



FOCUSED ON
SOLUTIONS

Nine Months Ended Report March 2023

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Company Information

Board of Directors

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

Audit Committee

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

Human Resources & Remuneration Committee

Mr. Kashif Habib – Chairman
Mr. Syed Najmudduja Jaffri
Mr. Abdus Samad Habib

Chief Financial Officer

Mr. Vaqas Rafi

Company Secretary

Mr. Vaqas Rafi

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq Chartered
Accountants

Legal Advisor

Advocate Ahsan-ul-haq Advocates and Corporate council

Bankers and Financial institutions

Bank Islami Pakistan Limited
Habib Metropolitan Bank Limited
The Bank of Punjab
Bank Alfalah Limited
First Habib Modaraba
Summit Bank Limited
Meezan Bank Limited

Registered Office

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

Shares Registrar

THK Associates (Private) Limited

Directors' Review Report

The Board of Directors is pleased to present the un-audited financial results of the Company for the nine months period ended March 31, 2023

Financial Performance

The financial performance of the company during the period under review has been commendable as company achieved highest ever sales of PKR 1,077 million. The sales as compared to corresponding period has increased by a whopping 435%. The gross profit margin also increased significantly by 996% and gross profit for the period is PKR 248 million. The profit after tax for the period is PKR 128 million as compared to PKR 4 million over corresponding period. The profit for the period enabled the accumulated losses of prior year be converted in accumulated profit and as of the period end accumulated profit stands at PKR 5.5 million.

Key financial highlights of your company for the nine months ended March 31st, 2023 as compared to same period last year is as follows:

Particulars	July to March 2023	January to March 2023	July to March 2022	January to March 2022
	-----Rupees-----	-----Rupees-----	-----Rupees-----	-----Rupees-----
Net Revenue	1,077,757,975	420,705,220	201,220,984	88,123,081
Cost Of Revenue	(829,993,764)	(331,464,358)	(178,632,190)	(74,263,889)
Gross Profit/(Loss)	247,764,211	89,240,862	22,588,794	13,859,192
Profit/(Loss) before Taxation	185,641,765	65,423,830	5,174,076	7,364,681
Taxation	(57,593,379)	(15,648,544)	(1,160,701)	(1,101,537)
Profit/(Loss) after Taxation	128,048,386	49,775,286	4,013,375	6,263,144
Earnings per Share- Basic and Diluted	5.12	1.99	0.16	0.25

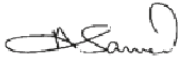
Future Outlook

The country's economy has been severely impacted by recent political instability, surging inflation, depleting forex reserves, and increasing policy rates. Despite these challenges, Pakistan has been making efforts to secure support from lending institutions. However, challenges such as currency depreciation, high inflation and interest rates, limited development spending and a slowing economy are expected to continue putting pressure on demand throughout the remaining period of FY23. Furthermore, import restrictions are hindering operations for various industries, including steel manufacturing, which may adversely impact the pace of construction activities.

Acknowledgement

The management of your Company would like to thank all the shareholders, financial institutions, customers, individuals and staff members who have been associated with the Company for their support and cooperation. Further, we would also like to thank SECP and the management of PSX for their continued support and guidance.

