



*Half Yearly Report December – 2023*



**BUILDING  
EXCELLENCE**



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# COMPANY INFORMATION

## **BOARD OF DIRECTORS**

Mr. Abdus Samad Habib  
Syed Najmudduja Jaffri  
Mr. Kashif Habib  
Mr. Ahsan Anis  
Mr. Anna Samad  
Mr. Abdul Qadir  
Mr. Muhammad Siddiq Khokhar

## **AUDIT COMMITTEE**

Mr. Abdul Qadir- CHAIRMAN  
Mr. Kashif Habib  
Mr. Ahsan Anis

## **HUMAN RESOURCES & REMUNERATION COMMITTEE**

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

## **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  
MEEZAN BANK LIMITED

## **REGISTERED Office**

Plot # 1, Global Industry,  
Nusrat Bhutto Colony, North Nazimbad,  
Karachi, Pakistan.  
Tel: 92 345 2025369  
[www.safemixlimited.com](http://www.safemixlimited.com)

## **SHARES REGISTRAR**

THK Associates (Private) Limited



# Directors' Review Report

The Board of Directors of your Company are pleased to present their review report on the consolidated interim financial and operational performance of your company for the six-month ended December 31, 2023.

Particulars	July to December 2023	October to December 2023	July to December 2022	October to December 2022
	-----Rupees-----		-----Rupees-----	
Net Sales	561,930,314	279,805,706	669,148,704	407,642,747
Cost of sales	(428,376,857)	(219,247,472)	(498,529,406)	(301,253,096)
Gross Profit / (Loss)	133,553,457	60,558,234	170,619,298	106,389,651
Profit/(Loss) before Taxation	75,247,653	28,760,957	120,217,935	77,585,798
Taxation	(24,937,920)	(17,606,922)	(41,944,835)	(46,857,082)
Profit/(Loss) after Taxation	<u>50,309,733</u>	<u>11,154,035</u>	<u>78,273,100</u>	<u>30,728,716</u>
Earnings / (Loss) Per Share-Basic and Diluted	<u>2.01</u>	<u>0.45</u>	<u>3.13</u>	<u>1.23</u>

The financial performance of the Company is as follows:

During the period under review your Company achieved sales of PKR 561.930 million as compared to PKR 669.148 million over the corresponding period resulting in negative variance of 16.02%. This reduction in sale is mainly due to slow down of ongoing projects caused by political instability and increased interest rates. The cost of sales for the period remained at PKR 428.376 million as compared to PKR 498.529 million in the corresponding period depicting a 14.07 % reduction of cost which coincides with the reduction in current period sales. The Gross Margin of the Company for the current period is 24% as compared to 25% in the corresponding period. The administrative and selling expenses for the period stood at PKR 22.593 million as compared to PKR 18.017 million in the corresponding period.

The profit after taxation for the period arrived at PKR 50.309 million as compared to profit after taxation of PKR 78.273 million in the corresponding period.

## Future Outlook

The outlook of the Company is encouraging in short to medium term as recent period of economic sustainability coupled with expected political stability to be achieved will translate into growth momentum soon. The company is well poised to serve its major customer base in the Real Estate and Construction Sector as activity restores in the sector as well as projects of Group Companies are expected to be launched as market and investor confidence is improved in near future.

## 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 management of PSX for their continue support and guidance.

For and behalf of the board



**Samad Habib**  
Chief Executive & Director



**Syed Najmudduja Jaffri**  
Chairman



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

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

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **M/s. Safe Mix Concrete Limited** ("the Company") as at **December 31, 2023** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes thereto for the half yearly period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

**Scope of review**


We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2023. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter period ended December 31, 2023.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

  
**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants  
Karachi  
Date: February 29, 2024  
UDIN: RR202310213jwxFriohtd

