



# Half yearly Report

## December 31, 2021

## **Directors' Review Report**

On behalf of the Board of Directors of Safe Mix Concrete Limited (the Company), we present herewith condensed interim financial information for the half-year ended 31<sup>st</sup> December 2021.

### **Overview**

During the period under review, the Company has recorded a sale of PKR 113.098 million as compared to PKR 81.154 million in the corresponding period last year. While the cost of sale for the period was PKR 99.323 million as compared to PKR 72.331 million in the corresponding period. The administrative expense for the period PKR 8.639 million increasing by 25% over the corresponding period.

The loss after taxation for the period remained at PKR 2.250 million as compared to a loss after taxation of PKR 0.387 million in the corresponding period. Despite the increase in sales the loss after tax over the period increased by PKR 1.797 million mainly due to an increase in commodity prices, resulting in the costs increasing by 70% as compared to the corresponding period last year.

### **Operating results**

	<b>July to December 2021</b>	<b>October to December 2021</b>	<b>July to December 2020</b>	<b>October to December 2020</b>
(Loss) / Profit before taxation	<b>(2,190,605)</b>	<b>1,998,260</b>	134,841	3,210,723
Taxation	<b>(59,164)</b>	<b>642,772</b>	(521,660)	(19,025)
(Loss) / Profit after taxation	<b>(2,249,769)</b>	<b>2,641,032</b>	(386,819)	3,191,698

### **Future Outlook**

There are real estate projects in the pipeline from which the company expect sales volume to improve. However, the increase in commodity prices are affecting the cost of construction, and if appropriate steps are taken by the government to keep construction costs viable and affordable many projects in process should be materialized. The performance of your company is directly linked to the construction and Real Estate Sectors, which are critical for the outlook of the Company.

### **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.

### **For and on behalf of the Board**



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**Abdus Samad Habib**  
Chief Executive



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**Muhammad Kashif Habib**  
Chairman

Karachi: February 28, 2022

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF M/S. SAFE MIX CONCRETE LIMITED**

**Report on Review of Condensed Interim Financial Statements**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **M/s. Safe Mix Concrete Limited** ("the Company") as at **December 31, 2021** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes thereto for the half yearly period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with 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.

**Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements 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 the 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.

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2021. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter period ended December 31, 2021.

**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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Other Matter**

The condensed interim financial information of the Company for the half year ended December 31, 2020 and the annual audited financial statements for the year ended June 30, 2021 were reviewed and audited by **M/s. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants** who vide their review report dated February 26, 2021 and audit report dated October 01, 2021, expressed an unmodified conclusion and opinion thereon, respectively.

The engagement partner on the review resulting in this independent auditor's review report is **Mr. Muhammad Waseem**.

 **RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

**Karachi**

**Date:**

**UDIN: RR202110213av6i8zUWZ**

# Safe Mix Concrete Limited

## Condensed Interim Statement of Financial Position

As at December 31, 2021

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		Rupees	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	181,379,349	187,093,830
Long term deposits	4	1,993,660	8,186,090
Long term advances	5	30,343,034	-
Deferred tax asset -net		96,610,140	95,255,579
		310,326,183	290,535,499
<b>Current assets</b>			
Stock-in-trade	6	14,496,890	16,479,091
Stores, spares parts and loose tools		6,546,554	6,228,312
Trade debts	7	139,400,454	135,687,353
Advances, loans, prepayments and other receivables	8	48,224,000	16,973,668
Assets held for sale	9	-	3,000,000
Taxation - net		16,529,140	10,329,577
Cash and bank balances	10	7,218,344	41,595,814
		232,415,382	230,293,815
<b>Total assets</b>		542,741,565	520,829,314
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<i>Authorized capital</i>			
35,000,000 (June 30, 2021: 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
Capital contribution - Loan from related party		87,000,000	87,000,000
<i>Capital reserve</i>			
Share premium		14,728,576	14,728,576
<i>Revenue reserve</i>			
Accumulated losses		(171,107,180)	(168,857,411)
		180,621,396	182,871,165
<b>Non-current liabilities</b>			
Long term financing - secured		1,275,248	1,457,041
Staff retirement benefits		6,727,909	6,113,600
		8,003,157	7,570,641
<b>Current liabilities</b>			
Short term borrowings - secured	11	86,000,000	86,000,000
Trade and other payables	12	266,116,638	209,629,394
Current portion of long term loans from a banking company		398,063	531,854
Loan from a related party		-	33,000,000
Accrued markup		1,602,311	1,226,260
		354,117,012	330,387,508
<b>Contingency and commitments</b>	13		
<b>Total equity and liabilities</b>		542,741,565	520,829,314