For and on behalf of the board



Samad Habib

Chief Executive Officer & Director



Syed Najmudduja Jaffri

Chairman

Karachi: April 28th, 2023

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2023

		(Unaudited) 31 March 2023	(Audited) 30 June 2022
	Note	(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	3	300,728,450	328,930,165
Long term deposits		59,460	46,960
Long term advances to employees		1,014,640	1,152,140
Deferred taxation - net		32,800,304	76,921,709
		334,602,854	407,050,974
Current assets			
Stock-in-trade	4	29,716,220	19,805,708
Stores, spares and loose tools		18,253,996	7,790,398
Trade debts	5	315,891,460	184,044,622
Loans and advances	6	13,748,132	46,940,492
Prepayments and other receivables	7	3,860,928	1,510,018
Taxation - net		20,962,063	12,342,128
Cash and bank balances	8	4,441,533	26,474,945
		406,874,332	298,908,311
		741,477,186	705,959,285
Total assets			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
35,000,000 (June 30, 2022: 35,000,000) ordinary share of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital		250,000,000	250,000,000
Capital contribution - Loan from director		87,000,000	87,000,000
Capital reserve			
Share premium		14,728,576	14,728,576
Revenue reserve			
Accumulated profit / (losses)		5,521,073	(122,527,312)
		357,249,649	229,201,264
Non-current liabilities			
Long term financing - secured	9	95,959,014	100,021,093
Staff retirement benefits		9,525,610	7,664,168
		105,484,624	107,685,261
Current liabilities			
Short term borrowing - secured		15,000,000	80,000,000
Trade and other payables	10	233,561,917	109,615,556
Advance from customers		7,959,761	138,851,464
Current maturity of long term financing		20,462,521	18,013,522
Loan from related parties - unsecured			18,118,274
Accrued markup		1,758,714	4,473,944
		278,742,913	369,072,759
		741,477,186	705,959,285
Contingencies and commitments			
Total equity and liabilities	11		

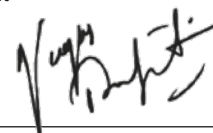
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statement



Samad Habib
CEO



Kashif Habib
Director




Waqas Rafi
CFO

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the nine months and quarter ended March 31, 2023 (unaudited)

	Note	Nine Months Ended (un-audited)		Quarter Ended (un-audited)	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		(Rupees)		(Rupees)	
Revenue - net	12	1,077,757,975	201,220,984	420,705,220	88,123,081
Cost of revenue	13	(829,993,764)	(178,632,190)	(331,464,358)	(74,263,889)
Gross profit		247,764,211	22,588,794	89,240,862	13,859,192
Administrative expenses		(33,083,885)	(15,225,003)	(16,300,030)	(6,585,227)
Selling and distribution expenses		(1,507,737)	(719,547)	(274,361)	(447,867)
		(34,591,622)	(15,944,550)	(16,574,391)	(7,033,094)
Operating profit/(loss)		213,172,589	6,644,244	72,666,471	6,826,098
Other expenses		(20,414,445)	(1,460,097)	(5,289,837)	-
Other income		21,894,866	7,776,128	7,946,204	4,232,979
		1,480,421	6,316,031	2,656,367	4,232,979
Finance costs	14	(29,011,245)	(7,786,199)	(9,899,008)	(3,694,396)
Profit / (loss) before taxation		185,641,765	5,174,076	65,423,830	7,364,681
Taxation		(57,593,379)	(1,160,701)	(15,648,544)	(1,101,537)
Profit / (loss) after taxation		128,048,386	4,013,375	49,775,286	6,263,144
Earning per share - basic and diluted		5.12	0.16	1.99	0.25

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statement


Samad Habib
CEO


Kashif Habib
Director



Vaqas Rafi
CFO

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the nine months and quarter ended March 31, 2023 (unaudited)

	Nine Months Ended (un-audited)		Quarter Ended (un-audited)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(Rupees)		(Rupees)	
Profit after taxation	128,048,386	4,013,374	49,775,286	2,702,720
Other comprehensive loss				
Items that will not be reclassified subsequent to profit or loss				
Remeasurements loss on defined benefit liability				
Tax thereon	-	-	-	-
Total comprehensive income for the year	<u>128,048,386</u>	<u>4,013,374</u>	<u>49,775,286</u>	<u>2,702,720</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statement


Samad Habib
 CEO


Kashif Habib
 Director



Vaqas Rafi
 CFO

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months and quarter ended March 31, 2023 (unaudited)