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

		Unaudited 31 December 2023	Audited 30 June 2023
	Note	(Rupees)	
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	3	285,187,083	296,802,818
Intangibles		192,910	203,270
Long term deposits		23,500	23,500
Long term advances to employees		493,366	758,006
Deferred taxation - net	4	38,854,609	49,303,276
		<u>324,751,468</u>	<u>347,090,870</u>
<b>Current assets</b>			
Stock-in-trade		35,115,888	25,495,768
Stores, spares and loose tools		15,166,370	13,462,701
Trade debts	5	334,784,432	330,208,117
Loans and advances	6	12,800,999	3,363,051
Prepayments and other receivables	7	8,493,991	2,701,209
Taxation - net		13,311,346	6,229,916
Cash and bank balances	8	12,862,632	16,431,416
		<u>432,535,658</u>	<u>397,892,178</u>
<b>Total assets</b>		<u><u>757,287,126</u></u>	<u><u>744,983,048</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized capital</b>			
35,000,000 (June 30, 2023: 35,000,000) ordinary share of Rs. 10 each		<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid up capital		<u>250,000,000</u>	<u>250,000,000</u>
Capital reserve			
Share premium		14,728,576	14,728,576
Revenue reserve			
Unappropriated profits		59,875,819	9,566,086
		<u>324,604,395</u>	<u>274,294,662</u>
<b>Non-current liabilities</b>			
Long term financing - secured	9	78,591,528	92,584,308
Staff retirement benefits	10	14,760,979	12,611,608
		<u>93,352,507</u>	<u>105,195,916</u>
<b>Current liabilities</b>			
Trade and other payables	11	181,446,333	217,115,922
Advance from customers		32,459,455	36,022,325
Current maturity of long term financing	9	22,203,454	19,563,955
Loan from director		87,000,000	87,000,000
Accrued markup		16,220,982	5,790,268
		<u>339,330,224</u>	<u>365,492,470</u>
<b>Contingencies and commitments</b>	12		
Total equity and liabilities		<u><u>757,287,126</u></u>	<u><u>744,983,048</u></u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

  
**Samad Habib**  
 CEO

  
**Syed Najmudduja Jafri**  
 Director

  
**Imran Haque**  
 CFO



# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the half year and quarter ended December 31, 2023 (unaudited)

	Note	Half year ended		Quarter ended	
		Unaudited 31 December 2023	Unaudited 31 December 2022	Unaudited 31 December 2023	Unaudited 31 December 2022
		(Rupees)		(Rupees)	
Revenue - net	13	561,930,314	669,148,704	279,805,706	407,642,747
Cost of revenue	14	(428,376,857)	(498,529,406)	(219,247,472)	(301,253,096)
<b>Gross profit</b>		<b>133,553,457</b>	170,619,298	<b>60,558,234</b>	106,389,651
Administrative expenses		(21,031,534)	(16,783,855)	(11,183,739)	(9,920,540)
Selling and distribution expenses		(1,561,858)	(1,233,376)	(284,244)	(985,507)
		(22,593,392)	(18,017,231)	(11,467,983)	(10,906,047)
<b>Operating profit</b>		<b>110,960,065</b>	152,602,067	<b>49,090,251</b>	95,483,604
Other expenses		(10,588,780)	(15,124,608)	(8,295,552)	(11,866,455)
Other income	15	3,110,491	1,852,713	1,329,051	5,186,139
		(7,478,289)	(13,271,895)	(6,966,501)	(6,680,316)
Finance costs	16	(28,234,123)	(19,112,237)	(13,362,793)	(11,217,490)
<b>Profit before taxation</b>		<b>75,247,653</b>	120,217,935	<b>28,760,957</b>	77,585,798
Taxation	17	(24,937,920)	(41,944,835)	(17,606,922)	(46,857,082)
<b>Profit / (loss) after taxation</b>		<b>50,309,733</b>	78,273,100	<b>11,154,035</b>	30,728,716
<b>Earning / (loss) per share - basic and diluted</b>		<b>2.01</b>	3.13	<b>0.45</b>	1.23

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

  
Samad Habib  
CEO

  
Syed Najmudduja Jafri  
Director

  
Imran Haque  
CFO

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the half year and quarter ended December 31, 2023 (unaudited)

	Half year ended		Quarter ended	
	Unaudited 31 December 2023	Unaudited 31 December 2022	Unaudited 31 December 2023	Unaudited 31 December 2022
	(Rupees)		(Rupees)	
Profit / (loss) after taxation	50,309,733	78,273,100	11,154,035	30,728,716
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>50,309,733</b>	<b>78,273,100</b>	<b>11,154,035</b>	<b>30,728,716</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