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

## Safe Mix Concrete Limited

### Condensed Interim Statement of Profit or Loss

For the half year and quarter ended December 31, 2021 (unaudited)

		Half year ended		Quarter ended	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Rupees			
Revenue - net	14	113,097,903	81,154,740	56,942,997	47,645,745
Cost of revenue	15	(99,322,804)	(72,330,757)	(47,100,231)	(39,541,980)
Gross profit		13,775,099	8,823,983	9,842,766	8,103,765
Administrative expenses		(8,639,776)	(6,888,877)	(5,139,572)	(3,741,424)
Distribution expenses		(5,317,177)	(869,015)	(2,063,303)	(133,361)
Other operating expenses		(1,460,097)	-	(1,460,097)	-
		(15,417,050)	(7,757,892)	(8,662,972)	(3,874,785)
Operating profit		(1,641,951)	1,066,091	1,179,794	4,228,980
Finance costs	16	(4,091,803)	(4,095,901)	(2,034,683)	(1,748,133)
Other income	17	3,543,149	3,164,652	2,853,149	729,877
		(548,654)	(931,249)	818,466	(1,018,256)
(Loss) / profit before taxation		(2,190,605)	134,841	1,998,260	3,210,723
Taxation - net	18	(59,164)	(521,660)	642,772	(19,025)
(Loss) / profit after taxation		(2,249,769)	(386,819)	2,641,032	3,191,698
Earning per share - basic and diluted	19	(0.09)	(0.02)	0.11	0.13

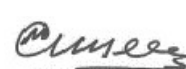
The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

## Safe Mix Concrete Limited

### Condensed Interim Statement of Comprehensive Income

For the half year and quarter ended December 31, 2021 (unaudited)

	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees			
(Loss) / profit after taxation	(2,249,769)	(386,819)	2,641,032	3,191,698
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(2,249,769)</b>	<b>(386,819)</b>	<b>2,641,032</b>	<b>3,191,698</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

## Safe Mix Concrete Limited

### Condensed Interim Statement of Changes in Equity

For the half year and quarter ended December 31, 2021 (unaudited)

	Issued, subscribed and paid up capital	Loan from related party	Capital reserve Share premium	Revenue reserves Accumulated losses	Total
	Rupees				
<b>Balance as at July 01, 2020</b>	250,000,000	87,000,000	14,728,576	(174,372,541)	177,356,035
<i>Total comprehensive loss for the half year ended December 31, 2020</i>					
- Loss after taxation	-	-	-	(386,819)	(386,819)
- Other comprehensive income	-	-	-	-	-
	-	-	-	(386,819)	(386,819)
<b>Balance as at December 31, 2020</b>	<u>250,000,000</u>	<u>87,000,000</u>	<u>14,728,576</u>	<u>(174,759,360)</u>	<u>176,969,216</u>
<b>Balance as at July 01, 2021</b>	<b>250,000,000</b>	<b>87,000,000</b>	<b>14,728,576</b>	<b>(168,857,411)</b>	<b>182,871,165</b>
<i>Total comprehensive loss for the half year ended December 31, 2021</i>					
- Loss after taxation	-	-	-	(2,249,769)	(2,249,769)
- Other comprehensive loss	-	-	-	-	-
	-	-	-	(2,249,769)	(2,249,769)
<b>Balance as at December 31, 2021</b>	<u><b>250,000,000</b></u>	<u><b>87,000,000</b></u>	<u><b>14,728,576</b></u>	<u><b>(171,107,180)</b></u>	<u><b>180,621,396</b></u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer



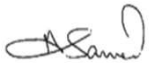
# Safe Mix Concrete Limited

## Condensed Interim Statement of Cash Flows

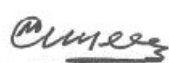
For the half year ended December 31, 2021 (unaudited)

		Half year ended	
		December 31, 2021	December 31, 2020
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit before taxation		(2,190,605)	134,841
<i>Adjustments for non-cash and other items:</i>			
- Depreciation on property, plant and equipment		6,691,854	5,752,800
- Provision for staff retirement benefits		836,358	591,042
- Irrecoverable long term deposits written off		189,590	-
- Irrecoverable CWIP written off		1,270,507	-
- Finance costs	16	4,091,803	4,095,901
- Gain on final settlement with CDGK	17	(1,308,758)	-
- Gain on sale of operating fixed assets	17	-	(1,342,023)
- Gain on sale of asset held for sale		(200,000)	-
- Amortization of deferred income	17	-	(1,120,000)
- Profit on bank deposits	17	(202,793)	(62,279)
		11,368,561	7,915,441
<b>Cash generated from operating activities before working capital changes</b>		<b>9,177,956</b>	<b>8,050,282</b>
<b>Effect on cash flow due to working capital changes</b>			
<i>(Increase)/decrease in current assets</i>			
- Stock-in-trade		1,982,201	(3,945,931)
- Stores and spares		(318,242)	(1,222,607)
- Trade debts		(3,713,101)	(2,318,430)
- Advances, loans, prepayments and other receivables		(31,250,332)	20,075,235
<i>Increase/(decrease) in current liabilities</i>			
- Trade and other payables		64,598,841	(24,404,112)
		31,299,367	(11,815,845)
<b>Cash generated from operations</b>		<b>40,477,323</b>	<b>(3,765,563)</b>
Income tax paid		(7,613,287)	(2,601,448)
Staff retirement benefits paid		(222,049)	(54,000)
Finance costs paid		(3,715,752)	(1,356,850)
<b>Net cash generated from / (used in) operating activities</b>		<b>28,926,235</b>	<b>(7,777,861)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(1,347,880)	(4,280,320)
Long term deposits paid		-	(508,760)
Long term advance paid		(30,343,034)	-
Sale proceeds received in respect of asset held for sale - last installment		1,500,000	-
Profit received on bank deposits		202,793	62,279
Proceeds from disposal of operating fixed assets		-	2,270,000
<b>Net cash used in investing activities</b>		<b>(29,988,121)</b>	<b>(2,456,801)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan proceeds received Diminishing Musharaka facility		-	-
Repayment of Diminishing Musharaka (principal portion)		(315,584)	(11,425,269)
Loan received from a related party		60,000,000	9,879,022
Loan repaid to a related party		(93,000,000)	-
<b>Net cash used in financing activities</b>		<b>(33,315,584)</b>	<b>(1,546,247)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(34,377,470)</b>	<b>(11,780,909)</b>
Cash and cash equivalents at the beginning of the year		41,595,814	13,450,207
<b>Cash and cash equivalents at the end of the year</b>	10	<b>7,218,344</b>	<b>1,669,298</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# Safe Mix Concrete Limited

## Notes to the Condensed Interim Financial Statements

*For the half year and quarter ended December 31, 2021 (unaudited)*

### 1. THE COMPANY AND ITS OPERATIONS

- 1.1 Safe Mix Concrete Limited ("the Company") incorporated in Pakistan on April 04, 2005 as Private Limited Company. Subsequently, it was converted into public limited company on February 21, 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 March 16, 2010, the Company was listed on Karachi Stock Exchange (now Pakistan Stock Exchange Limited). The Company is primarily engaged in the production and supply of ready mix concrete.

Javedan Corporation Limited has provided land to the Company free of cost.

- 1.2 The registered office as well as the manufacturing unit of the Company are situated at Plot No. 1, Global Industry, Nusrat Bhutto Colony, North Nazimabad, Karachi.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial statements (here-in-after referred to as the '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 the 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.

These interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2021.

#### 2.2 Basis of measurement

All the items in these interim financial statements have been measured at their historical cost except for the asset classified as held for sale which is measured at the lower of its carrying amount (as on the date of such classification) and its fair value less costs to sell.

#### 2.3 Functional and presentation currency

Items included in these interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

#### 2.4 Judgements and sources of estimation uncertainty

In preparing these interim financial statements, 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 applied in the annual financial statements of the Company as at and for the year ended June 30, 2021.

#### 2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2021.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>	<i>Note</i>	<b>Rupees</b>	
Operating fixed assets	3.1	<b>180,079,349</b>	184,523,323
Capital work in progress		<b>1,300,000</b>	2,570,507
		<b>181,379,349</b>	187,093,830

### 3.1 Operating fixed assets

Net book value at the beginning of the period /year		<b>184,523,323</b>	176,473,191
Add: Additions during the period /year	3.1.1	<b>1,347,880</b>	7,961,090
Transfers from long term deposits /CWIP		<b>900,000</b>	18,223,610
		<b>2,247,880</b>	26,184,700
Less: Disposals during the period /year - at net book value		-	(3,647,158)
Assets classified as held for sale - at net book value		-	(3,000,000)
Depreciation charged during the period /year		<b>(6,691,854)</b>	(11,487,409)
		<b>(6,691,854)</b>	(18,134,567)
<b>Net book value at the end of the period /year</b>		<b>180,079,349</b>	184,523,323

#### 3.1.1 The class-wise amounts of additions and disposals are as follows:

	Half year ended December 31, 2021			Year ended June 30, 2021		
	Additions (at cost)	Transfers from long term deposits	Disposals (at NBV)	Additions (at cost)	Transfers from long term deposits / CWIP	Disposals (at NBV)
	<b>Rupees</b>					
Building	-	-	-	510,912	-	-
Plant and machinery	<b>1,229,200</b>	<b>900,000</b>	-	5,081,638	18,223,610	(2,719,181)
Vehicles	-	-	-	2,011,040	-	(927,977)
Furniture and fixtures	<b>3,030</b>	-	-	56,000	-	-
Computers	<b>63,000</b>	-	-	24,000	-	-
Office equipment	<b>52,650</b>	-	-	277,500	-	-
	<b>1,347,880</b>	<b>900,000</b>	-	7,961,090	18,223,610	(3,647,158)

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>4. LONG TERM DEPOSITS</b>	<i>Note</i>	<b>Rupees</b>	
Deposits against Ijarah finance		<b>1,443,940</b>	2,343,940
Deposits against rented premises	17.1	-	5,292,430
Others		<b>549,720</b>	549,720
		<b>1,993,660</b>	8,186,090

### 5. LONG TERM ADVANCES

- 5.1 This represent advance provided to Apex Machinery (Private) Limited for purchase of 5 quantity of Transit Mixer Trucks and 1 quantity of Concrete Pump. Total value of the arrangement is Rs 149 million. The Company has paid 20% amount as advance.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
6.	<b>STOCK-IN-TRADE</b>	<b>Rupees</b>	
6.1	<b>Disaggregation by material type</b>		
	Cement	4,222,529	3,499,573
	Fly ash	189,623	32,357
	Send	2,515,351	6,302,227
	Crush	5,761,997	5,784,183
	Chemical	1,807,390	860,751
		<u>14,496,890</u>	<u>16,479,091</u>
6.2	<b>Disaggregation by geographical location</b>		
	Korangi Industrial Area	-	10,234,629
	Naya Nazimabad	14,496,890	6,244,462
		<u>14,496,890</u>	<u>16,479,091</u>

- 6.3 The stock is pledged with banks as security against Isitisna facilities (refer note. 11).