	Issued, subscribed and paid-up capital	Share premium reserve	Loan from related party	Accumulated profit / (loss)	Total
	------(Rupees)-----				
Balance as at July 1, 2021	250,000,000	87,000,000	14,728,576	(168,857,411)	182,871,165
Total comprehensive income for the Nine Months Ended March 31, 2022					
- Loss after taxation	-	-	-	4,013,374	4,013,374
- Other comprehensive loss	-	-		-	-
				4,013,374	4,013,374
Balance as at March 31, 2022	250,000,000	87,000,000	14,728,576	(164,844,037)	186,884,539
Balance as at July 01, 2022	250,000,000	87,000,000	14,728,576	(122,527,313)	229,201,263
Total comprehensive income for the Nine Months Ended March 31, 2023					
- Profit after taxation				128,048,386	-
- Other comprehensive loss				-	-
				128,048,386	-
Repayment					
Balance as at March 31, 2023	250,000,000	87,000,000	14,728,576	5,521,073	357,249,649

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statement



Samad Habib
CEO



Kashif Habib
Director



Vaqas Rafi
CFO

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the nine months and quarter ended March 31, 2023 (unaudited)

	Nine months ended	
	31 March 2023	31 March 2022
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	185,641,765	5,174,075
Adjustments for non-cash items:		
- Depreciation on property, plant and equipment	22,951,385	10,648,926
- Assets write off	8,864,502	-
- Provision for expected credit loss	1,573,172	-
- Provision for staff retirement benefit	1,861,442	1,254,537
- Provision for Workers' Profit Participation Fund	9,780,927	-
- Irrecoverable long term deposits written off	-	189,590
- Irrecoverable CWIP written off	-	1,270,507
- Gain on final settlement with CDGK	-	-
- Profit on saving accounts	(532,244)	-
- Gain on sale of asset held for sale	-	-
- Ammotization of deferred income	-	-
- Gain on sale of operating fixed assets	(737,971)	-
- Finance costs	29,011,245	7,786,199
	72,772,457	21,149,759
	258,414,223	26,323,834
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	(9,910,512)	(330,303)
- Stores, spares and loose tools	(10,463,598)	(1,915,407)
- Trade debts	(131,846,838)	(13,931,449)
- Assets held for sale	-	3,000,000
- Loan, advances, prepayments and other receivables	30,841,451	(167,296,670)
	(121,379,498)	(180,473,829)
Increase in current liabilities		
- Trade and others payables	110,248,551	31,829,718
- Advance from customers	(130,891,703)	-
	(20,643,152)	31,829,718
	116,391,574	(122,320,277)
Cash generated from / (used in) operations		
tax (paid) / received	(22,091,910)	(8,085,947)
Staff retirement benefit paid	-	(222,049)
Finance cost paid	(31,144,793)	(6,214,533)
	(53,236,703)	(14,522,529)
	63,154,871	(136,842,806)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(3,614,172)	(2,715,277)
Long term advances paid	137,500	-
Proceed from sale of assets held for sale	2,500,000	-
Profit on saving accounts	532,244	-
Long term deposit paid	(12,500)	6,002,840
Net cash used in investing activities	(456,928)	3,287,563
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt / (payment) from bank against long term financing	(1,613,080)	(452,369)
Short term borrowings repaid	(65,000,000)	(14,500,000)
Loan received from related parties	-	109,100,000
Loan repaid from related parties	(18,118,274)	-
Net cash generated from financing activities	(84,731,354)	94,147,631
Net decrease in cash and cash equivalents	(22,033,411)	(39,407,611)
Cash and cash equivalents at the beginning of the year	26,474,945	41,595,814
Cash and cash equivalents at the end of the year	4,441,534	2,188,203

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statement



Samad Habib
CEO



Kashif Habib
Director



Vaqas Rafi
CFO

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2023 (unaudited)

1 STATUS AND NATURE OF BUSINESS

1.1 Safe Mix Concrete Limited ("the Company") was incorporated on 04 April 2005 as Private Limited Company. Subsequently, it was converted into Public Limited Company on 21 February 2007 in accordance with the provisions of section 45 read with section 41(3) of the Companies Ordinance, 1984 (now repealed with the enactment of the Companies Act, 2017 on May 30, 2017). On 16 March 2010 the Company was listed on Karachi Stock Exchange. The principal activity of the Company is production and supply of ready mix concrete.

