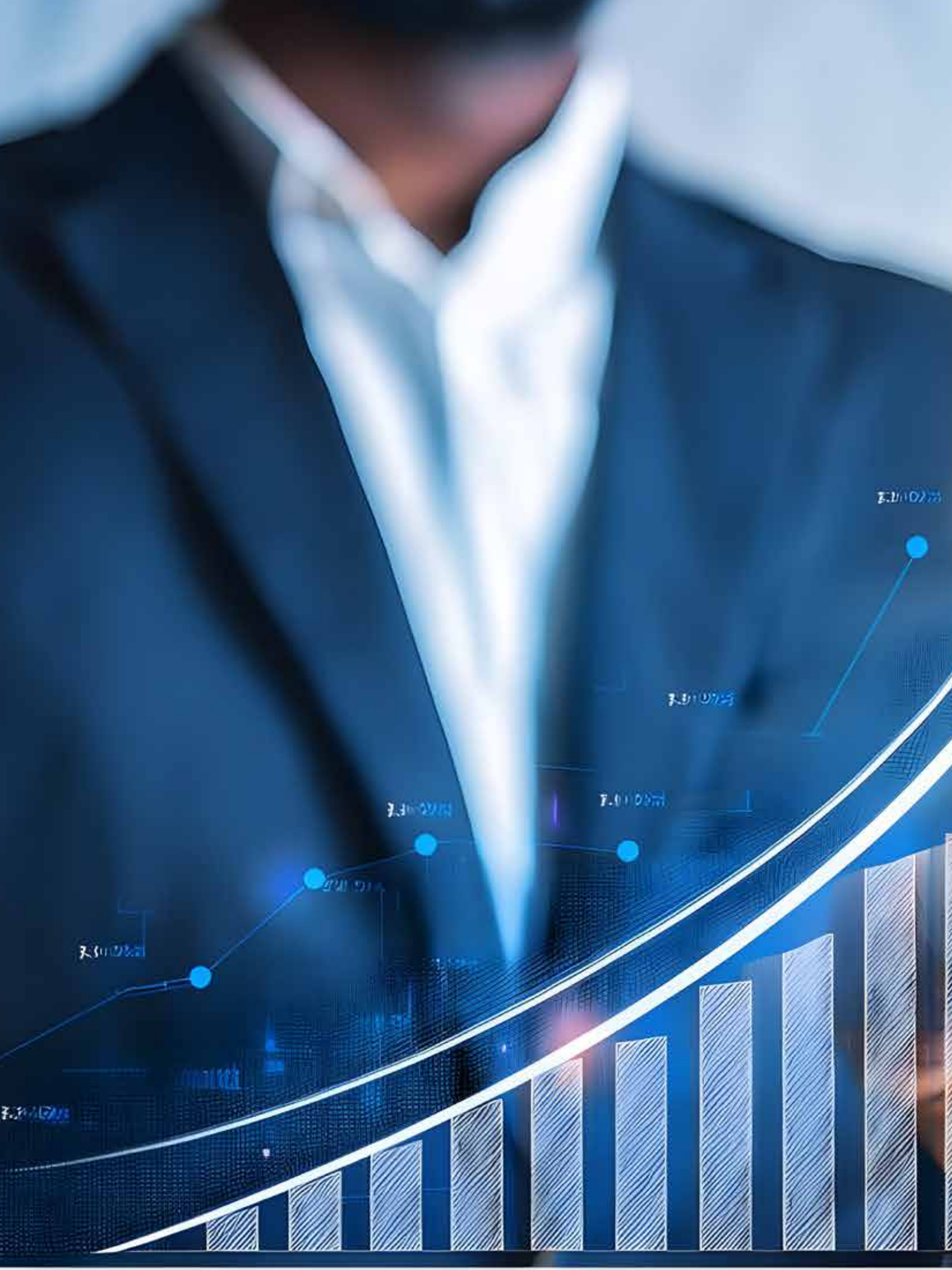




***DRIVEN BY PASSION
BUILT ON EXCELLENCE***

2024
Annual Report





VISION *STATEMENT*

Our Vision is to be Pakistan's Largest ready mix concrete services company, signing under the prominent projects for tomorrow's world of business, harmonizing, innovative and progressive technology with the Company's experience and excellence in the quality of work.

MISSION *STATEMENT*

Safe Mix once a dream has shaped into reality, through conviction and untiring efforts to see it grow into a corporate company with one of the principal market clientele.

The aim of the company is to establish a platform for the transfer of foreign technology with forming the basis for further development in Pakistan.



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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Abdus Samad Habib	– Chief Executive Officer
Syed Najmudduja Jaffri	– Chairman
Mr. Kashif Habib	– Director
Mr. Ahsan Anis	– Director
Mrs. Anna Samad	– Director
Mr. Abdul Qadir	– Director
Mr. Muhammad Siddiq Khokhar	– Director

AUDIT COMMITTEE

Mr. Abdul Qadir	– Chairman
Mr. Kashif Habib	– Member
Mr. Ahsan Anis	– Member

HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Muhammad Siddiq Khokhar	– Chairman
Mr. Kashif Habib	– Member
Syed Najmudduja Jaffri	– Member

CHIEF FINANCIAL OFFICER

Mr. Imran Haque

COMPANY SECRETARY

Mr. Imran Haque

AUDITORS

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
CHARTERED ACCOUNTANTS

LEGAL ADVISOR

ADVOCATE AHSAN-UL-HAQ ADVOCATES AND
CORPORATE COUNCIL

BANKERS AND FINANCIAL INSTITUTIONS

HABIB METROPOLITAN BANK
THE BANK OF PUNJAB
BANK ISLAMI PAKISTAN LIMITED
BANK ALFALAH LIMITED
SUMMIT BANK LIMITED / BANK MAKRAMAH LIMITED
MEEZAN BANK LIMITED

REGISTERED Office

Plot # 1, Global Industry,
Nusrat Bhutto Colony, North
Nazimabad
Karachi, Pakistan.
Tel: 92 345 2025369
www.safemixlimited.com

SHARES REGISTRAR

THK Associates (Private) Limited
Plot # 32-C, Jami Commercial
Street 2
DHA Phase VII
Karachi

NOTICE OF 18th ANNUAL GENERAL MEETING

Notice is hereby given that Eighteenth Annual General Meeting ('AGM') of the shareholders of Safe Mix Concrete Limited (the Company) will be held on Friday, 25 October 2024 at 04:30 p.m. at Naya Nazimabad Gymkhana, Naya Nazimabad, Manghopir Road, Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm minutes of the 17th Annual General Meeting held on 16 October 2023.
2. To receive, consider and adopt annual audited financial statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2024.

In accordance with Section 223 of the Companies Act, 2017 (Act) and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements have been uploaded on website of the Company, which can be downloaded from the following weblink or QR enabled code:

<https://safemixlimited.com/investors-desk.php>



3. To consider and approve final cash dividend for the year ended 30 June 2024 @ 20% i.e. at PKR 2 per ordinary share as recommended by the Board of Directors.
4. To appoint Auditors and fix their remuneration for the year ending June 30, 2025. The Board of Directors on the recommendation of Audit Committee have recommended for reappointment of M/s. Rehman Sarfaraz Rahim Iqbal Rafiq & Co., Chartered Accountants as external auditors.

SPECIAL BUSINESS

5. To authorize the Board of Directors of the Company to approve those transactions with Related Parties (if executed) during the financial year ending June 30, 2025 which require approval of shareholders u/s 207 and / or 208 of the companies Act, 2017 read with Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018, by passing the following special resolution with or without modification:

RESOLVED THAT

The Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2025.

FURTHER RESOLVED THAT

The transactions approved by the Board shall be deemed to have been approved by the shareholders u/s 207 and / or 208 of the companies Act, 2017 read with Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 (if triggered) and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval (if required).

A statement under section 134(3) of the Companies Act 2017 pertaining to agenda item No.5 is Annexed for information of the Shareholders.

By Order of the Board


Imran Haque
Company Secretary

Karachi
Dated: 03 October 2024

NOTES:

1. The share transfer books of the Company will remain closed from 18 October 2024 to 25 October 2024 (both days inclusive). Transfer received in order at the office of our Share Registrar M/s. THK Associates (Private) Limited, Plot No.32-C, Jami Commercial Street No.2, D.H.A., Phase VII, Karachi (Share Registrar) at the close of the business on Thursday, 17 October 2024, will be considered in time for attending the AGM and entitlement of the cash dividend to ordinary shareholders.
2. A member entitled to attend and vote at the meeting may appoint another person as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
3. Procedure including the guidelines as laid down in Circular No. 1 - Reference No. 3 (5-A) Misc / ARO / LES / 96 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan:
 - i. Members, proxies or nominees shall authenticate their identity by showing their original computerized national identity card (CNIC) or original passport and bring their folio numbers at the time of attending the meeting.

- ii. In the case of corporate entity, Board of Directors’ resolution / power of attorney and attested copy of the CNIC or passport of the nominee shall also be produced (unless provided earlier) at the time of meeting.
- iii. In order to be effective, the proxy forms must be received at the office of our registrar not later than 48 hours before the meeting, duly signed, stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.
- iv. In the case of individuals, attested copies of CNIC or passport of the beneficial owners, witnesses and the proxy holder shall be furnished with the proxy form. A proxy must be a member of the Company.
- v. In the case of proxy by a corporate entity, Board of Directors resolution / power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy form.

4. Shareholders are requested to notify change in their addresses, if any, to our Share Registrar. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

5. Updation of Email/Cell Numbers:

To comply with requirement of Section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all physical shareholders are requested to provide their email address and mobile number to our Share Registrar for incorporation in our members register. Shareholders maintaining their shares in electronic form should have their email address and mobile number updated with their participant or CDC Investor Accounts Service.

6. Online Participation in the Annual General Meeting:

In light of relevant guidelines issued by the Securities & Exchange Commission of Pakistan (SECP) vide letter no. SMD/SE/2(20)/2021/117 dated December 15, 2021, the shareholders are encouraged to participate in the AGM through electronic facility arranged by the Company.

Accordingly, the company for ensuring maximum participation of the shareholders has made arrangements to ensure that all shareholders can also participate in the AGM proceeding via video link. Hence, those members who desire online participation in the AGM are requested to register themselves by sending an email along with following particulars and valid copy of both sides of their CNIC at saeed.anwar@safemixlimited.com with subject of “Registration for Safe Mix AGM 2024” not less than 48 hours before the time of meeting:

Name of Shareholder	CNIC No	Folio No / CDC Account No	Cell No	Email Address

Video Link to join the AGM will be shared with only those members whose emails, containing all the required and correct particulars are received at above mentioned email address.

7. Notice to Shareholders for provision of CNIC and other details:

The Individual Members who have not yet submitted photocopy of their valid CNIC to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar. The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number with the copy of CNIC / NTN details.

8. Payment of Cash Dividend through Electronic Mode (Mandatory):

Further, under the provisions of Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividend) Regulations, 2017, it is mandatory for every listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Consequently, to receive cash dividends directly into bank account, if any, shareholders having physical shares are requested to fill in 'Electronic Mode Dividend Form' available at Company's website containing prescribed details and send it duly signed along with a copy of CNIC to the Registrar of the Company. In case of book-entry securities, shareholders must get their respective records updated as per the 'Electronic Mode Dividend Form' with their Broker / Participant / CDC account services.

In case of absence / non-receipt of the copy of a valid CNIC and bank account details, the Company would be constraint under Section 243(2)(a) of the Companies Act, 2017 read with regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017 to withhold the payment of dividends, if any, to such members till provision of prescribed details.

9. Deduction of Tax on Cash Dividend Income:

The Shareholders are hereby informed that pursuant to amendments in Section 150 of the Income Tax Ordinance, 2001 through Finance Act, Income Tax will be deducted at source @15% for person appearing in the ATL [determined as per ATL available on Federal Board of Revenue's ("FBR") website] from the dividend amount, if any. However, if shareholders do not appear in ATL, Income Tax will be charged to 30%.

In case of joint account, each holder is to be treated individually as either a filer or non-filer, and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows to our Share Registrar. In case no such notification is received by us within 10 days of this notice, equal deduction of tax will be made where proportionate holding is not available.

Bank Name	Folio/CDC A/c. No.	Total No. of Shares	Participant Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding Proportionate (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The CNIC number/NTN details are not mandatory and are required for checking the tax status as per the ATL issued by the FBR from time to time.

10. Zakat Exemption:

Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the share (Rs. 10/- each) and will be deposited within the prescribed period with the relevant authority. In case of claiming exemption, please submit your Zakat Declarations under Zakat and Ushr Ordinance, 1980 and Rule 4 of Zakat (Deduction and Refund) Rules, 1981. Shareholders who hold Company's shares in physical form, please deposit their Zakat Declaration on Form CZ-50 with Company's Share Registrar with mentioning Folio No. and Name. Shareholders who hold shares in book entry shall deposit their zakat declaration on Form CZ-50 with CDC Investor Account Services/CDC Participant/Stockbrokers with mentioning CDS Account No. and name of shareholder.

11. E-Voting / Postal Ballot:

Members are hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 read with Sections 143-144 of the Companies Act, 2017 and SRO 2192(1)/2022 dated 5th December 2022, members will be allowed to exercise their right to vote for the special business(es) in accordance with the conditions as specified in the said regulations.

As the agenda item No. 5 is a special business, therefore, facility of e-voting or postal ballot is arrange for the shareholders through M/s. THK Associates (Private) Limited, Balloter and e-voting service providers. The procedure for exercising e-voting or Postal Ballot options, alternatively is provided hereunder:

i) E-Voting Procedure

- (a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on 17 October 2024.
- (b) The web address, login details and password will be communicated to members via email. The security codes will be communicated to members through SMS and email from web portal of the e-voting service provider.
- (c) Identity of the members intending to cast vote through E-Voting shall be authenticated through electronic signature or authentication for login.
- (d) E-Voting lines will start from 22 October 2024, 09:00 a.m. and shall close on 24 October 2024 at 05:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

ii) Postal Ballot

- (a) Members may alternatively opt for voting through postal ballot. The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address, Safe Mix Concrete Limited, Plot No.1, Global Industry, Nusrat Bhutto Colony, North Nazimabad, Karachi (Attention the Company Secretary) or through email with subject "Voting through Postal Ballot" at saeed.anwar@safemixlimited.com not later than one working day before the AGM i.e. on Thursday, 24 October 2024, during working hours. Postal Ballot paper, shall be published in the newspaper and will also be placed on the Company's website www.safemixlimited.com at least seven (7) days before the meeting. The signature on the ballot paper shall match with the signature on CNIC. A postal ballot received after this time / date shall not be considered for voting.
- (b) Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.

