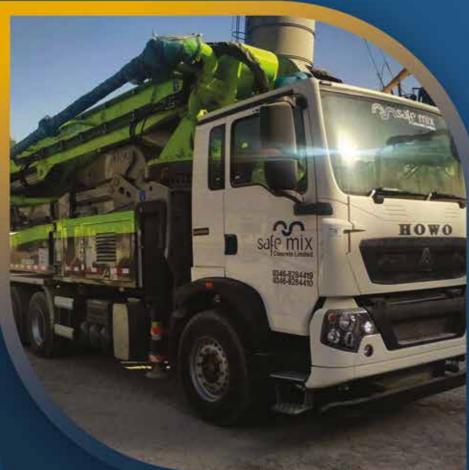


### Nine months ended Report March 2024





# 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 METROLPOLITAN 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

SHARES REGISTRAR THK Associates (Private) Limited



02 Safe Mix Concrete Limited

## **Directors' Review Report**

The Board of Directors of your Company are pleased to present their review report on the condinterim financial and operational performance of your company for the nine-month ended March 31, 2024.

Particulars	Nine Months Ended March 2024	Nine Months Ended March 2023	Quarter Ended March 2024	Quarter Ended March 2023
	Rup	)ees	Rup	ees
Net Sales	946,599,190	1,077,757,975	384,668,876	420,705,220
Cost of sales	(731,582,587)	(829,993,764)	(303,205,730)	(331,464,358)
Gross Profit / (Loss)	215,016,603	247,764,211	81,463,146	89,240,862
Profit/(Loss) before Taxation	125,444,561	185,641,765	50,196,908	65,423,830
Taxation	(39,166,838)	(57,593,379)	(14,228,918)	(15,648,830)
Profit/(Loss) after Taxation	86,277,723	128,048,836	35,967,990	49,775,286
Earnings / (Loss) Per Share-Basic				
and Diluted	3.45	5.12	1.44	1.99

During the period under review your Company achieved sales of PKR 946.599 million as compared to PKR 1077.757 million over the corresponding period resulting in negative variance of 12.17%. This reduction in sale is mainly due to slow down of ongoing projects caused by increased interest rates. The cost of sales for the period remained at PKR 731.582 million as compared to PKR 829.993 million in the corresponding period depicting a 11.86 % reduction of cost which coincides with the reduction in current period sales. The Gross Margin of the Company for the current period is 22.71% as compared to 23.00% in the corresponding period. The administrative and selling expenses for the period stood at PKR 40.331 million as compared to PKR 34.591 million in the corresponding period.

The profit after taxation for the period arrived at PKR 86.278million as compared to profit after taxation of PKR 128.048 million in the corresponding period.

#### **Future Outlook**

Pakistan is still in the midst of significant economic and political challenges. More likely, it could continue to impact the markets of investment climate at least in the short term to medium term. The country's economic stability is contingent upon its ability to secure the new IMF program and reduction trend in interest rates. Upon relaxation in upcoming monetary policy, one can expect betterment in local Real Estate sector.

Your management is assessing the situation regularly and adopting the measures to keep the rising costs under control through extensive R&D and by adopting austerity measures in day-to-day operations.

#### 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

CAR ()

