



NINE MONTHS REPORT MARCH 31, 2022

Directors' Review

On behalf of the board of Directors, we are pleased to present a brief overview of the performance of the Company for the nine months ended 31 March 2022.

Over view

Construction activities are on the rise and the Company is also benefiting from the momentum. The Company has witnessed a steady increase in sales quarter on quarter basis during the ongoing FY 21-22.

The sale for the 3rd Quarter of FY 21-22 increased to PKR 88.123 million representing an increase of 55% from the last immediate quarter. On an overall basis, the sale for the nine months has remained at PKR 201.221 million.

On a quarterly basis, the profit after tax for the quarter has remained at PKR 6.263 million as compared to PKR 2.702 million in the immediate last quarter.

The Profit after tax for the period has remained at PKR 4.013 million as compared to the profit after tax of PKR 2.316 million compared in the corresponding period last year.

The operating results are summarized below:

Operating results	Jul to Mar (Nine Months)		Jan to Mar (Three Months)	
	2022	2021	2022	2021
Profit before taxation	5,174,075	4,120,016	7,364,681	3,985,174
Provision for taxation	(1,160,701)	(1,804,115)	(1,101,537)	(1,282,454)
Profit after taxation	4,013,374	2,315,901	6,263,144	2,702,720

Profit per share

Profit per share for the third quarter ended amounted to Rs. 0.16 per share as compared to Profit per share for the corresponding period of the last year of Rs. 0.09 per share.

Future Outlook

The significant increase in sales quarter on quarter is very positive and the management expects the sales to continue a rising trend in coming quarters as new projects will be launched as well as construction activity will be continued on projects already launched in earlier quarters. Although Sales are rising it is important to keep the direct cost in check due as cement prices are on the rise and it may affect the contribution margin for the Company.

Acknowledgment

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



Abdus Samad Habib
Chief Executive



Syed Najmuddujja Jafri
Chairman

Karachi: April 28, 2022

Safe Mix Concrete Limited
Condensed interim Balance Sheet (Un-audited)
As at 31 March, 2022

		Un-Audited	Audited
		31 March	30 June
	Note	2022	2021
		Rupees	
ASSETS			
Non - current assets			
Property, plant and equipment	5	177,889,674	187,093,830
Long term deposits		1,993,660	8,186,090
Deferred taxation		96,610,140	95,255,579
		276,493,474	290,535,499
Current assets			
Stores, spare parts and loose tools		6,558,615	6,228,312
Stock in trade		18,394,498	16,479,091
Trade debts		149,618,802	135,687,353
Advances, prepayments and other receivables		184,270,338	16,973,668
Assets held for sale		-	3,000,000
Taxation - net of provision		15,900,267	10,329,577
Cash and bank balances		2,188,202	41,595,814
		376,930,722	230,293,815
Total assets		653,424,196	520,829,314
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
Loan from related party		87,000,000	87,000,000
Accumulated loss		(164,844,032)	(168,857,411)
		186,884,544	182,871,165
Liabilities			
Non - current liabilities			
Long term financing - secured		1,060,024	1,457,041
Staff retirement benefits		7,146,088	6,113,600
		8,206,112	7,570,641
Current liabilities			
Trade and other payables		241,459,112	209,629,394
Short term borrowings - secured	6	71,500,000	86,000,000
Current portion of long term financing		476,502	531,854
Loan from related party		142,100,000	33,000,000
Accrued markup		2,797,926	1,226,260
		458,333,540	330,387,508
TOTAL EQUITY AND LIABILITIES		653,424,196	520,829,314
Contingencies and commitments			
	7		

The annexed notes form an integral part of these financial statements.

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Chief Financial Officer


Chief Executive


Director

Safe Mix Concrete Limited
Condensed Intrim Profit or Loss Account (Un-audited)
For the third quarter ended March 31, 2022

	Note	July to March (Nine Months)		Januray to March (3 Months)	
		2022	2021	2022	2021
		Rupees		Rupees	
Revenue - Net		201,220,984	166,651,680	88,123,081	85,496,940
Cost of sales	8	(178,632,190)	(148,950,215)	(74,263,889)	(75,855,299)
Gross profit		22,588,794	17,701,465	13,859,192	9,641,641
Selling and distribution expenses		(15,944,550)	(10,212,031)	(7,033,094)	(3,218,298)
Operating Profit		6,644,244	7,489,434	6,826,098	6,423,343
Finance cost		(7,786,199)	(6,337,372)	(3,694,396)	(2,241,471)
Other operating expense		(1,460,097)	(1,069,182)	-	(1,069,182)
Other operating income		7,776,128	4,037,136	4,232,979	872,484
Profit before taxation		5,174,075	4,120,016	7,364,681	3,985,174
Provision for taxation		(1,160,701)	(1,804,115)	(1,101,537)	(1,282,454)
Profit after taxation		4,013,374	2,315,901	6,263,144	2,702,720
Earnings per share - basic and diluted		0.16	0.09	0.25	0.11