12. Provision of Video Link Facility:

In accordance with the Section 134 (1) (b) of the Companies Act, 2017 the Shareholders may participate in the meeting via video-link facility. If the Company receives a demand (at least 7 days before the date of meeting) from shareholder(s) holding an aggregate 10% or more shareholding residing in any other city, to participate in the meeting through video link, the Company will arrange video link facility in that city.

Shareholders, who wish to participate through video-link facility, may send request to and send a duly signed copy to the Registered Address of the Company.

13. Distribution of Annual Report:

The Annual Report of the Company for the year ended June 30, 2024 has been placed on the Company's website at the given weblink: <https://safemixlimited.com/investors-desk.php> and could also be downloaded from above QR code.

However, if a shareholder, in addition, requests for hard copy of Annual Report, the same shall be provided free of cost within seven days of receipt of such request. For convenience of shareholders, a "Standard Request Form for provision of Annual Report" has also been made available on the Company's website www.safemixlimited.com.

14. Deposit of Physical shares in CDC Accounts:

The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated 26 March 2021, has advised the listed companies to adhere with the provisions of the Section 72 of the Act, which requires all the existing companies to replace shares issued by them in physical form with book-entry form in a manner as may be specified and from the date notified by the SECP within a period not exceeding four years from the commencement of the Companies Act 2017 i.e. 30th May 2017. The shareholders having physical shareholding

are requested to open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into scrip-less form.

15. Unclaimed Dividend:

Pursuant to Section 244 of the Act, any shares issued, or dividends declared by the Company, which remain unclaimed for a period of three years from the date they became due and payable shall rest with the Federal Government after completion of procedure prescribed under the Act.

In this respect, Shareholders, who by any reason, could not claim their previous unclaimed dividend/shares are advised to contact our Share Registrar M/s. THK Associates (Private) Limited, 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi.

16. Form of Proxy is enclosed and uploaded on the Company's website www.safemixlimited.com.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business given in Agenda items No. 5 of the Notice to be transacted at the Annual General Meeting of the Company. Directors of the Company have no interest in the special business except in their capacity as director / shareholder.

ANNEXURE A

AUTHORIZATION FOR THE BOARD OF DIRECTORS TO APPROVE THOSE TRANSACTIONS WITH RELATED PARTIES (IF EXECUTED) DURING THE FINANCIAL YEAR ENDING 30TH JUNE 2025 WHICH REQUIRE APPROVAL OF SHAREHOLDERS U/S 207 AND / OR 208 OF THE COMPANIES ACT, 2017

The Company shall be conducting transactions with its related parties during the year ending 30 June 2025 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. Being the Directors of the Company, many Directors may be deemed to be treated as interested in transactions with related parties due to their common directorships and/or shareholding. In order to promote good corporate governance and transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis, including transactions (if executed) triggering approval of shareholders u/s 207 and / or 208 of the Companies Act, 2017, for the year ending 30 June 2025, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next Annual General Meeting for their formal approval/ratification. The Directors are interested in the resolution only to the extent of their shareholding and / or common directorships in such related parties.

REVIEW REPORT

BY THE CHAIRMAN

During the year under review, the Board of Directors (the Board) of Safe Mix Concrete Limited (SMCL) has performed their duties diligently in upholding the best interest of the shareholders of the Company and has managed the affairs of the Company in an effective and efficient manner.

The Board has exercised its powers and has performed its duties as stated in the Companies Act, 2017 (“Act”), the Code of Corporate Governance Regulation, 2019 (“Code”), and the Rule Book of the Pakistan Stock Exchange (the Rule Book) where the Company is listed.

The Board during the year ended 30th June 2024 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

- The Board has ensured that the Board and its committees have an adequate representation of non-executive and independent directors, as required by the Code, and that members of the Board and its respective committees have the requisite skill, experience, and knowledge required to manage the Company's affairs;
- The Board has placed an Audit Committee and a Human Resource and Remuneration Committee, approved their terms of references, and allocated resources to ensure that the committee carry out their duties diligently in accordance with the Act and the code;
- The Board has developed and put in place the rigorous mechanism for an annual evaluation of its own performances as well as the performance of its committees and individual directors on an annual basis. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically;
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner;
- The Board has ensured that all meetings of the Board and its committees were held with the requisite quorum, all decisions were made through Board resolution, and that all meetings (including committees) were appropriately recorded and maintained, in compliance with the requirement of the Act and the Code;
- The Board of Directors has established a code of conduct that outlines the professional standards and corporate principles to which the Company adheres, as well as essential policies for the smooth operation of the Company;
- The Board has actively participated in the strategic planning process, enterprise risk management system, policy formulation, and the financial structure, monitoring, and approval;

- All significant issues were submitted to the Board or its committees during the year in order to strengthen and formalize corporate decision-making, and particularly all related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that an effective internal control system is in place and that it is continuously assessed through a self-assessment mechanism supported by internal audit activities;
- The Board has prepared and approved the director's report and has ensured that it is published with the Company's quarterly and annual financial statements and that the content of the director's report is in accordance with the requirement of the Act, the Code, and related guidelines;
- The Board has ensured the hiring, evaluation, and compensation of the Chief Executive and other key executives including the Chief Financial Officer, Company Secretary, and Head of Internal Audit;
- The Board has ensured that adequate information is shared among its members in a timely manner and that members are kept up to date on events between meetings; and
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the Act, the Code, and related guidelines applicable to the Company, and the Board has always prioritized Compliance with all the applicable laws and regulations in terms of their conduct as directors and exercising their powers and decision making.

The evaluation of the Board's performance is assessed based on those key areas where the Board requires clarity in order to provide high-level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment, and the competitive context in which the Company operates; the risk faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of SMCL has played a key role in ensuring that the Company objectives are achieved through a joint effort with the management team and guidance and oversight by the Board and its members.



Syed Najmudduja Jafri
Chairman

20 September 2024

DIRECTORS' REPORT

On the behalf of the Board of Directors of Safe Mix Concrete Limited (SMCL) (“the Company”), we are pleased to present herewith the Director’s Report along with the annual audited financial statement for the year ended June 30, 2024, together with auditors’ report thereon.

Overview

The Company’s performance in the Financial Year 23-24 has been satisfactory in the wake of rising costs and high interest rates, highlighted by its achievement of the Profit After Tax, reaching a total of PKR 111.605 million.

In the reviewed period, the Company achieved a sales figure of PKR 1,262.4 million, which is only 12 % drop in sales when compared to last year sales figure of 1,432.03 million, showing ability to pass on the higher cost to consumers. The cost of sales for the year amounted to PKR 1,002.4 million, from PKR 1,110.7 million in the corresponding year. This led to a gross profit of PKR 260.067 million for the year, when compared to the previous year’s gross profit of PKR 321.276 million, showcasing a negative variance of only PKR 61.208 million compared to the corresponding year.

In terms of expenses, the Company incurred administrative and selling expenses of PKR 51.528 million during the year. Additionally, finance costs for the year amounted to PKR 52.225 million, while the Company earned other income totaling PKR 8.724 million over the same period.

Operating Results

	Year Ended June 30	
	2024	2023
	-----Rupees-----	
Sales	1,262,480,359	1,432,034,758
Cost of Sales	(1,002,413,228)	(1,110,758,758)
Gross Profit	260,067,131	321,276,000
Administrative & Selling expenses	(51,528,446)	(47,646,396)
Operating Profit	208,538,685	273,629,604
Other Expenses	(18,390,427)	(35,340,012)
Finance Cost	(52,225,884)	(40,873,518)
Other Income	8,724,897	9,556,857
Profit / (Loss) before taxation	146,647,271	206,972,931
Taxation	(35,041,646)	(73,602,474)
Profit after taxation	111,605,625	133,370,457
EPS – Basic and diluted	4.46	5.33

Outlook

In the financial year which ended on June 30, 2024, Pakistan has encountered significant challenges to its development and prosperity. The country is struggling with high interest rates, a troubling debt burden and ongoing political instability. These issues have deeply impacted the nation's economic growth. The current government need to implement extensive reforms focused on revenue generation, the privatization of state-owned enterprises and attracting foreign direct investment in targeted sectors. In light of these macroeconomic challenges, your company's leadership is actively prioritizing cost optimization, risk management and implementing austerity in daily operations. We remain dedicated to providing value to our stake holders and have complete confidence in our business strength and resilience to navigate these obstacles and adapt smoothly to changing economic conditions.

Environmental, Social and Governance (ESG) Reporting

SMCL is dedicated to maintaining a safe and secure working environment for our employees, particularly within our manufacturing facility, while diligently addressing our environmental responsibilities. Our comprehensive health and safety programs encompass mandatory training in Health, Safety, and Environment (HSE) practices, road safety, fire drills, and safe machine handling protocols at our manufacturing sites.

Our recent plantation initiatives have made a significant positive impact on the environment by lowering carbon emissions in the surrounding areas. Additionally, the Company is advancing its efforts to reduce its carbon footprint through efficient transportation carrying ready-mix concrete and enhanced delivery practices. Additionally, SMCL also received monthly environmental reports from Sustainable Environmental Services Laboratory.

We are actively pursuing water conservation strategies by implementing various initiatives and continuously educating our employees and workers on these practices. These efforts have successfully resulted in substantial water savings, amounting to thousands of gallons.

Our commitment to energy optimization across operations has also yielded favorable environmental outcomes by reducing our overall carbon footprint.

Furthermore, our Diversity, Equity, and Inclusion (DE&I) strategy highlights our dedication to fostering a respectful and equitable work environment that supports growth and development. As an equal opportunity employer, SMCL is committed to creating an inclusive environment where all employees feel valued and empowered to learn, contribute, and thrive.

Corporate and Financial Reporting Framework

SMCL is listed at the Pakistan Stock Exchange. The Company's Board is dedicated to adhering to the principles of the Code of Corporate Governance. They possess a clear understanding of their obligations to oversee operations and performance, as well as to improve the precision, comprehensiveness, and transparency of both financial and non-financial data. The Board of the Company is committed to observe the Code of Corporate Governance and are familiar with their responsibilities to monitor operations and performance, enhance accuracy, comprehensiveness, and transparency of financial and non-financial information.

The Board would like to state that proper books of accounts of SMCL have been maintained and appropriate accounting policies have been adopted and consistently applied in

preparation of the financial statements; and accounting estimates are based on reasonable and prudent judgment. International Financial Reporting Standards, as applicable in Pakistan, are followed in the preparation of the financial statements. The system of internal controls is sound in design and has been effectively implemented and monitored. The financial statements of SMCL present fairly its state of affairs, the result of its operations, cash flow and statement of changes in equity. No material payment has remained outstanding on account of any taxes, duties, levies or charges.

In compliance with the Code, the Board hereby reaffirm that there is no doubt about SMCL's ability to continue as a going concern and that there has been no material departure from the best practices of corporate governance except for disclosed in Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019.

SMCL has consistently strived to achieve excellence by upholding superior standards of Corporate Governance and implementing fair and transparent protocols.

Trading in Company's Shares

During the year ended June 30, 2024, the Directors, Executives and their Spouses and Minor children have not traded in the shares of the Company. The threshold set by the Directors, for disclosure of the term "executive", in annual report constitutes employee whose annual basic salary exceeds Rs. 1.2 million in a year.

Directors' Attendance at Board and its Committee Meetings

During the year ended 30 June 2024, four (04) Board Meetings. Four (04) Audit Committee Meetings and One (1) Human Resource & Remuneration Committee Meeting were held. Attendance by director were as follows:

Name of Director	Board Meeting	Audit Committee	HR & R Committee
Syed Najmudduja Jaffri	3/4	N/A	1/1
Mr. Abdus Samad Habib	4/4	N/A	N/A
Mr. Ahsan Anis	4/4	4/4	N/A
Mr. Kashif Habib	4/4	4/4	1/1
Mr. Qadir Sultan	4/4	4/4	N/A
Ms. Anna Samad	4/4	N/A	N/A
Mr. Muhammad Siddiq Khokhar	3/4	N/A	1/1

- The Board granted a leave of absence to the director who could not attend the Board Meetings.

Directors' Remuneration

The Non- Executive Directors (including independent directors) but excluding those directors who are concurrently serving as Executive Directors in any of the Arif Habib Group of Companies are provided a remuneration for attending Board and its Committee Meetings as may be approved by the board from time to time.

Further as and when board decides to assign any additional roles and responsibilities to any non-executive directors, the board shall decide the remuneration to be provided to such director which commensurate with the roles and responsibilities so assigned.

Composition of the Board

The current composition of the board is as follows: -

Total Number of Directors:

(a) Male:	6
(b) Female:	1

Composition:

(a) Independent Director:	2
(b) Non-Executive Director:	3
(c) Executive Director:	1
(d) Female Director:	1

Committees of the Board: Audit Committee

Mr. Abdul Qadir Sultan	Chairman
Mr. Muhammad Kashif Habib	Member
Mr. Ahsan Anis	Member

Human Resource & Remuneration Committee

Mr. Muhammad Siddiq Khokhar	Chairman
Mr. Syed Najmudduja Jaffri	Member
Mr. Muhammad Kashif Habib	Member

Internal Control

SMCL has established a robust Internal Financial Control system to protect its assets and guarantee the precision and dependability of its records. The senior management scrutinizes the Company's financial performance using comprehensive monthly financial reports and analysis. Concurrently, the Board conducts its own assessment every quarter, investigating any deviations from projected outcomes. Thorough assessments are also conducted by the internal audit function, which evaluates compliance with internal control measures and prescribed procedures, subsequently presenting its findings to the Audit Committee or the Board.

Risk Management and Compliance

SMCL has a comprehensive risk management framework in place to identify, assess, and mitigate risks across our operations. This framework includes rigorous compliance measures to ensure that we meet all legal and regulatory requirements and uphold our commitments to stakeholders.