Samad Habib Chief Executive & Director

Kashif Habib Director

### **CONDENSED INTERIM STATEMENT OF** FINANCIAL POSITION

As at March 31, 2024

		Unaudited 31 March 2024	Audited 30 June 2023
ASSETS	Note	(Ruj	pees)
Non-current assets Property, plant and equipment Intangibles Long term deposits Long term advances to employees Deferred taxation - net	3	279,365,110 188,024 23,500 493,366 32,851,761 312,921,761	296,802,818 203,270 23,500 758,006 49,303,276 347,090,870
Stock-in-trade Stores, spares and loose tools Trade debts Loans and advances Prepayments and other receivables Taxation - net Cash and bank balances	4 5 6 7 8	40,371,594 19,062,698 378,237,697 21,190,686 4,494,844 21,295,900 23,139,255 507,792,674	25,495,768 13,462,701 330,208,117 3,363,051 2,701,209 6,229,916 16,431,416 397,892,178
Total assets		820,714,435	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 Issued, subscribed and paid up capital Capital reserve Share premium		<u>350,000,000</u> 250,000,000 14,728,576	350,000,000 250,000,000 14,728,576
Revenue reserve Unappropriated profits		<u>95,843,809</u> 360,572,385	9,566,086
Non-current liabilities Long term financing - secured Staff retirement benefits	9	72,167,595 15,925,855 88,093,450	92,584,308 12,611,608 105,195,916
Current liabilities Trade and other payables Advance from customers Current maturity of long term financing Loan from director Accrued markup	10 9	210,221,079 31,527,787 23,560,176 87,000,000 19,739,558 372,048,600	217,115,922 36,022,325 19,563,955 87,000,000 5,790,268 365,492,470
Contingencies and commitments	11		
Total equity and liabilities		820,714,435	744,983,048

A Sam Samad Habib CEO

Kashif Habib Director

ran Haque CFO

### CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the Nine Months and quarter ended March 31, 2024 (unaudited)

		Nine Mor	nth Ended	Quarter ended		
		Unaudited 31 March 2024	Unaudited 31 March 2023	Unaudited 31 March 2024	Unaudited 31 March 2023	
	Note	(Ru	pees)	(Ruj	pees)	
Revenue - net	12	946,599,190	1,097,534,378	384,668,876	426,578,233	
Cost of revenue	13	(731,582,587)	(829,993,764)	(303,205,730)	(331,464,358)	
Gross profit		215,016,603	267,540,614	81,463,146	95,113,875	
Administrative expenses		(38,228,961)	(33,083,885)	(17,197,427)	(16,300,030)	
Selling and distribution expenses		(2,101,381)	(1,507,737)	(539,523)	(274,361)	
		(40,330,342)	(34,591,622)	(17,736,950)	(16,574,391)	
Operating profit		174,686,261	232,948,992	63,726,196	78,539,484	
Other expenses		(13,230,723)	(20,414,445)	(2,641,943)	(5,289,837)	
Other income		5,295,493	2,118,457	2,185,002	2,073,191	
		(7,935,230)	(18,295,988)	(456,941)	(3,216,646)	
Finance costs	14	(41,306,470)	(29,011,245)	(13,072,347)	(9,899,008)	
Profit before taxation		125,444,561	185,641,759	50,196,908	65,423,830	
Taxation		(39,166,838)	(57,593,379)	(14,228,918)	(15,648,544)	
Profit / (loss) after taxation		86,277,723	128,048,380	35,967,990	49,775,286	
Earning / (loss) per share - basic and diluted		3.45	5.12	1.44	1.99	

ASan Samad Habib CEO

**Kashif Habib** Director

ran Haque CFO

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Nine Months and quarter ended March 31, 2024 (unaudited)

	Nine Month Ended		Quarte	r ended
	Unaudited 31 March 2024	Unaudited 31 March 2023	Unaudited 31 March 2024	Unaudited 31 March 2023
	(Ru	pees)	(Rupees)	
Profit / (loss) after taxation	86,277,723	128,048,380	35,967,990	49,775,286
Other comprehensive income	-	_	-	-
Total comprehensive income / (loss) for the period	86,277,723	128,048,380	35,967,990	49,775,286