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
7.	<b>TRADE DEBTS</b>	<b>Rupees</b>	
	Total trade debts outstanding	266,267,240	262,554,139
	Less: provision for expected credit losses	(126,866,786)	(126,866,786)
		<u>139,400,454</u>	<u>135,687,353</u>
7.1	This includes an amount receivable from a related party as follows:		
	M/s. Javedan Corporation Limited	-	463,476
7.2	<b>Provision for expected credit losses</b>		
	Balance as at the beginning of the period / year	126,866,786	123,345,267
	Charge for the period / year	-	3,521,519
	<b>Balance as at the end of the period / year</b>	<u>126,866,786</u>	<u>126,866,786</u>

**8. ADVANCES, LOANS, PREPAYMENTS AND OTHER RECEIVABLES**

	Advances:		
	- to suppliers	45,210,548	14,873,378
	- to staff for purchases	1,740,172	1,115,573
		<u>46,950,720</u>	<u>15,988,951</u>
	Loans to employees	404,702	400,390
	Prepayments	773,521	539,369
	Other receivables	95,057	44,958
		<u>48,224,000</u>	<u>16,973,668</u>

- 8.1 These include an advance of Rs. 30.646 million (June 30, 2021: Rs. Nil) made to M/s. Power Cement Limited, a

related party, for procurement of ordinary Portland cement.

## 9. ASSETS HELD FOR SALE

The Company has disposed off asset held for sale (Setter Plant) to M/s S.G Mohiuddin Tirmizi having carrying amount of Rs. 3 million at the selling price of Rs. 3.2 million and has recorded gain on sale of Rs. 0.2 million in other income (note 16).

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Rupees	
10. CASH AND BANK BALANCES		
Cash in hand	31,619	161,271
Cash at bank:		
- Balance held in current accounts	6,691,675	40,676,297
- Balance held in saving accounts	58,164	650,479
- Balance held in deposit accounts	436,886	107,767
	7,186,725	41,434,543
	7,218,344	41,595,814

## 11. SHORT TERM BORROWINGS - SECURED

This represents Istisna financing facilities under Islamic mode of financing from Bank of Punjab (Taqwa Islamic) for working capital requirement of the company, to the extent of Rs. 86 million (June 30, 2021: Rs. 86 million). The facility carries profit rate of 3 month's KIBOR plus 2% (June 30, 2021: 3 month's KIBOR plus 2%).

The arrangement is secured against the following:

- 1st charge of PKR 160 million over all present and future current assets of the Company registered with SECP;
- 1st charge of PKR 160 million over all present and future fixed assets of the Company registered with SECP;
- Personal guarantee of Mr. Abdus Samad (CEO).

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
		Rupees	
12. TRADE AND OTHER PAYABLES	Note		
Trade creditors	12.1	68,781,099	155,339,185
Advances from customers	12.2	150,910,245	6,589,491
Advance for sale of Stater Plant		-	1,700,000
Accrued expenses		6,664,139	7,162,992
Withholding tax payable		15,181,317	13,407,922
Workers' Welfare Fund		1,715,311	1,715,311
Workers' Profit Participation Fund		15,471,191	15,471,191
Other payables		7,393,336	8,243,302
		266,116,638	209,629,394

12.1 These include an amount of Rs. 46.084 million (June 30, 2021: Rs. 42.643 million) payable to M/s. Power Cement Limited, a related party for purchase of ordinary Portland cement.

12.2 These include an advance of Rs. 139.972 million (June 30, 2021: Nil) from M/s. Javedan Corporation Limited, a related party.

## 13. CONTINGENCY AND COMMITMENTS

### 13.1 Contingency

The taxation authorities has issued a notice to the Company for payment of sales tax under the Sales Tax Act, 1990. The Company is of the view that 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 Sindh Sales Tax on Services Act 2011.