Changes in Nature of Business

No change has occurred during the financial year ended 30 June 2024 concerning the nature of the business.

Default of Payments, Debt / Loan Taxes and Duties

No payment on account of taxes, loan, duties and levies was overdue or outstanding at the end of the financial year under review.

Compliance with the Code of Corporate Governance

The "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019" (CCG) is attached to this report.

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of the report.

Auditors

The board of directors has recommended appointment of M/s Rehman Sarfaraz Rahim Iqbal Rafiq & Co Chartered Accountants as external auditors for the year ending June 30, 2025 to the General Meeting on the fee to be mutually agreed.

Pattern of Shareholding

Pattern of shareholding whose disclosure is required under the reporting framework is attached to this report.

Information to Stakeholders

Key Operating and financial data of previous years has been summarized in this report.

Related Party Transaction

All transactions with related parties have been executed in accordance with applicable regulations and have been disclosed in the financial statements under relevant notes.

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



Abdus Samad Habib
Chief Executive Officer



Syed Najmudduja Jaffri
Chairman

Dated: 20 September 2024

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KEY OPERATIONAL & FINANCIAL DATA

	2024	2023	2022	2021	2020	2019
	(Rupees)					
Revenue	1,262,480,359	1,432,034,758	529,722,048	221,232,490	409,447,827	879,312,072
Cost of sales	1,002,413,228	110,758,758	416,164,447	203,600,861	422,447,307	865,539,147
Gross Profit / (Loss)	260,067,131	321,276,000	113,557,601	17,631,629	(12,999,480)	13,772,925
Selling and administrative expenses	51,528,446	47,646,396	30,306,596	16,176,225	47,139,072	50,061,388
Finance cost	52,225,884	40,873,518	18,049,631	9,600,672	12,952,981	13,924,828
Profit / (Loss) before tax	146,647,271	206,972,931	71,322,955	(1,384,363)	(110,022,623)	(39,152,575)
Profit / (Loss) after tax	111,605,625	133,370,457	46,456,349	6,566,728	(98,777,041)	(29,771,054)
Paid up Capital	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Total Assets	805,627,771	744,983,048	705,959,292	520,829,314	490,062,787	608,474,409
Total Liabilities	423,234,142	470,688,386	476,758,029	337,958,149	312,706,753	420,325,976

PATTERN OF SHAREHOLDING

As on 30/06/2024

No.of shareholders	<--Having Shares-->		Shares held	Percentage
	From	To		
			-----Rupees-----	
173	1	100	2,115	0.0085
205	101	500	97,206	0.3888
88	501	1,000	84,483	0.3379
128	1,001	5,000	346,672	1.3867
48	5,001	10,000	359,613	1.4385
20	10,001	15,000	258,648	1.0346
9	15,001	20,000	164,985	0.6599
12	20,001	25,000	280,550	1.1222
7	25,001	30,000	195,840	0.7834
2	30,001	35,000	62,276	0.2491
2	35,001	40,000	76,000	0.3040
2	40,001	45,000	82,912	0.3316
3	45,001	50,000	150,000	0.6000
3	50,001	55,000	164,700	0.6588
3	60,001	65,000	187,500	0.7500
1	70,001	75,000	75,000	0.3000
1	80,001	85,000	81,500	0.3260
2	85,001	90,000	177,500	0.7100
2	95,001	100,000	200,000	0.8000
1	100,001	105,000	102,510	0.4100
1	105,001	110,000	110,000	0.4400
1	135,001	140,000	140,000	0.5600
1	160,001	165,000	164,500	0.6580
1	225,001	230,000	230,000	0.9200
1	250,001	255,000	254,000	1.0160
1	310,001	315,000	310,500	1.2420
1	315,001	320,000	319,968	1.2799
1	355,001	360,000	360,000	1.4400
1	470,001	475,000	474,650	1.8986
1	625,001	630,000	630,000	2.5200
1	645,001	650,000	650,000	2.6000
1	1,145,001	1,150,000	1,146,042	4.5842
1	2,395,001	2,400,000	2,400,000	9.6000
1	5,695,001	5,700,000	5,699,328	22.7973
1	8,960,001	8,965,000	8,961,002	35.8440
727	Company Total		25,000,000	100.0000

CATEGORY OF SHAREHOLDERS

As on 30/06/2024

Particulars	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
SYED NAJMUDDUJA JAFFRI	1	500	0.00
MR. ABDUS SAMAD	1	8,961,002	35.84
MR. MUHAMMAD KASHIF	1	1,146,042	4.58
MR. AHSAN ANIS	1	500	0.00
MR. ABDUL QADIR	1	2,016	0.01
MR. MUHAMMAD SIDDIQ KHOKHAR	1	2	0.00
MS. ANNA SAMAD	1	500	0.00
Associated Companies, undertakings and related parties			
	2	8,099,328	32.40
General Public			
a. Local	670	4,556,678	18.23
b. Foreign	35	436,524	1.75
Others			
	13	1,796,908	7.19
Totals	727	25,000,000	100.00

Particulars	Shares Held	Percentage
MR. ABDUS SAMAD	8,961,002	35.84
ARIF HABIB CORPORATION LIMITED	2,400,000	9.60
ARIF HABIB LIMITED	5,699,328	22.80



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of M/s. Safe Mix Concrete Limited

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Safe Mix Concrete Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below the instances of non-compliance made by the Company with certain requirements of the Code as stated in paragraphs 19 of the Statement of Compliance:

S. No.	Nature of the Requirement	Paragraph No.	Description of the Non-Compliance
(1)	Explanation for non-compliance is required	19	As per Regulation no. 06 of the Regulations, a listed company shall have at least two or one-third members of the Board, whichever is higher, as independent directors. Further, it requires a listed company to explain the reasons, in its Statement of Compliance, if any fraction contained in such one-third numbers is not rounded up as one. Since the total number of directors of the Company is 7, its one-third fraction comes to 2.33. In contrast, during the year ended June 30, 2024, the number of independent directors of the Company has been 2 (as stated in S. no. 2 of the Statement of Compliance). The Company is of the view that the two independent directors on the board had requisite competencies, skills knowledge and experience to discharge and execute their duties competently as per laws and regulations therefore the appointment of a third independent director is not considered.

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S. No.	Nature of the Requirement	Paragraph No.	Description of the Non-Compliance
(2)	Explanation for non-compliance is required	19	<p>As per Regulation no. 24 of the Regulations, the same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company.</p> <p>The Company has appointed same person as chief financial officer and company secretary (as stated in S. no. 19 of the Statement of Compliance). It was explained that the Board was of the opinion that the person was suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles simultaneously. It was further explained that it was the cost-effective measure and it was in the best interest of the Company and the shareholders. However, a suitable candidate has been identified for the subsequent year for the role of Company Secretary and his appointment will be finalized upon Board approval.</p>

Karachi.

Date: September 25, 2024
UDIN: CR202410213tKjGQsDLZ


Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019.

Name of Company Safe Mix Concrete Limited

Year ended 30 June 2024

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance Regulations, 2019 (the Regulation) in the following manner:

1. The total number of Directors are 07 (seven) as per the following:
 - a. Male: 6 members
 - b. Female: 1 member
2. The composition of the Board is as follows:

Category	Name
Independent Director*	Mr. Abdul Qadir Mr. Muhammad Siddiq Khokhar
Executive Director	Mr. Abdus Samad Habib - CEO
Non-Executive Directors	Syed Najmudduja Jaffri - Chairman Mr. Muhammad Kashif Mr. Ahsan Anis
Female Director	Ms. Anna Samad (Non-Executive Director)

*The Independent Directors meet the criteria of independence as laid down under Section 166 of the Companies Act, 2017 ("Act").

For the purpose of regulation 6, the Company has not rounded up the fraction as one. Since, the Board has adequate Independent Directors i.e. 02 out of the Board of 7 Directors who have duly complied with the minimum requirement of Independent Directors.

3. The Directors have confirmed that none of them is serving as a director of more than seven listed companies, including this, Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the date of approval or updating has been maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. Out of the seven Directors, four have completed the Directors' Training Program, and the remaining Directors are scheduled to complete the required training within the current financial year.
10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

During the year, Mr. Imran Haque was appointed as Chief Financial Officer and Company Secretary of the Company.

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

Name of Committee	Name of Directors
Audit Committee	Mr. Abdul Qadir – Chairman Mr. Muhammad Kashif – Member Mr. Ahsan Anis – Member
HR and Remuneration Committee	Mr. Muhammad Siddiq Khokhar – Chairman Mr. Muhammad Kashif – Member Syed Najmudduja Jaffri – Member

13. The Terms of Reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.

14. The frequency of meetings of the Committees were as per following:

Name of Committee	Frequency of Meeting
Audit Committee	4 meetings were held during the year. The meetings of the Audit Committee are held on a quarterly basis.
HR and Remuneration Committee	1 meeting during the year.

15. The Board has set up an effective Internal Audit Function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the Regulations 3,6,7, 7A,8,27,32,33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with the requirement, other than regulations 3,6,7, 7A,8,27,32,33 and 36 are below:

Non-Mandatory Regulations	Non-Mandatory Requirements	Explanation
Regulation 24	The same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company.	Currently, the position of Company Secretary is being managed by the CFO due to cost-effective measures and his ability to handle both roles simultaneously. However, a suitable candidate has been identified for the role of Company Secretary, and his appointment will be finalized upon Board approval.

For and behalf of the Board.



Syed Najmudduja Jaffri
Chairman

Date: 20 September 2024

FINANCIAL STATEMENT







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Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the members of Safe Mix Concrete Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Safe Mix Concrete Limited ('the Company'), which comprise the statement of financial position as at **June 30, 2024**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the financial statements'), and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and, respectively, give a true and fair view of the state of the Company's affairs as at **June 30, 2024** and of the profit, total comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, we have determined that there are no key audit matters to communicate in our report.

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Rahman Sarfaraz Rahim Iqbal Rafiq
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

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


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: September 25, 2024
UDIN: AR202410213npVD9UrHX

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STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

		2024	2023
	Note	(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	4	276,007,874	296,802,818
Right of use asset	5	4,085,953	-
Intangibles	6	182,942	203,270
Long term deposits		23,500	23,500
Long term advances to employees	7	493,546	758,006
Deferred taxation - net	8	43,420,333	49,303,276
		324,214,148	347,090,870
Current assets			
Stock-in-trade	9	29,610,514	25,495,768
Stores, spares and loose tools		15,904,146	13,462,701
Trade debts	10	347,516,161	330,208,117
Loans and advances	11	7,554,860	3,363,051
Prepayments and other receivables	12	3,041,634	2,701,209
Tax due from government	13	30,989,741	6,229,916
Cash and bank balances	14	46,796,567	16,431,416
		481,413,623	397,892,178
Total assets		805,627,771	744,983,048
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 35,000,000 (June 30, 2023: 35,000,000) ordinary share of Rs. 10 each	15	350,000,000	350,000,000
Issued, subscribed and paid up capital	15	250,000,000	250,000,000
Capital reserve			
Share premium		14,728,576	14,728,576
Revenue reserve			
Accumulated profit		117,665,053	9,566,086
		382,393,629	274,294,662
Non-current liabilities			
Long term financing - secured	16	59,304,456	92,584,308
Lease liability	17	3,771,145	-
Staff retirement benefits	18	23,225,644	12,611,608
		86,301,245	105,195,916
Current liabilities			
Trade and other payables	19	191,651,678	217,115,922
Advance from customers	20	8,925,935	36,022,325
Current maturity of long term financing	16	23,392,865	19,563,955
Current maturity of lease liability	17	750,486	-
Loan from director	21	87,000,000	87,000,000
Accrued markup	22	25,211,933	5,790,268
		336,932,897	365,492,470
Contingencies and commitments	23		
Total equity and liabilities		805,627,771	744,983,048

The annexed notes from 1 to 41 form an integral part of these financial statements.



Samad Habib
 CEO



Kashif Habib
 Director



Imran Haque
 CFO

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2024

		2024	2023
	Note	(Rupees)	
Revenue - net	24	1,262,480,359	1,432,034,758
Cost of sales	25	(1,002,413,228)	(1,110,758,758)
Gross profit		260,067,131	321,276,000
Administrative expenses	26	(49,268,320)	(45,320,886)
Selling and distribution expenses	27	(2,260,126)	(2,325,510)
		(51,528,446)	(47,646,396)
Operating profit		208,538,685	273,629,604
Other expenses	28	(18,390,427)	(35,340,012)
Other income	29	8,724,897	9,556,857
		(9,665,530)	(25,783,155)
Finance costs	30	(52,225,884)	(40,873,518)
Profit before taxation		146,647,271	206,972,931
Taxation	31	(35,041,646)	(73,602,474)
Profit after taxation		111,605,625	133,370,457
Earning per share - basic and diluted	32	4.46	5.33

The annexed notes from 1 to 41 form an integral part of these financial statements.



 Samad Habib
 CEO



 Kashif Habib
 Director



 Imran Haque
 CFO

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2024

		2024	2023
	Note	(Rupees)	
Profit after taxation		111,605,625	133,370,457
Other comprehensive loss			
<i>Items that will not be reclassified subsequent to profit or loss</i>			
Remeasurements loss on defined benefit liability	18.3	(4,938,955)	(1,798,673)
Tax thereon		1,432,297	521,615
		(3,506,658)	(1,277,058)
Total comprehensive income for the year		108,098,967	132,093,399

The annexed notes from 1 to 41 form an integral part of these financial statements.



 Samad Habib
 CEO



 Kashif Habib
 Director



 Imran Haque
 CFO

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2024

	Issued subscribed and paid-up capital	Loan from related party	Capital reserve	Revenue reserve	Total
			Share premium	Accumulated losses	
(Rupees)					
Balance as at July 01, 2023	250,000,000	87,000,000	14,728,576	(122,527,313)	229,201,263
Transferred to short term loan from related parties	-	(87,000,000)	-	-	(87,000,000)
<i>Total comprehensive income for the year ended June 30, 2023</i>					
- Profit after taxation	-	-	-	133,370,457	133,370,457
- Other comprehensive loss	-	-	-	(1,277,058)	(1,277,058)
	-	-	-	132,093,399	132,093,399
Balance as at June 30, 2023	250,000,000	-	14,728,576	9,566,086	274,294,662
<i>Total comprehensive income for the year ended June 30, 2024</i>					
- Profit after taxation	-	-	-	111,605,625	111,605,625
- Other comprehensive loss	-	-	-	(3,506,658)	(3,506,658)
	-	-	-	108,098,967	108,098,967
Balance as at June 30, 2024	250,000,000	-	14,728,576	117,665,053	382,393,629

The annexed notes from 1 to 41 form an integral part of these financial statements.