**Samad Habib**  
CEO



**Syed Najmudduja Jafri**  
Director



**Imran Haque**  
CFO

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half year ended December 31, 2023 (unaudited)

	Issued subscribed and paid-up capital	Loan from related party	Capital reserve	Revenue reserve	Total
			Share premium	Accumulated losses	
(Rupees)					
<b>Balance as at June 30, 2022 (audited)</b>	250,000,000	87,000,000	14,728,576	(122,527,313)	229,201,263
Total comprehensive income for the year					
Half Year Ended December 31, 2022					
- Profit after taxation	-	-	-	78,273,100	78,273,100
- Other comprehensive income	-	-	-	-	-
	-	-	-	78,273,100	78,273,100
<b>Balance as at December 31, 2022 (unaudited)</b>	250,000,000	87,000,000	14,728,576	(44,254,213)	307,474,363
<b>Balance as at June 30, 2023 (audited)</b>	250,000,000	-	14,728,576	9,566,086	274,294,662
Total comprehensive income for the year					
Half Year Ended December 31, 2023					
- Profit after taxation	-	-	-	50,309,733	50,309,733
- Other comprehensive income	-	-	-	-	-
	-	-	-	50,309,733	50,309,733
<b>Balance as at December 31, 2023 (unaudited)</b>	<b>250,000,000</b>	<b>-</b>	<b>14,728,576</b>	<b>59,875,819</b>	<b>324,604,395</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

  
**Samad Habib**  
 CEO

  
**Syed Najmudduja Jafri**  
 Director

  
**Imran Haque**  
 CFO

# CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the half year ended December 31, 2023 (unaudited)

	Unaudited 31 December 2023	Unaudited 31 December 2022
Note	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>75,247,653</b>	120,217,935
Adjustments for non-cash items:		
- Depreciation on property, plant and equipment	11,994,322	14,130,598
- Amortization of software	10,360	-
- Recovery of receivable written off	(396,296)	-
- Long term advances written off	264,640	-
- Fixed assets write off	-	7,113,782
- Provision for expected credit loss	3,323,653	1,573,172
- Provision for staff retirement benefits	2,329,746	1,240,428
- Provision for Workers' Profit Participation Fund	3,974,331	6,437,654
- Profit on saving accounts	(1,318,235)	(266,501)
- Loss / (gain) on sale of operating fixed assets	67,665	(737,971)
- Finance costs	28,234,123	19,112,237
	<b>48,484,309</b>	48,603,399
	<b>123,731,962</b>	168,821,334
<b>Cash generated from operating activities before working capital changes</b>		
Effect on cash flow due to working capital changes (increase) / decrease in current assets		
- Stock-in-trade	(9,620,120)	(9,283,737)
- Stores, spares and loose tools	(1,703,669)	(2,909,013)
- Trade debts	(7,503,672)	(7,125,960)
- Loans and advances	(9,437,948)	(2,284,701)
- Prepayments and other receivables	(5,792,782)	-
	<b>(34,058,191)</b>	(21,603,411)
Increase in current liabilities		
- Trade and others payables	(43,839,138)	45,248,770
- Advance from customers	(3,562,870)	(83,877,975)
	<b>(47,402,008)</b>	(38,629,205)
<b>Cash generated from operations</b>	<b>42,271,763</b>	108,588,718
Income tax paid	(21,570,683)	(16,256,410)
Staff retirement benefit paid	(180,375)	-
Finance cost paid	(13,608,191)	(19,843,759)
	<b>(35,359,249)</b>	(36,100,169)
<b>Net cash generated from operating activities</b>	<b>6,912,514</b>	72,488,549
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(516,250)	(4,607,010)
Proceed from sale of fixes assets	69,998	2,500,000
Profit on saving accounts	1,318,235	266,501
<b>Net cash generated from / (used in) investing activities</b>	<b>871,983</b>	(1,840,509)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Financing obtained during the period	-	13,004,800
Financing repaid during the period	(11,353,281)	(10,091,597)
Short term borrowing obtained	-	90,000,000
Short term borrowing repaid	-	(35,000,000)
Loan repaid to related parties	-	(18,118,274)
<b>Net cash (used in) / generated from financing activities</b>	<b>(11,353,281)</b>	39,794,929
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(3,568,784)</b>	110,442,969
Cash and cash equivalents at the beginning of the period	16,431,416	(53,525,054)
<b>Cash and cash equivalents at the end of the period</b>	<b>12,862,632</b>	56,917,915

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

  
**Samad Habib**  
 CEO

  
**Syed Najmudduja Jafri**  
 Director

  
**Imran Haque**  
 CFO

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 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.