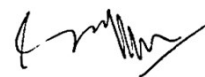
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Chief Financial Officer



Chief Executive

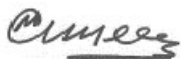


Director

Safe Mix Concrete Limited
Condensed Interim Statement of Comprehensive Income (un-audited)
For the third quarter ended March 31, 2022

	July to March (Nine Months)		Januray to March (3 Months)	
	2022	2021	2022	2021
	-----Rupees-----			
Profit after taxation	4,013,374	2,315,901	6,263,144	2,702,720
Other comprehensive income / (loss) for the year				
Items that will never be reclassified to profit and loss account				
Remeasurements of defined benefit liability	-	-		
Tax thereon	-	-		
Other comprehensive Income - net of tax	-	-		
Total comprehensive income for the year	4,013,374	2,315,901	6,263,144	2,702,720

The annexed notes form an integral part of these financial statements.



Chief Financial Officer



Chief Executive



Director

Safe Mix Concrete Limited
condensed Interim Statement of Changes in Equity (Un-audited)
For the third quarter ended March 31, 2022

	Issued, subscribed and paid up capital	Share premium reserve	Loan from related party	Accumulated Profit/(Loss)	Total
	-----Rupees-----				
Balance as at July 01, 2020	250,000,000	14,728,576	87,000,000	(174,372,541)	177,356,035
Profit for the year	-	-	-	2,315,901	2,315,901
Other comprehensive income for the year	-	-	-	-	-
Balance as at March 31, 2021	250,000,000	14,728,576	87,000,000	(172,056,640)	179,671,936
Balance as at July 01, 2021	250,000,000	14,728,576	87,000,000	(168,857,411)	182,871,165
Profit for the year	-	-	-	4,013,374	4,013,374
Other comprehensive income for the year	-	-	-	-	-
Balance as at March 31, 2022	250,000,000	14,728,576	87,000,000	(164,844,037)	186,884,539

The annexed notes form an integral part of these financial statements.



Chief Financial Officer



Chief Executive



Director

Safe Mix Concrete Limited
Condensed Interim Statement of Cash Flows (Un-audited)
For the third quarter ended March 31, 2022

	March 2022	March 2021
	(Rupees)	
Cash flow from operating activities		
Profit before taxation	5,174,075	4,120,015
Adjustments for:		
Depreciation	10,648,926	8,629,200
Loss / (gain) on sale of fixed assets	-	(272,841)
Irrecoverable long term deposits written off	189,590	-
Irrecoverable CWIP written off	1,270,507	-
Provision for staff retirement benefits	1,254,537	886,563
Amortization of deferred income	-	(1,120,000)
Finance cost	7,786,199	6,337,372
	21,149,759	14,460,294
	26,323,834	18,580,309
Changes in working capital		
<i>(Increase) / decrease in current assets:</i>		
Stores and spares	(330,303)	(957,246)
Stock in trade	(1,915,407)	(3,361,465)
Trade debts	(13,931,449)	(34,856,630)
Assets held for sale	3,000,000	-
Advances, prepayments and other receivables	(167,296,670)	19,993,697
	(180,473,829)	(19,181,644)
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	31,829,718	12,942,195
Cash flow from operating activities	(122,320,277)	12,340,860
Taxes paid	(8,085,947)	(2,068,704)
Finance cost paid	(6,214,533)	(6,778,342)
Gratuity paid	(222,049)	(383,576)
	(14,522,529)	(9,230,622)
Net cash generated from / (used in) operating activities	(136,842,806)	3,110,236
Cash flow from investing activities		
Capital expenditure incurred	(2,715,277)	(17,885,590)
Proceeds from sale of fixed assets	-	3,920,000
Long term deposits recovered	6,002,840	12,291,240
Net cash generated from / (used in) investing activities	3,287,563	(1,674,350)
Cash flow from financing activities		
Net Payments to Banks against long term financing	(452,369)	(18,919,215)
Net Payments to Banks against short term financing	(14,500,000)	-
Net Payment received against Loan from related party	109,100,000	5,000,000
Net cash (used in) / generated from financing activities	94,147,631	(13,919,215)
Net increase / (decrease) in cash and cash equivalents	(39,407,612)	(12,483,329)
Cash and cash equivalents at beginning of the period	41,595,814	13,450,207
Cash and cash equivalents at end of the period	2,188,202	966,878

The annexed notes form an integral part of these financial statements.


Chief Financial Officer


Chief Executive


Director

Safe Mix Concrete Limited
Notes to the Financial Statements
For the year ended June 30, 2020

1 STATUS AND NATURE OF BUSINESS

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. 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. The registered office of the Company is situated at plot no. 1, Global Industry, Nusrat Bhutto Colony, North Nazimabad, Karachi.

2 BASIS OF PREPARATION

The condensed interim financial information have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should before be read in conjunction with the financial statements for the period ended 30 Jun, 2021.