 Samad Habib
 CEO



 Kashif Habib
 Director



 Imran Haque
 CFO

STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Adjustments for non-cash items:

- Depreciation on property, plant and equipment
- Depreciation on right of use asset
- Amortization expense
- Asset written off
- Provision for expected credit loss
- Reversal of provision for doubtful debts
- Provision for staff retirement benefit
- Provision for Workers' Profit Participation Fund
- Long outstanding advances written off
- Profit on saving accounts
- Liabilities written back
- Gain on sale of operating fixed assets
- Finance costs

Cash generated from operating activities before working capital changes

Effect on cash flow due to working capital changes

(Increase) / decrease in current assets

- Stock-in-trade
- Stores, spares and loose tools
- Trade debts
- Loans and advances
- Prepayments
- Sales tax refundable

Increase / (decrease) in current liabilities

- Trade and others payables
- Advance from customers

Cash generated from operations

- Income tax paid
- Staff retirement benefit paid
- Finance cost paid

Net cash generated from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

- Capital expenditure incurred
- Proceeds from sale of operating fixed assets
- Addition to intangibles
- Long term advances disbursed to employees
- Profit on saving accounts received
- Long term deposit recovered

Net cash generated from/(used in) investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

- Net payment against long term financing
- Lease liability paid during the year
- Loan repaid to related parties
- Net cash used in financing activities

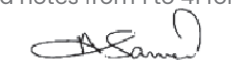
Net increase in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

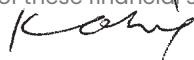
	2024	2023
	(Rupees)	
Note		
	146,647,271	206,972,931
4.1.1	23,617,417	28,464,534
5	1,021,488	-
6	20,328	3,930
28	264,460	8,770,143
28	10,407,690	7,751,776
10.2	(1,816,659)	-
18.2	5,855,456	3,148,766
28	7,718,277	11,321,858
28	-	7,105,642
29	(3,079,699)	(1,198,272)
29	-	(4,989,958)
29	(60,223)	(737,971)
30	52,225,884	40,873,518
	96,174,419	100,513,966
	242,821,690	307,486,897
	(4,114,746)	(5,690,060)
	(2,441,445)	(5,672,302)
	(25,899,075)	(153,915,265)
	(4,191,809)	36,471,798
	(226,555)	(1,019,471)
	(240,349)	-
	(38,087,091)	97,322,263
	(27,096,390)	(102,829,144)
	(102,297,460)	(135,332,181)
	140,524,230	172,154,716
13.1	(52,245,882)	(39,350,214)
18.1	(180,375)	-
	(26,685,459)	(35,710,993)
	(79,111,716)	(75,061,207)
	61,412,514	97,093,509
4.1	(2,832,250)	(6,869,358)
	70,000	2,500,000
	-	(207,200)
	-	394,134
	2,965,829	1,026,551
	-	23,460
	203,579	(3,132,413)
16.1	(29,450,942)	(5,886,352)
	(1,800,000)	-
	-	(18,118,274)
	(31,250,942)	(24,004,626)
	30,365,151	69,956,470
	16,431,416	(53,525,054)
33	46,796,567	16,431,416

The annexed notes from 1 to 41 form an integral part of these financial statements.



Samad Habib

CEO



Kashif Habib

Director



Imran Haque

CFO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

1. THE COMPANY AND ITS OPERATIONS

1.1 Legal status and operations

Safe Mix Concrete Limited ("the Company") was incorporated on 04 April 2005 as a 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 Statement of compliance

These financial statement have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprises of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard 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 from the IFRS Standards, the former have been followed.

2.2 Basis of measurement of items in these financial statements.

All the items in these interim financial statements have been measured at their historical cost.

2.3 Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note reference	Area of judgement	Brief description of the judgement applied
3.1	Property, plant and equipment	Whether the consumption of future economic benefits embodied in the Company's fixed assets is reduce overtime and, accordingly, whether it is appropriate to use 'diminishing balance method' as the depreciation method.
3.3	Right of use asset	The depreciation of right-of-use assets is determined based on management's judgment, applying a straight-line method over the shorter of the lease term or the estimated useful life of the asset. This approach reflects an assessment of both the asset's utility and the lease conditions, ensuring that the depreciation align with the expected period of benefit from the asset.
3.3	Lease liability	In determining the present value of lease payments, management exercises judgment by using the Company's incremental borrowing rate at the lease commencement date. This is due to the interest rate implicit in the lease not being readily determinable, requiring the use of a rate that reflects the Company's borrowing costs and lease-specific factors.
3.14	Timing of revenue recognition	Whether control of the promised goods is transfer red to the customer when the goods are dispatched from the Company's premises.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

(b) Assumptions and other major sources of estimation uncertainty

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note reference	Area of judgement	Brief description of the judgement applied
3.1	Property, plant and equipment	Estimation of useful lives and residual values of the operating fixed assets
3.3	Stores, Spares and loose tools	Estimation of the netrealizable value of stores and spares inventory and recognition of the provision for slow-moving items
3.3	Trade debts	Estimation of expected credited losses
3.3	Staff retirement benefits - Defined contribution plan	Estimation used by actuary for the determination of current service cost, interest charge and actuarial gain / loss.
3.14	Deferred taxation	Recognition of deferred tax asset on unused tax losses and unused tax credits - availability of future taxable profit against which such deductible temporary differences on unused tax losses and credits can be utilised.

2.5 Changes in accounting standards, interpretations and amendments to published approved accounting standards

2.5.1 Amendments to existing standards that became effective during the year :

The following new or amended standards and interpretations became effective during the period which are considered to be relevant to the financial statements :

- Classification of liabilities as current or non-current (Amendments to IAS 1) ;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) ;
- Definition of Accounting Estimates (Amendments to IAS 8) : and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) .

The above amendments / interpretations do not likely have an effect on the consolidate financial statements of the Company except noted below:

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements

There amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user requires to understand other information in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

2.5.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2024:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Group company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Lease liability in a sale and leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from lease liability in a sale and leaseback for an earlier period,
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for accompany to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business
- International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 (the Amendments).
 - The Amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the Pillar Two model rules and requires new disclosures about an entity's exposure to income taxes arising from the Pillar Two model rules for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, before its effective date. The mandatory temporary exception applies immediately and retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The disclosure requirements, in relation to periods in which Pillar Two legislation has been enacted but is yet to take effect for the entity, apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.
- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and IFRS 7. Amendments to the Classification and Measurement of Financial instruments. The amendments:
 - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expired or the liability otherwise qualified for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
 - Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.
 - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI).
 - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

- Annual Improvements – Volume Eleven:
 - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) – Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
 - Gain or loss on derecognition (Amendments to IFRS 7) – Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.
 - Introduction (Amendments to Guidance on implementing IFRS 7) – Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
 - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) – Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.
 - Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) – Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.
 - Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) – Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.
 - Transaction Price (Amendments to IFRS 9) – Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term "transaction price" in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.
 - Determination of a 'De Facto Agent' (Amendments to IFRS 10) – Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in 874 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.
 - Cost Method (Amendments to IAS 7) – Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Company and are not likely to have any material impact on the company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024:

- IFRS 1 (First-time Adoption of International Financial Reporting Standards) ;
- IFRS 18 (Presentation and Disclosure in Financial Statements) ; and
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures) .

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Property, plant and equipment

Operating fixed assets

Operating assets are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit and loss as and when incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

Depreciation on operating fixed assets except for batching plants and concrete pumps included in plant and machinery is charged on reducing balance method whereby the cost of an asset is written off over its estimated useful life at the rates given in note 4.1. Batching plants and concrete pumps are depreciated on the basis of units produced / transported. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged from the month in which assets are available for use up to the month before the disposal of asset except batching plants and concrete pumps.

Capital work in progress

Capital work in progress is stated at cost less accumulated impairment losses, if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to operating fixed assets as and when the assets become available for use.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

3.2 Intangible assets - Computer software

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the straight-line method over asset's estimated useful life at the rates stated in note 6.1.

Amortization is charged from the date the assets are available for use while no amortization is charged after the date when the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the statement of profit or loss.

3.3 Right-of-use assets and the related lease liability

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

A - Leases other than short-term leases and leases of low-value assets

(a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset at the rate given in note 5.

The right-of-use assets are also subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

B - Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to those leases where the nature of the underlying asset is such that, when new, the asset is typically of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.4 Impairment of non-financial assets

The Company assesses at each balance sheet date, whether there is any indication that assets may be impaired. If such an indication exists, the carrying amount of such assets is reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed their respective recoverable amounts, assets are written down to their recoverable amount and resulting impairment loss is recognized in the profit and loss account. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years. A reversal of the impairment loss is recognized in the profit and loss account.

3.5 Inventories including stores, spares and loose tools

Raw materials and stores are stated at the lower of cost and net realisable value. Cost comprises of applicable purchase cost plus other directly attributable charges incurred thereon. Cost is determined using weighted average method except for stores, spares and loose tools which are valued at first in first out (FIFO) method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Provisions are made in the financial statements for obsolete and slow moving items based on the management's best estimate regarding their future usability.

3.6 Trade debts

It represents the company's right to an amount of consideration that is unconditional. Trade debts are carried at cost, which is the fair value of the consideration to be received, less provision for expected credit loss.

3.7 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances and short term borrowings from banks which are repayable on demand and form an integral part of the Company's cash management.

3.7.1 Financial assets

3.7.1.1 Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

- (a) financial assets measured at amortized cost;
- (b) fair value through other comprehensive income (FVOCI); and
- (c) fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.7.1.2 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

3.7.1.3 Impairment

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade debts, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

The Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, company compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.7.1.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.8 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

3.9 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.10 Staff retirement benefits – Defined benefit plan

Defined benefit plans provide an amount of pension or gratuity that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligations are calculated annually by independent actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plans.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

3.11 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Deferred tax

Deferred tax is provided using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realized or the liability settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

3.12 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.13 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which such costs are capitalized as part of the cost of that asset. Borrowing costs includes exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs and net gain / loss on the settlement of derivatives hedging instruments.

3.14 Revenue

Revenue from sale of goods is recognized when the customer obtains control of the goods, being when the goods are delivered to the customer and approved by the customer at the project site.

3.15 Other income

Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

Gain / (loss) on sale of fixed assets is recorded when title is transferred in favour of transferee.

3.16 Dividend distribution

Dividend distribution is recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

	2024	2023
Note		(Rupees)
4.1	<u>276,007,874</u>	<u>296,802,818</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

4.1 Operating fixed assets

	Building	Plant And Machinery	Furniture And Fixture	Computers	Electrical Equipment	Office Equipment	Vehicles	Total
----- Rupees -----								
As At July 01, 2022								
Cost	18,248,480	398,662,151	1,021,143	2,071,290	757,847	4,762,535	5,793,878	431,317,324
Accumulated Depreciation	(3,577,773)	(89,770,937)	(576,113)	(1,800,927)	(539,408)	(2,109,878)	(4,012,122)	(102,387,158)
Net Book Value	14,670,707	308,891,214	445,030	270,363	218,439	2,652,657	1,781,756	328,930,166
Movement During The Year Ended June 30, 2023								
Opening Net Book Value	14,670,707	308,891,214	445,030	270,363	218,439	2,652,657	1,781,756	328,930,166
Additions / Transfer								
- Additions	879,630	1,010,000	210,000	365,170	-	67,600	3,297,748	5,830,148
- Transfer	1,039,210	-	-	-	-	-	-	1,039,210
	1,918,840	1,010,000	210,000	365,170	-	67,600	3,297,748	6,869,358
Disposals:								
- Cost	-	-	-	-	-	-	(2,513,798)	(2,513,798)
- Accumulated Depreciation	-	-	-	-	-	-	751,769	751,769
	-	-	-	-	-	-	(1,762,029)	(1,762,029)
Assets Written Off During The Year:								
- Cost	(10,451,442)	(5,592,023)	(216,478)	(564,431)	(249,271)	(430,743)	-	(17,504,388)
- Accumulated Depreciation	3,367,803	4,250,969	120,746	519,820	189,532	285,375	-	8,734,245
	(7,083,639)	(1,341,054)	(95,732)	(44,611)	(59,739)	(145,368)	-	(8,770,143)
Depreciation For The Year	(537,419)	(26,493,236)	(47,643)	(125,281)	(19,710)	(262,430)	(978,815)	(28,464,534)
Closing Net Book Value	8,968,489	282,066,924	511,655	465,641	138,990	2,312,459	2,338,660	296,802,818
As At June 30, 2023								
Cost	9,715,878	394,080,128	1,014,665	1,872,029	508,576	4,399,392	6,577,828	418,168,496
Accumulated Depreciation	(747,389)	(112,013,204)	(503,010)	(1,406,388)	(369,586)	(2,086,933)	(4,239,168)	(121,365,678)
Net Book Value	8,968,489	282,066,924	511,655	465,641	138,990	2,312,459	2,338,660	296,802,818
Movement During The Year Ended June 30, 2024								
Opening Net Book Value	8,968,489	282,066,924	511,655	465,641	138,990	2,312,459	2,338,660	296,802,818
- Additions	-	2,090,000	-	497,000	-	245,250	-	2,832,250
Disposals:								
- Cost	-	-	-	(291,327)	-	-	-	(291,327)
- Accumulated Depreciation	-	-	-	281,550	-	-	-	281,550
	-	-	-	(9,777)	-	-	-	(9,777)
Depreciation For The Year	(448,424)	(22,153,800)	(51,166)	(244,592)	(13,899)	(237,804)	(467,732)	(23,617,417)
Closing Net Book Value	8,520,065	262,003,124	460,489	708,272	125,091	2,319,905	1,870,928	276,007,874
As At June 30, 2024								
Cost	9,715,878	396,170,128	1,014,665	2,077,702	508,576	4,644,642	6,577,828	420,709,419
Accumulated Depreciation	(1,195,813)	(134,167,004)	(554,176)	(1,369,430)	(383,485)	(2,324,737)	(4,706,900)	(144,701,545)
Net Book Value	8,520,065	262,003,124	460,489	708,272	125,091	2,319,905	1,870,928	276,007,874
Annual Rates Of Depreciation	5%	10% & Units Of Production / Transported	10%	30%	10%	10%	20%	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

