Directors of the Company.

  
**Samad Habib**  
 CEO

  
**Kashif Habib**  
 Director

  
**Vaqas Rafi**  
 CFO





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## **SAFE MIX CONCRETE LIMITED**

Plot # 1, Global Industry, Nusrat Bhutto Colony,  
North Nazimabad, Karachi, Pakistan  
Helpline # 0345-2025369 & 0345-2023473  
Website: [www.safemixlimited.com](http://www.safemixlimited.com)