The Company based on the opinion of its tax advisor, is confident that there will be no unfavorable outcome. Hence no provision has been made in this condensed interim financial information

### 13.2 Commitments

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Rupees	
Commitment in respect of capital expenditure	<u>119,200,000</u>	<u>-</u>

## 14. REVENUE - net

	Half year ended (Un-audited)		Quarter ended (Un-audited)	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees			
Toll manufacturing revenue	81,539,323	35,452,652	39,708,258	20,641,267
Sale of concrete mix	46,261,307	56,252,205	24,637,329	33,198,425
	127,800,630	91,704,857	64,345,587	53,839,692
Less: Sindh sales tax	(14,702,727)	(10,550,117)	(7,402,590)	(6,193,947)
	<u>113,097,903</u>	<u>81,154,740</u>	<u>56,942,997</u>	<u>47,645,745</u>

## 15. COST OF REVENUE

	Half year ended (Un-audited)		Quarter ended (Un-audited)	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees			
Raw materials and stores consumed	37,736,179	24,980,283	15,925,238	14,394,375
Salaries, wages and other benefits	25,083,394	15,926,504	11,674,003	7,605,727
Fuel and power	25,080,447	14,720,822	13,887,075	9,602,726
Depreciation	5,888,832	5,575,548	2,389,899	2,787,774
Repair and maintenance	5,157,998	4,080,459	3,044,414	1,904,701
Ijarah rentals	-	6,487,865	-	2,996,048
Insurance expenses	375,954	559,276	179,602	250,629
	<u>99,322,804</u>	<u>72,330,757</u>	<u>47,100,231</u>	<u>39,541,980</u>

## 16. FINANCE COSTS

	Half year ended (Un-audited)		Quarter ended (Un-audited)	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees			

Mark-up on borrowings	4,072,629	4,067,621	2,020,487	1,723,611
Bank charges	19,174	28,280	14,196	24,522
	<u>4,091,803</u>	<u>4,095,901</u>	<u>2,034,683</u>	<u>1,748,133</u>

## 17. OTHER INCOME

	<i>Note</i>	Half year ended (Un-audited)		Quarter ended (Un-audited)	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Rupees			
Other income		150,070	-	150,070	-
Gain on final settlement with CDGK	17.1	1,308,758	-	1,308,758	-
Gain on sale of raw material		405,128	-	405,128	-
Grouting and other charges		1,276,400	640,350	586,400	197,600
Returns on bank deposits		202,793	62,279	202,793	8,086
Gain on sale of operating fixed assets		-	1,342,023	-	244,191
Gain on sale of asset held for sale		200,000	-	-	-
Amortization of deferred income		-	1,120,000	-	280,000
		<u>3,543,149</u>	<u>3,164,652</u>	<u>2,653,149</u>	<u>729,877</u>

- 17.1 This represents gain realized on settlement of outstanding liability of City District Government Karachi (CDGK). Presented below is the detail analysis of the liability extinguished and amount paid to CDGK upon execution of the settlement.

	— Rupees —
Rent payable to CDGK	8,386,832
Long term deposit against rented premises forfeited	(5,102,840)
	<u>3,283,992</u>
Less: Amount paid as full and final settlement	(1,975,234)
	<u>1,308,758</u>

## 18. TAXATION - net

	Half year ended (Un-audited)		Quarter ended (Un-audited)	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees			
Current - for the period	1,413,724	1,217,321	711,788	714,686
Current - for prior period(s)	-	-	-	-
	<u>1,413,724</u>	<u>1,217,321</u>	<u>711,788</u>	<u>714,686</u>
Deferred	(1,354,560)	(695,661)	- 1,354,560	(695,661)
	<u>59,164</u>	<u>521,660</u>	<u>- 642,772</u>	<u>19,025</u>

## 19. (LOSS) / EARNINGS PER SHARE

### 19.1 Basic (loss) / earnings per share

Half year ended		Quarter ended	
December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020

	----- Rupees -----			
(Loss) / profit after taxation	<u>(2,249,769)</u>	<u>(386,819)</u>	<u>2,641,032</u>	<u>3,191,698</u>
	----- Number -----			
Weighted average number of ordinary shares outstanding	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
	----- Rupees -----			
Earnings per share - basic	<u>(0.09)</u>	<u>(0.02)</u>	<u>0.11</u>	<u>0.13</u>

## 19.2 Diluted (loss) / earnings per share

There is no dilutive effect on the basic loss / earnings per share of the Company, since there were no potential ordinary shares in issue as at December 31, 2021 and December 31, 2020.