AS Samad Habib CEO

**Kashif Habib** Director

ran Haque CFO

## **CONDENSED INTERIM STATEMENT OF** CHANGES IN EQUITY For the Nine Months and quarter ended March 31, 2024 (unaudited)

	lssued subscribed	Loan from	Capital reserve	Revenue reserve	Total
	and paid-up capital	related party	Share premium	Accumulated losses	Total
			(Rupees)		
Balance as at June 30, 2022 (audited)	250,000,000	87,000,000	14,728,576	(122,527,313)	229,201,263
Total comprehensive income for the year Nine Months Ended March 31,2023					
- Profit after taxation - Other comprehensive income	-		-	78,273,100	78,273,100
	_	_	-	78,273,100	78,273,100
Balance as at March 31, 2023 (unaudited)	250,000,000	87,000,000	14,728,576	(44,254,213)	307,474,363
Balance as at June 30,2023 (audited)	250,000,000	-	14,728,576	9,566,086	274,294,662
Total comprehensive income for the year Nine Months Ended March 31,2024					
- Profit after taxation	-	-	-	86,277,723	86,277,723
- Other comprehensive income	-	-	-	- 86,277,723	- 86,277,723
Balance as at March 31, 2024					
(unaudited)	250,000,000		14,728,576	95,843,809	360,572,385

ASam Samad Habib CEO

**Kashif Habib** Director

ran Haque CFO

### CONDENSED INTERIM STATEMENT OF CASH FLOWS

Unaudited

m/ran Haque

CFO

Unaudited

For the Nine Months and quarter ended March 31, 2024 (unaudited)

	31 March 2024	31 March 2023
CASH FLOWS FROM OPERATING ACTIVITIES Note		pees)
Profit before taxation	125,444,561	185,641,759
Adjustments for non-cash items:         - Depreciation on property, plant and equipment         - Amortization of software         - Recovery of receivable written off         - Long term advances written off         - Fixed assets write off         - Provision for expected credit loss         - Provision for staff retirement benefits         - Provision for Workers' Profit Participation Fund         - Loss / (gain) on sale of operating fixed assets         - Finance costs       14         Cash generated from operating activities before	17,816,295 15,246 (396,296) 264,640 	22,951,385 - - - - - - - - - - - - - - - - - - -
working capital changes Effect on cash flow due to working capital changes (Increase) / decrease in current assets		
<ul> <li>Stock-in-trade</li> <li>Stores, spares and loose tools</li> <li>Trade debts</li> <li>Loans and advances</li> <li>Prepayments and other receivables</li> </ul>	(14,875,826) (5,599,997) (50,956,937) (17,827,635) (1,793,635) (91,054,030)	(9,910,512) (10,463,598) (131,846,838) - - <u>30,841,451</u> (121,379,497)
Increase in current liabilities		
<ul> <li>Trade and others payables</li> <li>Advance from customers</li> </ul>	(19,781,144) (4,494,538) (24,275,682)	110,248,551 (130,891,703) (20,643,152)
Cash generated from operations	80,562,109	116,391,568
Income tax paid Staff retirement benefit paid Finance cost paid <b>Net cash generated from operating activities</b>	(37,781,307) (180,375) (21,087,153) (59,048,835) 21,513,274	(22,091,910) - (31,144,793) (53,236,703) 63,154,865
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred Long term advances paid Proceed from sale of fixes assets Profit on saving accounts Long term deposit paid <b>Net cash generated from / (used in) investing activities</b>	(516,250) 69,998 2,061,310 1,615,058	(3,614,172) 137,500 2,500,000 532,244 (12,500) (456,928)
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing obtained during the period Financing repaid during the period Short term borrowing obtained Short term borrowing repaid Loan repaid to related parties	(16,420,492)	(1,613,080) - - (65,000,000) (18,118,274)
Net cash (used in) / generated from financing activities Net (decrease) / increase in cash and cash equivalents	(16,420,492)	(84,731,354)
Cash and cash equivalents at the beginning of the period	6,707,840 16,431,416	(22,033,417) 26,474,945
Cash and cash equivalents at the end of the period	23,139,256	4,441,528
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements		<u> </u>
ASame King	forrauttague	