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

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements (here-in-after referred to as the 'interim financial statements') have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Judgements and sources of estimation uncertainty

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Company as at and for the year ended June 30, 2022.

2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2022

		Unaudited 31 March 2023	Audited 30 June 2022
	Note	(Rupees)	
3	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	3.1	299,746,440	328,930,165
Capital work in progress - at cost		982,010	-
		<u>300,728,450</u>	<u>328,930,165</u>
3.1	Operating Assets- at the book value		
Opening Book Value		328,930,165	184,523,323
Addition during the period		4,387,800	154,965,822
Transfer - net book value			5,330,797
Disposal during the period - net book value		(1,755,638)	-
Assets write off		(8,864,502)	
Depreciation charged during the period		<u>(22,951,385)</u>	<u>(15,889,777)</u>
		<u>299,746,440</u>	<u>328,930,165</u>
3.2	Breakup of addition - at cost		
Vehicles		3,256,000	-
Building		728,000	2,967,835
Plant and Machinery		-	151,735,807
Furniture and Fixtures		81,200	3,030
Computers		255,000	186,000
Office Equipment		67,600	73,150
		<u>4,387,800</u>	<u>154,965,822</u>

		Unaudited 31 March 2023	Audited 30 June 2022
4	STOCK-IN-TRADE		
			(Rupees)
	Cement	-	3,245,209
	Fly Ash	490,543	293,706
	Sand	6,655,625	6,095,078
	Crush	10,183,399	8,866,207
	Chemical	12,386,653	1,305,508
		29,716,220	19,805,708
5	TRADE DEBTS		
	Total trade debts outstanding	443,096,724	309,676,714
		(127,205,264)	(125,632,092)
	Less : provision for expected credit loss	315,891,460	184,044,622
6	LOANS AND ADVANCES		
	Advances to suppliers	12,073,434	45,413,076
	Loans to employees	1,674,698	1,527,416
		13,748,132	46,940,492
7	PREPAYMENTS AND OTHER RECEIVABLES		
	Prepayment	3,580,427	1,413,214
	Other Receivables	280,501	96,804
		3,860,928	1,510,018
8	CASH AND BANK BALANCES		
	Cash in hand	411,880	6,175
	Cash at bank:		
	- Balance held In current accounts	545,903	2,541,298
	- Balances held in saving accounts	3,483,751	23,927,473
		4,029,653	26,468,770
		4,441,533	26,474,945
9	LONG TERM FINANCING - SECURED		
	Details of long term financing are as follows:		
	Islamic		
	Dimishing Musharka Facility - First Habib Modaraba	9.1	116,421,535
	Less: Current portion of long term finance shown under current liabilities		(18,013,522)
		95,959,014	100,021,093

9.1 Diminishing Musharka Facility - I

	Unaudited 31 March 2023	Audited 30 June 2022
	(Rupees)	
Opening Carrying Amount	118,034,615	1,795,856
Add: Facilities received during the period	13,018,276	119,200,900
Less: Installments paid during the period	(14,631,356)	(2,962,141)
	<u>116,421,535</u>	<u>118,034,615</u>

There are no major changes in the terms and conditions of long-term financings as disclosed in note 16 to the annual audited financial statements of the Company for the year ended June 30, 2022

10 TRADE AND OTHER PAYABLES

	Unaudited 31 March 2023	Audited 30 June 2022
	(Rupees)	
Trade creditors	122,444,288	52,116,317
Withholding tax payable	56,870,792	15,474,355
Accrued expenses	13,319,950	12,823,856
Worker's Profit Participation Fund Payable	34,865,299	20,971,645
Worker's Welfare Fund payable	1,715,311	1,715,311
Other payables	4,346,276	6,514,072
	<u>233,561,917</u>	<u>109,615,556</u>

11 CONTINGENCIES AND COMMITMENTS

The status and nature of contingencies and commitments are same as those disclosed in an annual audited financial statements of the Company for the year ended June 30, 2022

12 COMMITMENTS

There are no commitments at the balance sheet date.