4.1.1 Depreciation charge for the year has been allocated as follows:

		2024	2023
	Note	(Rupees)	
Cost of sales	25	22,602,224	26,934,587
Administrative expenses	26	1,015,193	1,529,947
		<u>23,617,417</u>	<u>28,464,534</u>

5. RIGHT OF USE ASSET

Opening book value	-	-
Additions during the year	5,107,441	-
	5,107,441	-
Less: Depreciation for the year	(1,021,488)	-
	<u>4,085,953</u>	<u>-</u>
Depreciation rate (per annum)	<u>20%</u>	<u>20%</u>

5.1 The terms and conditions of the lease contract entered into for the aforementioned premises are as follows:

Particulars	Rented property in Karachi
Lessor name	Javedan Corporation Limited
Lease agreement date	01-Jul-23
Lease commencement date	01-Jul-23
Initial contracted term of the lease	05 years
Availability of extension option	Yes
Assessed lease term	05 years

6. INTANGIBLE ASSETS - Computer software

		2024	2023
	Note	(Rupees)	
Opening net book value		203,270	-
Addition during the year		-	207,200
Amortization for the year	26.	(20,328)	(3,930)
Closing net book values	6.1	<u>182,942</u>	<u>203,270</u>

6.1 Breakup of book value

Cost	207,200	207,200
Accumulated amortization	(24,258)	(3,930)
Net book value	<u>182,942</u>	<u>203,270</u>
Annual rates of amortisation	<u>10%</u>	<u>10%</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

7. LONG TERM ADVANCES TO EMPLOYEES

These represent the amounts provided to employees in accordance with the terms of employment and Company's policy to facilitate employees to obtain motor vehicles on diminishing musharka. These are secured against the balance held in gratuity account.

8. DEFERRED TAXATION - net

Taxable temporary differences:

- Accelerated depreciation

Deductible temporary differences:

- Unabsorbed losses and tax depreciation
- Minimum tax
- Alternate corporate tax
- Provision against ECL
- Provision for gratuity - net

	2024	2023
	(Rupees)	
	(39,313,925)	(38,989,125)
	-	7,914,055
	11,474,049	26,741,250
	23,352,051	11,298,408
	41,172,721	38,681,322
	6,735,437	3,657,366
	82,734,258	88,292,401
	43,420,333	49,303,276

9. STOCK IN TRADE

9.1 Disaggregation by material type

Cement	6,607,673	-
Fly ash	387,854	455,898
Sand	7,053,182	8,449,438
Crush	10,060,953	9,693,222
Chemical	5,500,852	6,897,210
	29,610,514	25,495,768

10. TRADE DEBTS

Total trade debt outstanding	10.1	489,491,060	463,591,985
Less : provision for expected credit losses	10.2	(141,974,899)	(133,383,868)
		347,516,161	330,208,117

10.1 This include amount receivable from related parties against sale made during the year. Their balances as at reporting date and maximum aggregate balance during the year (with respect to year end balances) are stated below:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Balance as at June 30,		Maximum aggregate balance (w.r.t to year end balance)	
	2024	2023	2024	2023
	(Rupees)			
Globe Residency RIET	182,712,203	196,193,785	36,114,804	224,652,298
Rahat Residency REIT	11,400,808	6,860,469	4,108,237	15,267,768
Silk Islamic Development RIET	5,482	70,356	70,356	1,457,671
Signature Residency REIT	10,736,530	2,595,035	25,492,460	2,595,035
	<u>204,855,023</u>	<u>205,719,645</u>	<u>65,785,857</u>	<u>243,972,772</u>

10.2 Provision for expected credit loss

	2024	2023
	(Rupees)	
Balance as at beginning of the year	133,383,868	125,632,092
Charged for the year	10,407,690	7,751,776
Reversal during the year	(1,816,659)	-
Balance as at closing of the year	<u>141,974,899</u>	<u>133,383,868</u>

11. LOANS AND ADVANCES

Advances

- to suppliers	5,575,103	2,085,417
- to staff for purchases	165,752	137,042
	<u>5,740,855</u>	<u>2,222,459</u>
Loans to employees	1,814,005	1,140,592
	<u>7,554,860</u>	<u>3,363,051</u>

11.1 These are interest free loans provided to employees in accordance with the terms of employment and are recovered through deduction from monthly payroll. These are secured against the balance held in gratuity account.

12. PREPAYMENTS AND OTHER RECEIVABLES

Prepayment

Insurance	2,311,552	2,154,975
Other	347,688	277,710
	<u>2,659,240</u>	<u>2,432,685</u>
Other receivables	382,394	268,524
	<u>3,041,634</u>	<u>2,701,209</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

13. TAX DUE FROM GOVERNMENT

		2024	2023
	Note	(Rupees)	
Income tax refundable	13.1	30,749,392	6,229,916
Sindh sales tax refundable / adjustable		240,349	-
		<u>30,989,741</u>	<u>6,229,916</u>
13.1 Income tax refundable			
Opening balance		6,229,916	12,342,128
Tax deducted / payment made during the year		52,245,882	50,545,409
Refund received during the year		-	(11,195,195)
		<u>58,475,798</u>	<u>51,692,342</u>
Less : Provision for taxation - current year		<u>(27,946,398)</u>	<u>(45,462,426)</u>
Prior year		219,992	-
		<u>(27,726,406)</u>	<u>(45,462,426)</u>
Closing balance		<u>30,749,392</u>	<u>6,229,916</u>

14. CASH AND BANK BALANCES

Cash in hand		162,677	47,130
<i>Cash at bank:</i>			
- Current accounts- local currency		3,699,713	393,500
- Saving accounts - local currency	14.1	42,934,177	15,990,786
		<u>46,633,890</u>	<u>16,384,286</u>
		<u>46,796,567</u>	<u>16,431,416</u>

14.1 During the year, average interest rate on saving accounts was 11.01% - 20.05% (2023: 10.26% - 11.72%).

2024	2023		2024	2023
---Number of shares---			(Rupees)	
35,000,000	35,000,000	Authorized capital	350,000,000	350,000,000
		Ordinary shares of Rs.10/- each		
<u>25,000,000</u>	<u>25,000,000</u>	Issued, subscribed and paid up capital	<u>250,000,000</u>	<u>250,000,000</u>
		Ordinary share of each fully Rs. 10 paid in cash		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

16. LONG TERM FINANCING - secured

		2024	2023
	Note	(Rupees)	
- Diminishing Musharka Facility - I	16.1	82,697,321	112,148,263
Less: Current maturity shown under current liabilities		<u>(23,392,865)</u>	<u>(19,563,955)</u>
		<u>59,304,456</u>	<u>92,584,308</u>
16.1 Diminishing Musharka Facility - I			
Opening carrying amount		112,148,263	118,034,615
Add: Facilities received during the year		-	13,004,800
Less: Installments paid during the year		<u>(29,450,942)</u>	<u>(18,891,152)</u>
		<u>82,697,321</u>	<u>112,148,263</u>
Non-current maturity		59,304,456	92,584,308
Current maturity shown under current liabilities		<u>23,392,865</u>	<u>19,563,955</u>
		<u>82,697,321</u>	<u>112,148,263</u>

16.1.1 The Company entered into a diminishing musharka of Rs. 134.215 million (2023: 134.215 million) for purchase of vehicles and concrete pump with the Islamic financial institution. The arrangement carries profit at the rate of 3M KIBOR + 2.50% with monthly rental repayments. The arrangement is for a tenure of five years from the date of disbursement.

The arrangement is secured against the following:

- Vehicles to be registered in the name of Financial institution.
- Personal guarantee of director and sponsor.
- Corporate guarantee of associate company.

17. LEASE LIABILITY

		2024	2023
		(Rupees)	
Opening balance		-	-
Additions during the year		5,107,441	-
		<u>5,107,441</u>	-
Finance cost		1,214,190	-
		<u>6,321,631</u>	-
Rental payment during the year		<u>(1,800,000)</u>	-
		<u>4,521,631</u>	-
Less: Current maturity shown under current liabilities		<u>(750,486)</u>	-
		<u>3,771,145</u>	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

18. STAFF RETIREMENT BENEFITS

As disclose in note 3.10 the Company operates an unfunded gratuity scheme for its permanent employees. The latest actuarial valuation of the plan was carried out as at June 30, 2024 by M/s. Actuarial Consultant, using Projected Unit Credit Method . Detailing the defined benefit plan as presented below :

18.1 Movement in net liability in the statement of financial statement	Note	2024	2023
		(Rupees)	
Opening defined benefit obligation		12,611,608	7,664,169
Expense charged to statement of profit or loss		5,855,456	3,148,766
Remeasurement loss recognized in other comprehensive income		4,938,955	1,798,673
Benefits paid		(180,375)	-
Closing defined benefit obligation		23,225,644	12,611,608
18.2 Expense recognized in the statement of profit or loss			
Current service cost		3,883,332	2,114,103
Interest cost on defined benefit obligation		1,972,124	1,034,663
		5,855,456	3,148,766
18.3 Remeasurement loss recognized in other comprehensive income			
Actuarial loss on defined benefit obligation due to experience adjustment		4,938,955	1,798,673
18.4 Charge for the year has been allocated as follows:			
Cost of sales		3,916,405	1,023,559
Administrative expense		1,939,051	2,125,207
		5,855,456	3,148,766
18.5 Principal assumption used in valuation of gratuity			
Withdrawal rate		Low	Low
Mortality rate		SLIC 2001-2005	SLIC 2001-2005
Valuation discount rate		14.00%	15.75%
Expected rate of increase in salaries		13.00%	14.75%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

18.6 Year end sensitivity analysis of defined benefit obligation

	2024	2023
	(Rupees)	
Discount rate + 100 bps	20,858,877	11,379,271
Discount rate - 100 bps	25,985,095	14,018,201
Rate of salary increase + 100 pbs	26,156,635	14,109,315
Rate of salary increase - 100 pbs	20,682,123	11,285,086

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for gratuity recognized within the balance sheet.

18.7 The scheme exposes the Company to the actuarial risks such as:

18.7.1 Salary risks

The risks that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

18.7.2 Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries' service / age distribution and the benefit.

18.7.3 Longevity risks

The risk arises when the actual lifetime of the retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

18.8 The expected maturity analysis of undiscounted retirement benefit obligation is:

	2024	2023
	(Rupees)	
Less than a year	697,027	147,441
Between 1-2 years	448,298	338,600
Between 2-3 years	561,497	254,195
Between 3-4 years	704,638	315,443
Between 4-5 years	850,753	398,228
Between 6-10 years	17,063,541	6,808,151
11 years and above	950,008,674	369,907,675

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

		2024	2023
		(Rupees)	
19. TRADE AND OTHER PAYABLES	Note		
Trade creditors	19.1	121,518,273	132,050,917
Withholding taxes payable		1,594,877	10,715,051
Accrued expenses		14,736,886	12,535,117
Workers' Profit Participation Fund payable	19.2	48,762,550	36,139,703
Workers' Welfare Fund payable	19.3	1,715,311	1,715,311
Sindh Sales tax payable		-	20,636,042
Other payables		3,323,781	3,323,781
		<u>191,651,678</u>	<u>217,115,922</u>

19.1 This includes payable to Power Cement Limited, an associated company, amounting to Rs. 9.572 million (2023: Rs. 11.969 million).

		2024	2023
		(Rupees)	
19.2 Workers' Profit Participation Fund payable	Note		
Opening balance		36,139,703	20,971,645
Interest on fund utilized by the Company	30	4,904,570	3,846,200
Charge for the year	28	7,718,277	11,321,858
Closing balance		<u>48,762,550</u>	<u>36,139,703</u>

19.3 Workers' Welfare Fund payable

Opening balance		1,715,311	1,715,311
Charge for the year	19.3.1	-	-
Closing balance		<u>1,715,311</u>	<u>1,715,311</u>

19.3.1 The Company based on the advice of its legal counsel understand that the Company does not fall under the definition of industrial establishment as defined under Sindh Worker's Welfare Fund Act 2014 (SWWF). Accordingly, no provision of SWWF is recorded in these financial statements.

		2024	2023
		(Rupees)	
20. ADVANCE FROM CUSTOMERS	Note		
Advances from customers	20.1	8,925,935	36,022,325

20.1 This include an advance of Rs. 4.705 million (2023: 30.035 million) from M/s. Javedan Corporation Limited, a related party, against sale of concrete.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

		2024	2023
21. LOAN FROM DIRECTOR			
	Note	(Rupees)	
Loan from director	21.1	<u>87,000,000</u>	<u>87,000,000</u>

21.1 This represents loan obtained from director, Mr. Abdul Samad, by the Company. According to the agreement, principal and markup will be payable on demand and markup will be charged at the rate of 3 month KIBOR + 2% with effect from April 01, 2023.

		2024	2023
22. ACCRUED MARKUP	Note	(Rupees)	
Long term financing		333,270	567,217
Related party loan		24,878,663	5,223,051
		<u>25,211,933</u>	<u>5,790,268</u>

23. CONTINGENCIES AND COMMITMENTS

There were no material contingencies and commitments as at June 30, 2024 (2023: Nil).