### 2.2 Basis of measurement

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 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, 2023.

### 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, 2023.



		Unaudited 31 December 2023	Audited 31 December 2023
	Note	(Rupees)	
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	3.1	<u>285,187,083</u>	<u>296,802,818</u>
<b>3.1 Operating Assets- at the book value</b>			
Opening Book Value		<b>296,802,818</b>	328,930,166
Add: Additions during the period /year		<b>516,250</b>	5,830,148
Transfers from capital work in progress		<b>-</b>	1,039,210
		<b>516,250</b>	6,869,358
Less: Disposals / write-off during the period / year -			
- at net book value		<b>(137,663)</b>	(1,762,029)
- Assets written off		<b>-</b>	(8,770,143)
- Depreciation charged during the period /year		<b>(11,994,322)</b>	(28,464,534)
		<b>(12,131,985)</b>	(38,996,706)
		<u>285,187,083</u>	<u>296,802,818</u>
<b>4. DEFERRED TAXATION -net</b>			
<b>Taxable temporary differences:</b>			
- Accelerated depreciation		<b>(42,430,950)</b>	(38,989,125)
<b>Deductible temporary differences:</b>			
- Unabsorbed losses and tax depreciation		<b>-</b>	7,914,055
- Minimum tax		<b>26,741,250</b>	26,741,250
- Alternate corporate tax		<b>10,785,679</b>	11,298,408
- Provision against ECL		<b>39,530,255</b>	38,681,322
- Provision for gratuity - net		<b>4,228,375</b>	3,657,366
		<b>81,285,559</b>	88,292,401
		<u>38,854,609</u>	<u>49,303,276</u>
<b>5. TRADE DEBTS</b>			
Total trade debts outstanding	5.1	<b>471,095,657</b>	463,591,985
Less : provision for expected credit loss	5.2	<b>(136,311,225)</b>	(133,383,868)
		<u>334,784,432</u>	<u>330,208,117</u>

**5.1** This include amount receivable from related parties against sales made during the period. Their balances as at reporting date are stated below:

		Unaudited 31 December 2023	Audited 31 December 2023
	Note	(Rupees)	
Globe Residency RIET		<b>149,520,508</b>	196,193,785
Rahat Residency REIT		<b>19,641,038</b>	6,860,469
Silk Islamic Development RIET		<b>5,482</b>	70,356
Signature Residency REIT		<b>13,495,010</b>	2,595,035
		<u>182,662,038</u>	<u>205,719,645</u>

## 5.2 Provision for expected credit loss

Balance as at beginning of the year  
Charged for the year  
Reversal during the year  
Balance as at closing of the year

## 6. LOANS AND ADVANCES

Loans to employees

Advances to suppliers  
- to suppliers  
- to staff for purchases

## 7. PREPAYMENTS AND OTHER RECEIVABLES

### Prepayment

- Insurance  
- Other

### Other Receivables

- receivable from customers  
- others

7.1 This represents cement receivable from customers which is consumed during the supply of their concrete mix.

## 8. CASH AND BANK BALANCES

Cash in hand

### Cash at bank:

- Balance held in current accounts  
- Balances held in saving accounts

	Unaudited 31 December 2023	Audited 30 June 2023
Note	(Rupees)	
	<b>133,383,868</b>	125,632,092
	<b>3,323,653</b>	7,751,776
	<b>(396,296)</b>	-
	<b>136,311,225</b>	133,383,868
	<b>1,473,749</b>	1,140,592
	<b>11,192,058</b>	2,085,417
	<b>135,192</b>	137,042
	<b>11,327,250</b>	2,222,459
	<b>12,800,999</b>	3,363,051
	<b>1,639,555</b>	2,154,975
	<b>1,138,658</b>	277,710
	<b>2,778,213</b>	2,432,685
	<b>5,376,503</b>	-
	<b>339,275</b>	268,524
	<b>5,715,778</b>	268,524
	<b>8,493,991</b>	2,701,209
	<b>29,073</b>	47,130
	<b>7,600,905</b>	393,500
	<b>5,232,654</b>	15,990,786
	<b>12,833,559</b>	16,384,286
	<b>12,862,632</b>	16,431,416