12 REVENUE - NET

	Nine Months Ended (un-audited)		Quarter Ended (un-audited)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(Rupees)		(Rupees)	
Sale of concrete mix	1,217,866,512	227,379,713	473,617,248	99,579,082
Less: Sindh Sales Tax	(140,108,537)	(26,158,728)	(54,308,724)	(11,456,001)
	<u>1,077,757,975</u>	<u>201,220,985</u>	<u>419,308,524</u>	<u>88,123,081</u>

	Nine Months Ended (un-audited)		Quarter Ended (un-audited)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(Rupees)		(Rupees)	
13 COST OF REVENUE				
Raw materials and stores consumed	632,910,892	58,449,218	262,684,175	20,713,039
Fuel and power	90,614,079	46,338,987	30,591,709	21,258,540
Salaries, wages and other benefits	56,498,804	40,820,769	20,260,289	15,737,375
Repair and maintenance	17,651,637	10,036,357	6,144,247	4,878,359
Equipment hiring charges	3,955,699	11,384,102	1,234,436	7,075,510
Depreciation	21,131,796	9,387,765	7,840,443	3,498,933
Site preparation and sample testing	4,829,404	1,636,935	1,920,139	900,030
Insurance expense	2,401,453	578,057	788,920	202,103
Ijarah rentals	829,993,764	178,632,190	331,464,358	74,263,889
14 FINANCE COST				
Bank charges	43,749	34,522	17,840	15,348
Mark up expenses	25,050,613	7,751,676	8,061,771	3,679,048
Interest on WPPF	3,916,883	-	1,819,397	-
	29,011,245	7,786,198	9,899,008	3,694,396

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise associated undertakings, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties at arm's length basis, unless otherwise disclosed. Amounts due from and due to related parties are shown under respective notes to the accounts. Other significant transactions and balances with related parties are as follows:

15.1 Transactions with related parties

Name of related party	Nature of relationship	Particulars	Nine Months ended (Un-audited)	
			31 March 2023	31 March 2022
Power Cement limited	Company under common control	Purchases made during the period	276,420,006	42,595,650
Javedan Corporation Limited	Company under common control	Sales made during the period	170,789,493	14,563,418
		Loan received during the period	-	60,000,000
Mr. Arif Habib	Associate person Lineal Ascendant of CEO	Loan paid during the period	-	-
		Interest paid during the period	-	93,000,000
Arif Habib Corporation Limited	Company under common control	Loan received during the period	-	167,100,000
		Loan paid during the period	18,118,274	25,000,000
		Interest paid during the period	2,740,983	1,818,274
Global Residency REIT	Company under common control	Sales made during the period	635,363,883	-
Rahat Residency Reit	Company under common control	Sales made during the period	46,390,022	-
Silk Islamic Development REIT	Company under common control	Sales made during the period	2,382,241	-

15.2 Balances with Related Parties

Name of related party	Nature of relationship	Particulars	Unaudited	Audited
			31 March 2022	30 June 2022
Power Cement limited	Company under common control	Advance paid against purchase	3,701,789	30,646,530
Javedan Corporation Limited	Company under common control	Advance received against sales	4,047,687	139,972,136
Mr. Abdus Samad	Chief Executive Officer	Loan payable (classified as equity)	87,000,000	87,000,000
Global Residency REIT	Company under common control	Amount receivable as at period end	145,713,603	-
Rahat Residency REIT	Company under common control	Amount receivable as at period end	43,026,787	-
Silk Islamic Development REIT	Company under common control	Amount receivable as at period end	205,767	-

16 General

16.1 Date of authorization for issue

The financial statements were authorized for issue on 28 April, 2023 by the Board of Directors of the Company.

16.2 Level of rounding

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



Samad Habib
CEO



Kashif Habib
Director



Vaqas Rafi
CFO

BOOK POST
PRINTED MATTER

Safe Mix Concrete Limited

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