		2024	2023
24. REVENUE- net	Note	(Rupees)	
Sale of concrete mix		1,426,609,279	1,618,199,276
Less : Sindh sale tax		(164,128,920)	(186,164,518)
	24.1	<u>1,262,480,359</u>	<u>1,432,034,758</u>

24.1 Customer-wise breakup

Globe Residency Reit	341,102,223	759,535,973
Javeedan Corporation	36,900,615	91,729,088
Ok Builder	125,076,002	45,378,939
Petrocon Private Limited	44,938,717	43,650,612
Rahat Residency Reit	60,544,888	50,711,324
Rashid Ali Co	31,420,249	35,219,497
Saima Premium	119,355,347	-
Shayan Builders	53,541,546	53,252,099
Signature Reit	66,725,531	-
Total Construction	20,939,048	46,450,992
Others	361,936,193	306,106,234
	<u>1,262,480,359</u>	<u>1,432,034,758</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

25. COST OF SALES	Note	2024	2023
		(Rupees)	
Raw materials consumed	25.1	709,429,555	810,762,066
Stores consumed	25.2	40,315,595	38,779,204
Fuel and power		109,852,720	117,335,722
Salaries, wages and other benefits	25.3 & 25.4	97,455,760	78,841,551
Repair and maintenance		10,344,267	22,801,508
Equipment hiring charges		3,406,112	4,472,686
Depreciation on property, plant and equipment	4.1.1	22,602,224	26,934,587
Depreciation on right of use asset	5.	1,021,488	-
Site preparation and sample testing		3,672,198	6,117,142
Fees and subscription	25.5	1,405,000	1,300,000
Insurance expense		2,908,309	3,414,292
		<u>1,002,413,228</u>	<u>1,110,758,758</u>

25.1 Raw materials consumed

Opening stock of raw materials	25,495,768	27,596,106
Purchases of raw material	697,443,747	801,484,024
	<u>722,939,515</u>	<u>829,080,130</u>
Closing stock of raw materials	(29,610,514)	(25,495,768)
	<u>693,329,001</u>	<u>803,584,362</u>
Add : Ice and water consumed	16,100,554	7,177,704
	<u>709,429,555</u>	<u>810,762,066</u>

25.2 Stores consumed

Opening stock of stores, spares and loose tools	13,462,701	7,790,399
Purchases of store items	143,016,608	152,894,605
	<u>156,479,309</u>	<u>160,685,004</u>
Closing stock of stores, spares and loose tools	(15,904,146)	(13,462,701)
	<u>140,575,163</u>	<u>147,222,303</u>
Less : Diesel consumption transferred to Fuel and power	(100,259,568)	(108,443,099)
	<u>40,315,595</u>	<u>38,779,204</u>

25.3 These include Rs. 3.916 million (2023: Rs. 1.024 million) in respect of staff retirement benefits.

25.4 This includes Rs. 52.465 million (2023: Rs. 8.546 million) charged for obtaining man power services from a contractor.

25.5 This represents the fees paid to EHS Management Services (Private) Limited for obtaining certification on maintaining sustainable environment within the factory premises.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

26. ADMINISTRATIVE EXPENSES

		2024	2023
	Note	(Rupees)	
Salaries, wages and benefits	26.1 & 41.3	20,008,473	21,090,958
Directors' remuneration	41.3	4,226,980	3,546,070
Auditor's remuneration	26.2	2,302,400	2,054,000
Fees and subscription		1,860,252	1,579,618
Repair and maintenance		1,863,533	2,066,490
Rent, rates and taxes		2,357,089	2,958,348
Entertainment		2,088,159	2,427,592
Legal and professional		954,430	676,500
Insurance		4,544,133	2,886,489
Printing and stationery		1,137,138	1,158,973
Depreciation	4.1.1	1,015,193	1,529,947
Amortisation of intangible asset	6	20,328	3,930
Postage, telegram and telephone		734,869	713,930
Charity and donation		160,000	120,000
Penalties		3,298,359	-
Miscellaneous expenses		2,696,984	2,508,041
		<u>49,268,320</u>	<u>45,320,886</u>

26.1 These include Rs. 1.939 million (2023: Rs. 2.125 million) in respect of staff retirement benefits.

26.2 Auditors' remuneration

	2024	2023
	(Rupees)	
Statutory audit and other certifications	1,380,000	1,200,000
Half yearly review	650,000	600,000
Sale tax	162,400	144,000
Out of pocket expenses	110,000	110,000
	<u>2,302,400</u>	<u>2,054,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

27. SELLING AND DISTRIBUTION EXPENSES

	2024	2023
Note	(Rupees)	
Sales Commission	836,125	1,019,665
Travelling and conveyance	1,254,799	1,061,456
Advertisement and sale promotion	169,202	244,389
	<u>2,260,126</u>	<u>2,325,510</u>

28. OTHER EXPENSES

Workers' Profit Participation Fund	19.2	7,718,277	11,321,858
Long outstanding advances written off		-	7,105,642
Provision for expected credit loss		10,407,690	7,751,776
Asset write off		264,460	8,770,143
Receivable written off		-	390,593
		<u>18,390,427</u>	<u>35,340,012</u>

29. OTHER INCOME

Profit on saving accounts		3,079,699	1,198,272
Liabilities written back		-	4,989,958
Gain on sale of operating fixed assets		60,223	737,971
Doubtful debts recovered		1,816,659	-
Other income		3,768,316	2,630,656
		<u>8,724,897</u>	<u>9,556,857</u>

30. FINANCE COSTS

Mark-up on borrowings	30.1	46,037,013	36,981,377
Interest on worker participation profit fund	19.2	4,904,570	3,846,200
Finance cost on lease liability	17.	1,214,190	-
Bank charges		70,111	45,941
		<u>52,225,884</u>	<u>40,873,518</u>

30.1 Breakup of markup on borrowings

Long term financing	16	24,881,401	24,840,934
Short term financing		-	6,337,534
Loan from related party	21	21,155,612	5,802,909
		<u>46,037,013</u>	<u>36,981,377</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

31. TAXATION

	2024	2023
Note	(Rupees)	
Current	27,946,398	45,462,426
Prior	(219,992)	-
	<u>27,726,406</u>	<u>45,462,426</u>
Deferred tax expense - net	7,315,240	28,140,048
	<u>35,041,646</u>	<u>73,602,474</u>

31.1 Status of income tax assessments

The income tax assessments of the Company are deemed to have been finalized up to, and including, the tax year 2024 (accounting year ended June 30, 2024) based on the returns of income filed by the Company with the concerned taxation authority. As per section 120 of the Income Tax Ordinance, 2001 ('the Ordinance'), a tax return filed by a taxpayer is treated as an assessment order issued by the concerned taxation authority unless the same is selected for re-assessment / audit as per the legal provisions stipulated in the Ordinance.

31.2 Relationship between tax expense and accounting profit

	2024	2023
Note	(Rupees)	
Profit before taxation	146,647,271	206,972,931
Tax at the applicable rate of 29% (2024: 29%)	42,527,709	60,022,150
Tax effect of super tax	1,704,255	4,633,297
Tax effect of non deductible / other expenses	(16,285,566)	(19,193,021)
Impact of deferred tax	7,315,240	28,140,048
Prior year effect	(219,992)	-
	<u>35,041,646</u>	<u>73,602,474</u>

32. EARNINGS PER SHARE - BASIC AND DILUTED

32.1 Basic earning per share

	2024	2023
Note	(Rupees)	
Profit after taxation	111,605,625	133,370,457
	Number	
Weighted average number of ordinary shares outstanding during the year	25,000,000	25,000,000
	(Rupees)	
Earning per share	4.46	5.33

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

33. CASH AND CASH EQUIVALENTS

		2024	2023
	Note	(Rupees)	
Cash and bank balances	14	<u>46,796,567</u>	<u>16,431,416</u>

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	2024			
	Chief Executive	Non-Executive Directors	Executives	Total
	(Rupees)			
Managerial Remuneration	3,763,680	-	4,433,616	8,197,296
Allowances	392,050	-	3,454,302	3,846,352
Meeting fee	-	71,250	-	71,250
Bonus	-	-	932,341	932,341
Total	<u>4,155,730</u>	<u>71,250</u>	<u>16,143,858</u>	<u>13,047,239</u>
No. of persons	<u>1</u>	<u>2</u>	<u>2</u>	<u>5</u>
	2023			
Particulars	Chief Executive	Non-Executive Directors	Executives	Total
	(Rupees)			
Managerial Remuneration	3,163,680	-	6,965,040	10,128,720
Allowances	-	-	9,178,818	9,178,818
Meeting fee	-	80,000	-	80,000
Total	<u>3,163,680</u>	<u>80,000</u>	<u>16,143,858</u>	<u>19,387,538</u>
No. of persons	<u>1</u>	<u>2</u>	<u>4</u>	<u>7</u>

35. FINANCIAL INSTRUMENTS

35.1 Financial risk analysis

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

35.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

NOTES TO THE FINANCIAL STATEMENTS

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A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 90 days or more.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

35.1.1.1 Maximum exposure to credit risk

As of the reporting date, the maximum exposure to credit risk was as follows :

	Note	2024	2023
		(Rupees)	
Long term deposits		23,500	23,500
Trade debts	(a)	347,516,161	330,208,117
Loan to employees		1,814,005	1,140,592
Other receivables		382,394	268,524
Bank balances	(b)	46,633,890	16,384,286
		<u>396,369,950</u>	<u>348,025,019</u>

Note (a) - Credit risk exposure on trade debts

To reduce the exposure to credit risk arising from trade debts, the Company has developed its own risk management policies and guidelines whereby each customer is assigned a credit limit and, in the event that the outstanding balance due from the customer exceeds its credit limit, further sales are suspended.

As of the reporting date, the ageing analysis of trade debts was as follows:

Particulars	2024		2023	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	(Rupees)			
Not past due	92,329,461	287,631	112,571,157	308,774
Past due 1 - 60 days	138,239,841	826,536	195,312,916	546,650
Past due 61 - 365 days	125,390,959	7,329,933	29,275,376	6,095,896
More than 365 days	133,530,799	133,530,799	126,432,536	126,432,548
	<u>489,491,060</u>	<u>141,974,899</u>	<u>463,591,985</u>	<u>133,383,868</u>

Note (b) - Credit risk exposure on bank balances

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Banks	Short term rating	Credit rating agency	2024	2023
			(Rupees)	
Habib Metropolitan Bank Limited	A-1+	PACRA	3,305,119	52,481
Bank Alfalah Limited	A-1+	PACRA	193,039	193,039
Bank of Punjab	A-1+	PACRA	32,286	32,286
Bank Islami Pakistan Limited	A-1	PACRA	168,381	114,806
Meezan Bank Limited	A-1+	VIS	26,486,976	14,950,593
Bank Makramah Limited	Not yet rated		16,448,089	1,041,081
			46,633,890	16,384,286

35.1.1.2 Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

35.1.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of adequate funds through committed credit facilities. The Company finances its operations through equity and borrowings with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	June 30, 2024				
	Carrying amount	Contractual cash flows	Twelve months or less	One to five years	More than five years
	(Rupees)				
Financial liabilities					
Long term financing	82,697,321	115,488,606	40,760,664	74,727,942	-
Lease liability	4,521,631	7,200,000	1,800,000	5,400,000	-
Trade and other payables	139,578,940	139,578,940	139,578,940	-	-
Advance from customers	8,925,935	8,925,935	8,925,935	-	-
Accrued markup	25,211,933	25,211,933	25,211,933	-	-
	260,935,760	296,405,414	216,277,472	80,127,942	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	June 30, 2024				
	Carrying amount	Contractual cash flows	Twelve months or less	One to five years	More than five years
	(Rupees)				
Financial liabilities					
Long term financing	112,148,263	177,107,940	45,885,696	131,222,244	-
Trade and other payables	147,909,815	147,909,815	147,909,815	-	-
Advance from customers	36,022,325	36,022,325	36,022,325	-	-
Accrued markup	5,790,268	5,790,268	5,790,268	-	-
	<u>301,870,671</u>	<u>366,830,348</u>	<u>235,608,104</u>	<u>131,222,244</u>	<u>-</u>

35.1.3 Market risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risks: foreign currency risk, interest rate risk and other price risk.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from receivables and payable that exist due to transaction in foreign currencies. The Company is not exposed to currency risk as all the operations of the Company are being carried out in local currency.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

Banks	Effective interest rate (%)		Carrying amounts (Rs.)	
	2024	2023	2024	2023
Financial assets				
Bank deposits - Saving account	<u>11.01% -20.05%</u>	<u>10.26% - 11.72%</u>	<u>42,934,177</u>	<u>15,990,786</u>
Financial liabilities				
Short term borrowings	<u>Kibor + 2.5%</u>	<u>Kibor + 2.5%</u>	<u>82,697,321</u>	<u>112,148,263</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Sensitivity analysis.

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not affect the carrying amount of any financial instrument.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Effect on profit before tax	
	100 bp increase	100 bp decrease
As at June 30, 2024	2024	2023
Cash flow sensitivity-Variable rate financial instrument	<u>(397,631)</u>	<u>397,631</u>
As at June 30, 2023		
Cash flow sensitivity-Variable rate financial liabilities	<u>(961,575)</u>	<u>961,575</u>

iii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. As of the reporting date, the Company was not exposed to other price risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

35.2 Financial instruments by categories

Financial assets	30-Jun-23			
	At fair value through profit or loss	At fair value through other comprehensive income	At Amortized cost	Total
	Rupees			
Long term deposits	-	-	23,500	23,500
Trade debts	-	-	347,516,161	347,516,161
Loan to employees	-	-	1,814,005	1,814,005
Cash and bank balances	-	-	46,796,567	46,796,567
	-	-	396,150,233	396,150,233
Financial liabilities				Financial liabilities at amortized cost
Long term financing				82,697,321
Trade and other payables				139,578,940
Advance from customers				87,000,000
Accrued markup				25,211,933
				339,009,825

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Financial assets	30-Jun-23			Total
	At fair value through profit or loss	At fair value through other comprehensive income	At Amortized cost	
	Rupees			
Long term deposits	-	-	23,500	23,500
Trade debts	-	-	330,208,117	330,208,117
Loan to employees	-	-	1,140,592	1,140,592
Cash and bank balances	-	-	16,431,416	16,431,416
	-	-	347,803,625	347,803,625
Financial liabilities				Financial liabilities at amortized cost
Long term financing				112,148,263
Trade and other payables				147,909,815
Advance from customers				36,022,325
Accrued markup				5,790,268
				<u>301,870,671</u>

36. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

The Company measures fair value of its assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

NOTES TO THE FINANCIAL STATEMENTS

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Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

The management considers that carrying amount of all other assets & liabilities recognised in these financial statements

37. CAPITAL MANAGEMENT

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not subject to any externally imposed capital requirement.