4 ESTIMATES

The preparation of the interim financial information requires management to make judgments. Estimation and assumption that affect the application of accounting policies and the reported accounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the condensed interim financial information, the significant judgements made by the management in applying accounting policies, key estimates and uncertainty includes :

- Residual value and useful life of estimation on fixed assets
- Taxation

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of consumption adopted in the preparation of the condensed interim financial information are the same as those applied in preparation of preceding annual financial statement for the year ended 30 June, 2021 and stated therein.

5 PROPERTY, PLANT AND EQUIPMENT

Un-audited	Audited
March 21	June 30
2022	2021
(Rupees)	

Operating fixed assets	176,589,674	184,523,323
Capital work in progress - at cost	1,300,000	2,570,507
	<u>177,889,674</u>	<u>187,093,830</u>

5.1 Operating Assets- at the book value

Opening Book value	184,523,323	176,473,190
Addition during the period	2,715,277	26,184,700
Disposal during the period -net book value	-	(6,647,158)
Depreciation charged during the period	(10,648,926)	(11,487,409)
	<u>176,589,674</u>	<u>184,523,323</u>

breakup of addition - at cost

Plant and machinery	2,129,200	23,305,248
Vehicles	-	2,011,040
Building	440,397	510,912
Furniture and fixture	3,030	56,000
Computers	90,000	24,000
Office equipments	52,650	277,500
	<u>2,715,277</u>	<u>26,184,700</u>
	<u>2,715,277</u>	<u>26,184,700</u>

5 PROPERTY, PLANT AND EQUIPMENT

	Un-audited March 21 2022	Audited June 30 2021
Note	(Rupees)	
Operating fixed assets	176,589,674	184,523,323
Capital work in progress - at cost	1,300,000	2,570,507
	177,889,674	187,093,830

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Depreciation charged during the period	(10,648,926)	(11,487,409)
	176,589,674	184,523,323

breakup of addition - at cost

Plant and machinery	2,129,200	23,305,248
Vehicles	-	2,011,040
Building	440,397	510,912
Furniture and fixture	3,030	56,000
Computers	90,000	24,000
Office equipments	52,650	277,500
	2,715,277	26,184,700
	2,715,277	26,184,700

6 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).

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

- 7.1.1** 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

7.2 Commitments

There are no commitments as on reporting date.

8 COST OF SALES

	July to March (Nine Month)		January to March (3 months)	
	2022	2021	2022	2021
	(Rupees)			
Raw material and stores consumed	58,449,218	70,464,781	20,713,039	45,484,498
Salaries, wages and other benefits	40,820,769	26,109,271	15,737,375	10,182,767
Depreciation	9,387,765	8,363,322	3,498,933	2,787,774
Fuel and power	46,338,987	26,405,673	21,258,540	11,684,851
Equipment hiring charges	11,384,102	2,713,112	7,075,510	2,085,312
Ijarah rentals	-	6,710,168	-	222,303
Repair and maintenance	10,036,357	6,994,454	4,878,359	2,913,995
Site preparation and sample testing	1,636,935	419,394	900,030	283,035
Insurance expenses	578,057	770,040	202,103	210,764
	178,632,190	148,950,215	74,263,889	75,855,299

9 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:

9.1 Transactions with related parties

	Un audited March 31, 2022	Un audited March 31, 2021
	(Rupees)	
Name of related party		
Associated companies:		
<i>Javeedan Corporation Limited</i>		
Sales of goods	14,563,418	14,317,614
<i>Power Cement Limited</i>		
Purchase of cement	42,595,650	59,340,174
<i>Arif Habib Corporation Limited</i>		
Loan received during the year	167,100,000	-
Loan repaid during the year	25,000,000	-
Mark-up charged during the year	1,818,274	-
Associated Person:		
<i>Mr.Arif Habib</i>		
Loan received during the year	60,000,000	52,879,022
Loan paid during the year	93,000,000	47,879,022

Un audited	Audited
March 31,	June 30,
2022	2021
(Rupees)	

Balances with related parties

Associated companies :

Power Cement Limited - Amount receivable against purchases	32,816,370	41,945,830
Javedan Corporation - Amount payable against sales	139,704,256	4,106,676
Arif Habib Corporation - Loan payable to related parties	142,100,000	-

Associated Person:

Mr. Arif Habib - Loan payable to related parties	-	33,000,000
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10 OPERATING SEGMENTS

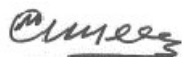
- 10.1** The financial information has been prepared on the basis of a single reportable segment.
- 10.2** 100 % (2021: 100%) of the gross sales of the Company are made to customers located in Pakistan.
- 10.3** All non-current assets of the Company as at March 31, 2022 are located in Pakistan.

11 CORRESPONDING FIGURES

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

12 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on **April 28, 2022** by the Board of Directors of the Company.



Chief Financial Officer



Chief Executive



Director