## 20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related party comprise of associated companies, directors and key management personnel. The transactions entered into, and the balances held with, related parties during the period are as follows:

	<u>Half year ended (Un-audited)</u>	
	<u>December 31,</u>	<u>December 31,</u>
	<u>2021</u>	<u>2020</u>
<u>Transaction with related parties</u>	----- Rupees -----	
<b>M/s. Javedan Corporation Limited</b>		
Sale of goods	<u>7,548,289</u>	<u>7,262,744</u>
<b>M/s. Power Cement Limited</b>		
Purchase of raw materials	<u>16,140,490</u>	<u>36,555,043</u>
<b>Mr. Arif Habib</b> <b>(An individual with significant influence over the Company)</b>		
Loan obtained during the period	<u>60,000,000</u>	<u>5,000,000</u>
Loan repaid during the period	<u>93,000,000</u>	<u>-</u>
<b>Mr. Samad Habib</b> <b>(The Chief Executive Officer of the Company)</b>		
Loan obtained during the period	<u>-</u>	<u>4,879,022</u>
Loan repaid during the period	<u>-</u>	<u>-</u>

	<u>(Un-audited)</u>	<u>(Audited)</u>
	<u>December 31,</u>	<u>June 30,</u>
	<u>2021</u>	<u>2021</u>
<u>Balances held at the end of the reporting period</u>	----- Rupees -----	
<b>Javedan Corporation Limited</b>		



Trade receivable (against sale of concrete mix)	-	463,476
Advance received against sale of concrete mix	<u>139,972,176</u>	<u>-</u>

**Power Cement Limited**

Trade payable (against purchases of cement)	-	42,643,980
Advance paid for purchases of cement	<u>30,646,530</u>	<u>-</u>

**Mr. Arif Habib**  
(An individual with significant influence over the Company)

Loan payable	-	33,000,000
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**Mr. Samad Habib**  
(The Chief Executive Officer of the Company)

Loan payable (classified as equity)	<u>87,000,000</u>	<u>87,000,000</u>
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**21. GENERAL**

**21.1 Resolution of a contingent liability previously disclosed in the annual financial statements for the year ended June 30, 2021**

Tax Authorities had conducted monitoring of withholding taxes under section 161 of Income Tax Ordinance, 2001 for tax year 2012 and created an arbitrary demand of Rs. 11.252 million. The Company appealed before CIR (A) / Appellate Tribunal Inland Revenue (ATIR) against the said demand.

Subsequent to the period end, the assessment order was remanded back to the assessing officer by ATIR.

**21.2 Reclassification of corresponding figures**

In these interim financial statements, the following corresponding figures have been reclassified for the purpose of comparison and better presentation, the impact of which is not regarded as material.

Reclassified from component	Reclassified to component	Amount (Rupees)
Short term borrowings (Trade and other payables)	Short term borrowings - secured	<u>86,000,000</u>
Advance for sale of setter plant	Trade and other payables	<u>1,700,000</u>
Current portion of long term loans	Long term financing - secured	<u>994,402</u>
Others (Long Term Deposits)	Deposits against rented premises (Long Term Deposits)	<u>5,292,430</u>

(Un-audited)	(Un-audited)
half year ended	quarter ended
December 31,	December 31,
2020	2020
----- Rupees -----	

Equipment hiring charges

Equipment hiring charges

Equipment hiring charges (Cost of revenue)	Equipment hiring charges (Distribution expenses)	<u>627,800</u>	<u>-</u>
Site preparation and sample testing (Cost of revenue)	Site preparation and sample testing (Distribution expenses)	<u>136,359</u>	<u>70,565</u>

**21.2 Date of authorization for issue of these interim financial statements**

These interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on **28th February 2022**.

**21.3 Level of rounding**

Unless otherwise indicated, all figures in these interim financial statements have been rounded off to the nearest rupee.

  
\_\_\_\_\_  
**Chief Executive Officer**

  
\_\_\_\_\_  
**Director**

  
\_\_\_\_\_  
**Chief Financial Officer**