		Unaudited 31 December 2023	Unaudited 31 December 2022
	Note	(Rupees)	
<b>9. LONG TERM FINANCING – SECURED</b>			
Dimishing Musharka Facility – I		<b>100,794,982</b>	112,148,263
Less: Current portion of long term finance shown under current liabilities		<b>(22,203,454)</b>	(19,563,955)
		<b><u>78,591,528</u></b>	<u>92,584,308</u>
<b>9.1 Dimishing Musharka Facility – I</b>			
Opening Carrying Amount		<b>112,148,263</b>	118,034,615
Add: Facilities received during the period		-	13,004,800
Less: Installments paid during the period		<b>(11,353,281)</b>	(18,891,152)
		<b><u>100,794,982</u></b>	<u>112,148,263</u>
<b>10. STAFF RETIREMENT BENEFITS</b>			
Opening defined benefit obligation		<b>12,611,608</b>	7,664,169
Expense charged to statement of profit or loss		<b>2,329,746</b>	3,148,766
Remeasurement loss recognized in other comprehensive income		-	1,798,673
Benefit paid		<b>(180,375)</b>	-
Closing defined benefit obligation		<b><u>14,760,979</u></b>	<u>12,611,608</u>
<b>10.1</b>	Charge for the year has been allocated as follows:		
	Cost of sales	<b>768,816</b>	2,114,103
	Administrative expense	<b>1,560,930</b>	1,034,663
		<b><u>2,329,746</u></b>	<u>3,148,766</u>
<b>11. TRADE AND OTHER PAYABLES</b>			
Trade creditors	11.1	<b>99,870,331</b>	132,050,917
Withholding tax payable		<b>1,876,471</b>	10,715,051
Accrued expenses		<b>11,444,281</b>	12,535,117
Worker's Profit Participation Fund Payable	11.2	<b>44,309,252</b>	36,139,703
Worker's Welfare Fund payable		<b>1,715,311</b>	1,715,311
Sindh Sales tax payable		<b>18,906,906</b>	20,636,042
Other payables		<b>3,323,781</b>	3,323,781
		<b><u>181,446,333</u></b>	<u>217,115,922</u>
<b>11.1</b>	This includes payable to Power Cement Limited, an associated company, amounting to Rs. 10.08 million (June 30, 2023: Rs. 11.969 million).		

## 11.2 Workers' Profit Participation Fund payable

Opening balance

Add:

- Charge for the period / year

- Interest accrued

Note	Unaudited 31 December 2023	Unaudited 31 December 2022
	(Rupees)	
	36,139,703	20,971,645
	3,974,331	11,321,858
	4,195,218	3,846,200
	8,169,549	15,168,058
	<u>44,309,252</u>	<u>36,139,703</u>

## 12. CONTINGENCIES AND COMMITMENTS

### Contingencies:

There has been no change in the status of the contingent liabilities as reported in note 23.1 to the annual financial statements of the Company for the year ended June 30, 2023.

### Commitments:

There are no material commitments as at December 31, 2023 (June 30, 2023: Nil)

## 13. REVENUE - NET

Sale of concrete mix

Less : Sindh sale tax

Note	Half year ended (Un-audited) 31 December 2023	31 December 2022
	(Rupees)	
	634,981,254	756,138,035
	(73,050,940)	(86,989,331)
20.1	<u>561,930,314</u>	<u>669,148,704</u>

## 14. COST OF SALES

Raw materials and stores consumed

Fuel and power

Salaries, wages and other benefits

Depreciation

Repair and maintenance

Site preparation and sample testing

Insurance expenses

Fees and subscription

Equipment hiring charges

	315,520,304	370,226,717
	50,829,798	60,022,370
	41,283,628	36,238,515
	11,459,433	13,291,353
	4,277,405	11,507,390
	1,730,428	2,909,265
	1,671,495	1,612,533
	510,000	-
	1,094,366	2,721,263
	<u>428,376,857</u>	<u>498,529,406</u>