Following is the quantitative analysis of what the Company manages as capital:

	2024	2023
Borrowings:	(Rupees)	
	Note	
Long term financing	82,697,321	112,148,263
Loan from related parties	87,000,000	87,000,000
	<u>169,697,321</u>	<u>199,148,263</u>
Shareholders' equity:		
Issued, subscribed and paid up capital	250,000,000	250,000,000
Share premium	14,728,576	14,728,576
Accumulated profits	117,665,053	9,566,086
	<u>382,393,629</u>	<u>274,294,662</u>
Total capital managed by the Company	<u>552,090,950</u>	<u>473,442,925</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

38. TRANSACTION AND BALANCES WITH RELATED PARTIES

The related parties comprise associated companies, directors & other close family members of key management personnel . The Company in the normal course of business carries out transactions with various related parties other than those which have been specifically disclosed elsewhere are as follows:

Name of related party	Basis of relationship with party	Particulars	2024	2023
			(Rupees)	
Power Cement Limited	Company under common control	Purchases made during the year	376,281,273	371,977,865
		Payment made during the year	378,678,391	353,116,063
		Amount payable as at year end	9,572,738	11,969,856
Javedan Corporation Limited	Company under common control	Sales made during the year	41,833,197	129,644,332
		Rent income during the year	1,800,000	1,800,000
		Loader income during the year	3,768,316	2,629,156
		Receipts against loader income	2,170,399	2,218,233
		Receipts against sale during the year	16,300,588	29,265,732
		Advance from customer as at year end	4,704,966	30,035,492
Global Residency REIT	Company under common control	Sales made during the year	385,459,867	858,217,387
		Receipts during the year	410,638,494	734,549,485
		Amount receivable as at year end	182,712,203	196,193,785
Rahat Residency REIT	Company under common control	Sales made during the year	68,421,160	54,708,751
		Receipts during the year	63,880,821	47,848,282
		Amount receivable as at year end	11,400,808	6,860,469
Silk Islamic Development REIT	Company under common control	Sales made during the year	-	2,382,241
		Receipts during the year	64,874	2,311,885
		Amount receivable as at year end	5,482	70,356
Signature Residency REIT	Company under common control	Sales made during the year	75,399,859	2,595,035
		Receipts during the year	55,561,319	-
		Amount receivable as at year end	10,736,530	2,595,035
Mr. Abdus Samad	Chief Executive Officer	Interest accrued during the year	21,155,612	5,223,051
		Interest received	1,500,000	-
		Accrued markup	24,878,663	5,223,051
		Loan payable as at year end	87,000,000	87,000,000
Arif Habib Corporation Limited	Company under common control	Loan repaid during the year	-	18,118,274
		Interest accrued during the year	-	579,858
		Interest paid during the year	-	2,740,984

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

39. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

Description	2024		2023	
	Carried under		Carried under	
	Non - shariah arrangement	Shariah arrangements	Non - shariah arrangement	Shariah arrangements
Loans and advances				
Advance to employees	-	165,752	-	137,042
Loan to employees	-	1,814,005	-	1,140,592
Long term advances to employees	-	493,546	-	758,006
Advance to suppliers	-	5,575,103	-	2,085,417
Others receivables	-	382,394	-	268,524
Deposits				
Long term deposits	-	23,500	-	23,500
Bank balances	3,310,937	43,322,953	58,299	16,325,987
Liabilities				
Long term financing - diminishing musharka	-	59,304,456	-	92,584,308
Loan to advances				
Diminishing musharka - current portion	-	23,392,865	-	19,563,955
Advance from customers	-	8,925,935	-	36,022,325
Payable to related parties	87,000,000	-	87,000,000	-
Income				
Profit on saving accounts	-	3,079,699	-	1,198,272

39.2 Relationship with banks

Name of banks	Non Islamic window operations	Islamic window operations
Bank Makramah Limited (previously Summit Bank Limited)	x	✓
Habib Metropolitan Bank Limited	✓	x
Bank Alfalah Limited	x	✓
Bank of Punjab	✓	✓
Bank Islami Pakistan Limited	x	✓
Meezan Bank Limited	x	✓

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

40. OPERATING SEGMENTS

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

40.2 100 % (2023: 100%) of the gross sales of the Company are made to customers located in Pakistan.

40.3 All non-current assets of the Company as at June 30, 2024 are located in Pakistan.

41. GENERAL

41.1 Number of employees

	2024	2023
Total employees of the Company at the year end	<u>40</u>	<u>37</u>
Average employees of the Company during the year	<u>39</u>	<u>139</u>

41.2 Plant capacity and actual production

	<i>Unit of measurement</i>	Production Capacity	Actual Production
Capacity and actual production		2024	
Batching plant	<i>Cubic meter</i>	<u>918,000</u>	<u>105,100</u>
Transit Mixer	<i>Cubic meter</i>	<u>151,200</u>	<u>105,100</u>
		2023	
Batching plant	<i>Cubic meter</i>	<u>918,000</u>	<u>135,534</u>
Transit Mixer	<i>Cubic meter</i>	<u>151,200</u>	<u>135,534</u>

The available capacity of the batching plant and transit mixer could not be fully utilized due to depressed economic activity in the construction industry.

41.3 Reclassification of corresponding figures

Corresponding figures have been rearranged and reclassified in these financial statements, wherever necessary, for the purpose of comparison. Major reclassification are detailed hereunder:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Reclassification from component	Reclassification to component	Note	(Rupees)
Salaries, wages and benefits (Administrative expenses)	Directors' remuneration (Administrative expenses)	26.1	<u>313,640</u>

41.4 Date of authorization of the financial statements

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 20th September 2024.

41.5 Level of rounding

Figures in these financial statements have been rounded off to nearest rupee.



 Samad Habib
 CEO



 Kashif Habib
 Director



 Imran Haque
 CFO

اظہار تشکر

ان کی اعانت اور کمپنی کے ساتھ جڑے رہنے پر کمپنی کی انتظامیہ تمام مالیاتی اداروں، معزز گاہکوں، افراد، اور اپنے کارکنوں کا تہہ دل سے شکریہ ادا کرتی ہے۔ اس کے علاوہ مسلسل اعانت اور رہنمائی فراہم کرنے پر ہم SECP اور پاکستان اسٹاک ایکسچینج کا بھی شکریہ ادا کرنا چاہیں گے۔

برائے اور منجانب بورڈ

سید نجم الدین جعفری

چیرمین

عبدالصمد حبیب

چیف ایگزیکٹو آفیسر

کراچی مورخہ 20 ستمبر 2024

ادائیگیوں، ادھار/قرضوں، ٹیکسوں اور ڈیوٹیوں کی عدم ادائیگی

زیر جائزہ مالی سال کے دوران ٹیکسوں، قرضوں، ڈیوٹیوں اور محصولات کی مد میں کوئی رقم زائد المیعا دیا واجب الادا نہیں رہی۔

کارپوریٹ گورننس کوڈ کی تعمیل

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل کا بیان رپورٹ ہذا کے ساتھ منسلک ہے۔

مادّی تبدیلیاں اور وعدے

مالی سال کے اختتام اور رپورٹ ہذا کی تاریخوں کے درمیان بیلنس شیٹ سے متعلق کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی مادّی تبدیلیاں اور وعدے عمل میں نہیں آئے ہیں۔

آڈیٹرز

سالانہ اجلاس عام میں باہمی رضامندی سے طے کئے جانے والے معاوضے کے عوض بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو اختتام پذیر ہونے والی مدت کے لئے میسرز رحمان سرفراز رحیم اقبال رفیق اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس کی، بطور بیرونی آڈیٹر تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا نمونہ

کمپنی کی شیئر ہولڈنگ کا نمونہ جس کا اعلان رپورٹنگ فریم ورک کی رُو سے مطلوب ہے، رپورٹ ہذا کے ساتھ منسلک ہے۔

اسٹیک ہولڈرز کے لئے معلومات:

گزشتہ برسوں کا اہم عملیاتی اور مالیاتی ڈیٹا کا خلاصہ رپورٹ ہذا میں پیش کر دیا گیا ہے۔

منسلکہ پارٹی کے ساتھ لین دین:

منسلکہ پارٹیوں کے ساتھ تمام تر لین دین قابل اطلاق ریگولیشنز کی عین مطابقت میں کیا گیا ہے اور مالیاتی گوشواروں کے متعلقہ نوٹس میں ظاہر کر دیا گیا ہے۔

بورڈ کی کمیٹیاں:

آڈٹ کمیٹی

جناب قادر سلطان..... چیئرمین

جناب محمد کاشف حبیب..... ممبر

جناب احسن انیس..... ممبر

ہیومن ریسورس اینڈ ریومینریشن کمیٹی

جناب محمد صدیق کھوکھر..... چیئرمین

سید نجم الدجی جعفری..... ممبر

جناب محمد کاشف حبیب..... ممبر

اندرونی انضباط

اپنے اثاثہ جات کے تحفظ اور اپنے ریکارڈز کی درستگی اور اعتبار کے یقین کی غرض سے SMCL نے ایک مٹوٹر اندرونی مالیاتی انضباط کا نظام نافذ کیا ہے۔ سینئر انتظامیہ تفصیلی ماہانہ مالیاتی رپورٹوں اور تجزیوں کے ذریعے کمپنی کی مالیاتی کارکردگی کا جائزہ لیتی ہے جب کہ بورڈ بھی ہر تین ماہ بعد اپنی سطح پر جائزہ لیتا ہے اور توقعات میں کمی بیشی کی چھان بین کرتا ہے۔ اندرونی آڈٹ کے نظام کے ذریعے تفصیلی جانچ پڑتال کا انعقاد کیا جاتا ہے جو اندرونی انضباطی طریق کار کے ساتھ ساتھ مقررہ پروسیجر پر عمل درآمد کا جائزہ لیتا ہے اور اپنی رپورٹ آڈٹ کمیٹی یا بورڈ کو پیش کرتا ہے۔

خطرات کا انتظام اور تعین

SMCL میں خطرات کے انتظام کا ایک جامع فریم ورک موجود ہے جس کے ذریعے اپنے آپریشنوں میں خطرات کا پتہ لگایا جاتا ہے، ان کی شدت کا تخمینہ لگایا جاتا ہے اور خطرات میں کمی کی جاتی ہے۔ اس فریم ورک میں ایسے سخت اقدامات شامل ہیں جو یقینی بناتے ہیں کہ ہم نے تمام قانونی اور انضباطی شرائط پوری اور اسٹیک ہولڈروں کے ساتھ کئے گئے ہمارے وعدوں کی تکمیل کر دی گئی ہے۔

کاروبار کی نوعیت میں تبدیلی

30 جون 2024 کو اختتام تک پہنچنے والے مالی سال کے دوران کاروبار کی نوعیت میں کوئی تبدیلی عمل میں نہیں آئی ہے۔

1/1	4/4	4/4	جناب کاشف حبیب
N/A	4/4	4/4	جناب قادر سلطان
N/A	N/A	4/4	مسماة ایناصد
1/1	N/A	3/4	جناب محمد صدیق کھوکھر

* بورڈ نے اجلاس میں شرکت نہ کر سکنے والے ڈائریکٹرز کو رخصت عطاء کی۔

ڈائریکٹرز کے معاوضے

نان ایگزیکٹو ڈائریکٹرز (بشمول انڈیپنڈنٹ ڈائریکٹرز) ماسوائے ان ڈائریکٹرز کے جو عارف حبیب گروپ آف کمپنیز میں کسی اور جگہ بھی بطور ایگزیکٹو ڈائریکٹرز خدمات انجام دے رہے ہیں، انہیں بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے عوض، جیسا کہ بورڈ کی جانب سے وقتاً فوقتاً منظور کیا جائے، معاوضہ ادا کیا جاتا ہے۔

مزید یہ کہ بورڈ کسی بھی ننان ایگزیکٹو ڈائریکٹر کو، جب اور جیسے، کوئی بھی اضافی کردار اور ذمہ داریاں سونپنے کا فیصلہ کرتا ہے، تو بورڈ طے کرے گا کہ اس ڈائریکٹر کو اسے سونپنے لگے کردار اور ذمہ داریوں کے عوض کیا معاوضہ ادا کیا جائے۔

بورڈ کی ترکیب

بورڈ کی حالیہ ترکیب درج ذیل ہے:-

ڈائریکٹرز کی کل تعداد:

(الف) مرد.....6

(ب) خاتون.....1

ترکیب:

(الف) انڈیپنڈنٹ ڈائریکٹر.....2

(ب) ننان ایگزیکٹو ڈائریکٹر.....3

(ج) ایگزیکٹو ڈائریکٹر.....1

(د) خاتون ڈائریکٹر.....1

بورڈ یہ بیان کرنا چاہے گا کہ SMCL کے کھاتوں کی کتب موزوں طور سے مرتب کی گئی ہیں اور موزوں اکاؤنٹنگ پالیسیاں اختیار کی گئی ہیں اور مالیاتی گوشواروں کی تیاری میں انہیں مستقل طور سے اختیار کیا گیا ہے؛ اور مالیاتی تخمینہ جات معقول اور چوکسی سے کئے گئے فیصلوں پر مبنی ہیں۔ مالیاتی گوشواروں کی تیاری کرتے ہوئے پاکستان میں قابل اطلاق عالمی مالیاتی رپورٹنگ معیارات پر عمل درآمد کیا گیا ہے۔ اندرونی انضباط کا نظام اپنے ڈیزائن میں مضبوط ہے جسے مؤثر طور سے نافذ کیا گیا ہے اور جس کی نگرانی کی جاتی ہے۔ SMCL کے مالیاتی گوشوارے اس کے معاملات، اس کے آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کے بیان کی غیر جانبدارانہ عکاسی کرتے ہیں۔ ٹیکسوں، ڈیوٹیوں، محصولات یا چارجز کے ضمن میں کوئی مادی ادائیگیاں غیر ادا شدہ نہیں رہیں۔