## 15. OTHER INCOME

Recovery of receivable written off

Returns on bank deposits

Gain on sale of operating fixed assets

Other income

	396,296	-
	1,318,235	266,501
	-	737,971
	1,395,960	848,241
	<u>3,110,491</u>	<u>1,852,713</u>

		<b>Unaudited 31 December 2023</b>	Unaudited 31 December 2022
	Note	(Rupees)	
<b>16. FINANCE COST</b>			
Bank charges		<b>62,041</b>	25,909
Interest on workers' profit participation fund		<b>4,195,218</b>	2,097,486
Markup on borrowings	16.1	<b>23,976,864</b>	16,988,842
		<b>28,234,123</b>	19,112,237
<b>16.1 Breakup of markup on borrowings</b>			
Long term financing - from banking company		<b>13,113,351</b>	11,130,540
Short term financing - from banking company		-	5,278,444
Loan from a related party		<b>10,863,513</b>	579,858
		<b>23,976,864</b>	16,988,842
<b>17. TAXATION</b>			
Income tax			
- Current		<b>14,269,261</b>	8,213,159
- Prior		<b>219,992</b>	-
		<b>14,489,253</b>	8,213,159
Deferred		<b>10,448,667</b>	33,731,676
		<b>24,937,920</b>	41,944,835

## 18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

### 19.1 Transactions with related parties

Name of related party	Nature of relationship	Particulars	<b>Half year ended (Un-audited)</b>	
			<b>31 December 2023</b>	31 December 2022
			(Rupees)	
Power Cement limited	Company under common control	Purchases made during the period	<b>136,178,702</b>	189,921,322
Javedan Corporation	Company under common control	Sales made during the period	<b>12,225,272</b>	110,733,073
Arif Habib Corporation	Company under common control	Loan paid during the period		18,118,274
		Interest paid during the period		2,740,983
Mr. Abdus Samad	Company under common control	Interest accrued during the period	<b>10,863,513</b>	-
Globe Residency REIT	Company under common control	Sales made during the period	<b>158,368,863</b>	396,320,140
Rahat Residency Reit	Company under common control	Sales made during the period	<b>15,657,143</b>	32,335,023
Signature Residency Reit	Company under common control	Sales made during the period	<b>39,772,195</b>	-
Silk Islamic Development	Company under common control	Sales made during the period	-	2,315,839



## 19.2 Balances with Related Parties

Name of related party	Nature of relationship	Particulars	Unaudited 31 December 2023	Unaudited 31 December 2022
			(Rupees)	
Power Cement limited	Company under common control	Amount payable as at period end	10,080,127	11,969,856
Javedan Corporation Limited	Company under common control	Advances as at period end	27,062,292	30,035,492
Mr. Abdus Samad	Chief Executive Officer	Loan payable as at period end	87,000,000	87,000,000
Mr. Abdus Samad	Chief Executive Officer	Markup payable as at period end	16,086,564	5,223,051
Globe Residency REIT	Company under common control	Amount receivable as at period	149,520,508	196,193,785
Rahat Residency Reit	Company under common control	Amount receivable as at period	19,641,037	6,860,469
Signature Residency Reit	Company under common control	Amount receivable as at period	13,495,010	2,595,035
Silk Islamic Development	Company under common control	Amount receivable as at period	5,483	70,356

## 19. 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.

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurements is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. As at December 31, 2023 no assets and liabilities are recognized at fair values.

## 20. GENERAL

### 20.1 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:

Reclassification from component	Reclassification to component	Note	-- Rupees --
Other Income	Revenue-net		
(Grouting and other charges - net of sales tax)	(Sale of concrete mix)	<b>16&amp;13</b>	<u>12,095,949</u>

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

These interim financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on \_\_\_\_\_.

## 21.3 Level of rounding

In these interim financial statements, all the figures have been rounded off to the nearest rupee.

  
 \_\_\_\_\_  
**Samad Habib**  
 CEO

  
 \_\_\_\_\_  
**Syed Najmudduja Jafri**  
 Director

  
 \_\_\_\_\_  
**Imran Haque**  
 CFO



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