کوڈ کی تعمیل کے ضمن میں بورڈ، ذریعہ ہذا تصدیق کرتا ہے کہ ایک چالو کاروباری ادارے کے طور پر SMCL کی اہلیت و صلاحیت پر کوئی شک و شبہ نہیں اور یہ کہ کارپوریٹ گورننس کے بہترین معمولات سے کوئی مادی انحراف نہیں کیا گیا ہے ماسوائے ان کے جن کا ذکر Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations-2019 میں کیا گیا ہے۔

بہتر کارپوریٹ گورننس اور غیر جانبدار اور شفاف معمولات کے ذریعے سبقت لے جانے کی SMCL ہمیشہ سے جدوجہد کرتی آئی ہے۔

کمپنی کے شیئرز کی تجارت

30 جون 2024 کو اختتام پذیر ہونے والے سال کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے شیئرز کی تجارت نہیں کی ہے۔ ڈائریکٹرز کی جانب سے مقرر کردہ درجے کے مطابق سالانہ رپورٹ میں اصطلاح ”ایگزیکٹو“ سے مراد کمپنی کے وہ ملازمین ہیں جن کی سالانہ تنخواہ 1.2 ملین روپے سے زیادہ ہوتی ہے۔

بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں ڈائریکٹرز کی حاضری

30 جون 2024 کو مختتمہ سال کے دوران بورڈ کے چار (04)، آڈٹ کمیٹی کے چار (04) اور ہیومن ریسورس اینڈ ریومینریشن کمیٹی کا ایک (01) اجلاس منعقد ہوا۔ ڈائریکٹرز کی حاضری کی صورت حال درج ذیل ہے:-

نام ڈائریکٹر	بورڈ میٹنگ	آڈٹ کمیٹی	ایچ آر اینڈ آر کمیٹی
جناب سید نجم الدین جعفری	3/4	N/A	1/1
جناب عبدالصمد حبیب	4/4	N/A	N/A
جناب احسن انیس	4/4	4/4	N/A

ماحولیاتی، سماجی اور انتظامی (ESG) رپورٹنگ

SMCL اپنے ملازمین کو خصوصاً ہماری مینوفیکچرنگ تنصیب میں کام کا محفوظ اور بے خطر ماحول فراہم کرنے پر کمر بستہ ہے اور ساتھ ساتھ ماحولیات کے حوالے سے اپنی ذمہ داریوں کی تن دہی کے ساتھ ادائیگی بھی کر رہی ہے۔ صحت و تحفظ کے ہمارے جامع پروگرام میں صحت، حفاظت اور ماحولیاتی (HSE) معمولات، سڑکوں پر محفوظ سفر، آگ بجھانے کی تربیت، اور اپنی مینوفیکچرنگ سہولیات پر محفوظ طریقے سے مشینوں کو سنبھالنے اور چلانے کی تربیت دینا شامل ہیں۔

ہماری حالیہ شجرکاری مہمات نے اردگرد کے علاقوں میں کاربن کے اخراج کی سطح میں کمی لاکر ماحول پر مثبت اثر پیدا کیا ہے۔ مزید یہ کہ کمپنی تیار کنکریٹ اور ترسیل کے طریقوں میں مزید بہتری لاکر کاربن کے اخراج میں مزید کمی لانے کی اپنی کوششوں کو آگے بڑھا رہی ہے۔ SMCL کو سسٹین ایبل انوایرمنٹل سروسز لیبارٹری کی جانب سے ماہانہ مالیاتی رپورٹیں بھی موصول ہوتی ہیں۔

متعدد اقدامات کے ذریعے ہم پانی کی بچت کی بھی سرگرمی سے جدوجہد کر رہے ہیں اور ان اقدامات کے بارے میں اپنے ملازمین اور کارکنوں کو مسلسل آگہی فراہم کر رہے ہیں۔ ان کاوشوں کے نتیجے میں ہزاروں گیلن پانی کی بچت ممکن ہوئی ہے۔

اپنے آپریشنوں میں توانائی کی بچت کے اقدامات بھی کاربن کے اخراج میں کمی کر کے ماحول بہتر بنانے میں معاون ثابت ہوئے ہیں۔

مزید برآں، تنوع، مساوات اور شمولیت (DE&I) کی ہماری حکمت عملی کام کا ایسا پڑا احترام اور مساوی ماحول پیدا کرنے میں ہماری سنجیدگی کو ظاہر کرتا ہے جو کمپنی کی ترقی میں مدد و معاون ثابت ہو سکے۔ مساوی مواقع فراہم کرنے والے آج کی حیثیت سے SMCL ایسا پڑا شمولیت ماحول تخلیق کرنے میں بھی سنجیدہ ہے جہاں سیکھنے، اپنا کردار ادا کرنے اور ترقی کرنے کی غرض سے کمپنی کا ہر ملازم خود کو قابل قدر اور باختیار سمجھے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

SMCL پاکستان اسٹاک ایکسچینج میں لسٹڈ ہے۔ کمپنی کا بورڈ کارپوریٹ گورننس کے کوڈ پر عمل درآمد کرنے کے عہد پر کاربند ہے اور اپنے آپریشنز اور کارکردگی کی نگرانی اور مالیاتی اور غیر مالیاتی معلومات کی درستگی بڑھانے، تکمیلیت اور شفافیت یقینی بنانے کی اپنی ذمہ داری سے بہ خوبی آگاہ ہے۔ کمپنی کا بورڈ، کوڈ آف کارپوریٹ گورننس پر عمل درآمد کے عہد پر بھی کاربند ہے اور کاروباری سرگرمیوں اور کارکردگی پر نظر رکھنے اور اور مالیاتی اور غیر مالیاتی معلومات کی درستگی بڑھانے، تکمیلیت اور شفافیت یقینی بنانے کی اپنی ذمہ داری سے بہ خوبی آگاہ ہے۔

سال مختتمہ مورخہ 30 جون		کاروباری نتائج
2023	2024	
-----روپے-----		
1,432,034,758	1,262,480,359	فروخت
(1,110,758,758)	(1,002,413,228)	لاگت فروخت
321,276,000	260,067,131	خام منافع
(47,646,396)	(51,528,446)	انتظامی اور فروختی اخراجات
273,629,604	208,538,685	کاروباری منافع
(35,340,012)	(18,390,427)	دیگر اخراجات
(40,873,518)	(52,225,884)	لاگت مالیات
9,556,857	8,724,897	دیگر آمدنی
206,972,931	146,647,271	نفع/نقصان قبل از ٹیکس
(73,602,474)	(35,041,646)	ٹیکس کاری
133,370,457	111,605,625	منافع بعد از ٹیکس
5.33	4.46	فی شیئر کمائی (EPS) بنیادی اور ڈیلیوٹڈ

مستقبل کا منظر

30 جون 2024 کو اختتام پر پہنچنے والے سال کے دوران پاکستان کو ترقی اور خوشحالی کے حوالے سے بڑے چیلنجوں کا سامنا رہا۔ ہمارا ملک بلند تر شرح سود، قرض کے بوجھ اور جاری سیاسی عدم استحکام کے مسائل سے نمٹ رہا ہے۔ ان مسائل نے ہمارے ملک کی اقتصادی ترقی کو بہت زیادہ متاثر کر رکھا ہے۔ ضرورت اس بات کی ہے کہ موجودہ حکومت محصولات کی آمدنی بڑھانے، سرکاری اداروں کی منج کاری اور مخصوص شعبوں میں براہ راست غیر ملکی سرمایہ کاری کو راغب کرنے کی غرض سے وسیع پیمانے پر اصلاحات نافذ کرے۔ ان میکرو اکنامک چیلنجوں کی موجودگی میں آپ کی کمپنی کی لیڈرشپ لاگتوں کو بہتر بنانے، خطرات کے انتظام اور روزمرہ اخراجات میں کفایت شعاری اپنانے میں سرگرم عمل ہے۔ ہم اپنے اسٹیک ہولڈروں کو قدر فراہم کرنے کے عہد سے جڑے ہوئے ہیں اور درپیش رکاوٹیں عبور کرنے اور بدلتی ہوئی اقتصادی صورتحال کے مطابق خود کو تیزی سے ڈھالنے کی اپنے کاروبار کی اہلیت و صلاحیت پر ہمیں مکمل بھروسہ ہے۔

ڈائریکٹرز کی رپورٹ

سیف میکس کنکریٹ لمیٹڈ (SMCL) ("کمپنی") کے بورڈ آف ڈائریکٹرز کی جانب سے ہم، مورخہ 30 جون 2024 کو مختتمہ سال کے لئے ڈائریکٹرز رپورٹ ہمراہ آڈٹ شدہ سالانہ مالیاتی گوشوارے مع آڈیٹرز رپورٹ پیش کرتے ہوئے دلی مسرت محسوس کر رہے ہیں۔

عمومی جائزہ

بڑھتی ہوئی لاگتوں اور بلند تر شرح سود کے تناظر میں مالی سال 2023-2024 کے دوران کمپنی کی کارکردگی تسلی بخش رہی جو مبلغ 111.605 ملین روپے کے بعد از ٹیکس منافع سے ظاہر ہے۔

زیر جائزہ مدت کے دوران کمپنی نے 1,262.4 ملین روپے کی فروخت کا سنگ میل عبور کیا جو گزشتہ برس کی اسی مدت کے دوران ہونے والی 1,432.03 ملین روپے مالیت کی فروخت سے صرف 12% کم ہے اور بڑھتی ہوئی لاگتیں صارف کے ذمے لگانے کی صلاحیت کی مظہر ہے۔ سال مختتمہ کے دوران فروخت کی لاگت 1,002.4 ملین روپے رہی جو گزشتہ برس کی اسی مدت کے دوران 1,110.7 ملین روپے تھی۔ اس کے نتیجے میں 260.067 ملین روپے کا خام نفع حاصل ہوا جبکہ گزشتہ برس کی اسی مدت کے دوران خام منافع کا حجم 321.276 ملین روپے رہا تھا جو گزشتہ برس کے مقابلے میں صرف 61.208 ملین روپے کی منفی تبدیلی کو ظاہر کرتا ہے۔

جہاں تک اخراجات کا تعلق ہے تو انتظام اور فروخت کی مدت میں کمپنی نے دوران سال 51.528 ملین روپے کی ادائیگی کی۔ اس کے علاوہ سال کے دوران مالیاتی لاگت کا حجم 52.225 ملین روپے رہا جب کہ اسی مدت کے دوران کمپنی نے دیگر مدت میں مجموعی طور سے 8.724 ملین روپے کی آمدنی بھی حاصل کی۔

PROXY FORM

I / We _____ of _____ (full address) being member(s) of Safe Mix Concrete Limited and holding _____ ordinary shares as per Share Registrar Folio No. _____ or THK Participant ID No. _____ and Sub A/c No. _____ hereby appoint Mr./Mrs./Miss _____ Folio No. _____ of _____ (full address) failing Mr./Mrs./Miss _____ Folio No. _____ of _____ (full address) another member of the Company to vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on October 25, 2024 and at any adjournment thereof.

As witness my / our hand this _____ day of _____ 2024.

Signature of member(s)

Please affix of
Rs. 5/-
Revenue stamp

Witness: _____
Name: _____
CNIC No.: _____
Address: _____

Witness: _____
Name: _____
CNIC No.: _____
Address: _____

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as his / her proxy to attend and vote instead of his / her. No person shall act as proxy (except for corporation) unless he / she is entitled to be present and vote in his / her own right.
2. The instrument appointing proxy should be signed by the member(s) or by his / her attorney duly authorized, in writing, or if the member is a corporation / company either under the common seal or under the hand of an authorized or attorney so authorized.
3. This proxy form duly completed must be deposited at the registered office of the Company not later than 48 hours before the time of holding of meeting.
4. THK Shareholders and their proxies must each attach an attested copy of their NIC or Passport with this proxy form. The proxy form shall be witnessed by two persons whose names; addresses and NIC number shall be mentioned on the form.
5. In case Corporate entity the Board of Directors resolution / Power of Attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

میں مسٹی / مسماة _____ ساکن _____ ضلع _____
بحیثیت ممبر سیف مکس کنکریٹ لمیٹڈ، مسٹی / مسماة _____
ساکن _____ کو بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے
سالانہ اجلاس عام جو بتاریخ 25 اکتوبر، 2024 منعقد ہو رہا ہے میں اور ان کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔
دستخط: _____ بروز/ بتاریخ _____ 2024

گواہان:

2

1

نام: _____

نام: _____

پتہ: _____

پتہ: _____

شناختی کارڈ نمبر: _____

شناختی کارڈ نمبر: _____

دستخط: _____

دستخط: _____

دستخط ۵ روپے
ریونیو اسٹیٹ

نوٹ:

- وہ رکن جسے یہ اجلاس یا اجلاس میں ووٹ کا حق حاصل ہے وہ کسی ناگزیر صورت حال میں اپنی جگہ کسی دوسرے (مخصوص) رکن کو یہ حق دے سکتا ہے کہ وہ رکن اُس کی پراکسی استعمال کرتے ہوئے، اُس کے بجائے اجلاس میں شریک ہو سکتا ہے، خطاب کر سکتا ہے یا ووٹ کا اندراج کر سکتا ہے۔
- پراکسی ثابت کرنے کے لئے اُسے اپنا اصل پاسپورٹ اور فوٹو نمبر سے دکھانا لازمی ہے تاکہ اجلاس میں شرکت کی اجازت سے قبل اُس کی شناخت کی جاسکے۔
- منوثر بنانے کے لئے، پراکسی فارم ہمارے رجسٹرار کے دفتر (ایم/ایس) THK، شیئرز رجسٹرار ڈیپارٹمنٹ، کراچی، پاکستان، میں اجلاس سے کم از کم 48 گھنٹے قبل وصول ہونا لازمی ہے۔ فارم میں تمام مطلوبہ معلومات، رکن کے دستخط اور مہر، نیز دو گواہان کی بنیادی معلومات یعنی نام پتے، دستخط اور شناختی کارڈ نمبر کا اندراج ضروری ہے۔
- انفرادی رکن کی صورت میں اصل اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول منسلک کرنا لازمی ہے۔
- پراکسی کے کارپوریٹ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد، پاور آف اٹارنی، شناختی کارڈ اور پاسپورٹ کی تصدیق شدہ نقول، پراکسی فارم کے ساتھ منسلک کرنا ضروری ہے۔

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