**Kashif Habib** 

Director

10 Safe Mix Concrete Limited

Samad Habib

CEO

### **NOTES TO THE CONDENSED INTERIM** FINANCIAL STATEMENTS

For the Nine Months and quarter ended March 31, 2024 (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 March 2024	Audited 30 June 2023
3.	PROPERTY, PLANT AND EQUIPMENT	Note	(Ruj	pees)
	Operating fixed assets	3.1	279,365,110	296,802,818
3.1	Operating Assets- at the book value			
	Opening Book Value		296,802,818	328,930,166
	Add: Additions during the period /year Transfers from capital work in progress		516,250	5,830,148 1,039,210
	Less: Disposals / write-off during the period / year -		516,250	6,869,358
	- at net book value - Assets written off		(137,663) –	(1,762,029) (8,770,143)
	- Depreciation charged during the period /year		(17,816,295) (17,953,958)	(28,464,534) (38,996,706)
			279,365,110	296,802,818
4	STOCK-IN-TRADE			
	Cement Fly Ash Sand Crush Chemical		12,369,393 182,652 7,929,061 11,473,487 8,417,001 40,371,594	- 455,898 8,449,438 9,693,222 6,897,210 25,495,768
5.	TRADE DEBTS			
	Total trade debts outstanding Less : provision for expected credit loss		514,548,922 (136,311,225) 378,237,697	463,591,985 (133,383,868) 330,208,117
6.	LOANS AND ADVANCES			
	Loans to employees		1,076,105	1,140,592
	Advances to suppliers - to suppliers - to staff for purchases		19,630,301 484,280 20,114,581 21,190,686	2,085,417 137,042 2,222,459 3,363,051
			21,130,000	୦,୦୦୦,୦୦୮

		Unaudited 31 March 2024	Audited 30 June 2023
7.	PREPAYMENTS AND OTHER RECEIVABLES Note	(Ru	pees)
	Prepayment		
	Insurance	4,192,317	2,154,975
	Other Receivables	302,527 4,494,844	540,234 2,701,209
8.	CASH AND BANK BALANCES		
	Cash in hand	37,612	47,130
	Cash at bank:		
	- Balance held In current accounts	18,742,714	393,500
	- Balances held in saving accounts	4,358,929 23,101,643	15,990,786 16,384,286
		23,139,255	16,431,416
9.	LONG TERM FINANCING - SECURED		
	Dimishing Musharka Facility - I	95,727,771	112,148,263
	Less: Current portion of long term finance shown under current liabilities	(23,560,176)	(19,563,955)
		72,167,595	92,584,308
9.1	Dimishing Musharka Facility - I		
	Opening Carrying Amount	112,148,263	118,034,615
	Add: Facilities received during the period Less: Installments paid during the period	- (16,420,492)	13,004,800 (18,891,152)
	Jan	95,727,771	112,148,263
10.	TRADE AND OTHER PAYABLES		
	Trade creditors	131,080,952	132,050,917
	Withholding tax payable Accrued expenses	1,412,512 10,213,979	10,715,051 12,535,117
	Worker's Profit Participation Fund Payable	49,026,004	36,139,703
	Worker's Welfare Fund payable Sindh Sales tax payable	1,715,311 11,181,244	1,715,311 20,636,042
	Other payables	5,591,077 210,221,079	3,323,781
		210,221,0/9	217,110,922

#### 11. 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 March 31, 2024 (June 30, 2023: Nil)

			Nine Month ended (Un-audited)		Quarter ended (un-audited)		
10			31 March 2024	31 March 2023	31 March 2024	31 March 2023	
12.	REVENUE – NET	Note	(Ruj	pees)	(Rup	bees)	
	Sale of concrete mix		1,069,923,731	1,217,866,512	434,942,477	475,013,944	
	Less : Sindh sale tax		(123,324,541)	(140,108,537)	(50,273,601)	(54,308,724)	
			946,599,190	1,077,757,975	384,668,876	420,705,220	
13.	COST OF SALES						
	Raw materials and stores consumed		548,095,130	632,910,892	232,574,826	262,684,175	
	Fuel and power		82,562,809	90,614,079	31,733,011	30,591,709	
	Salaries, wages and other benefits		68,993,303	56,498,804	27,709,675	20,260,289	
	Depreciation		17,010,946	21,131,796	5,551,513	7,840,443	
	Repair and maintenance		7,113,873	17,651,637	2,836,468	6,144,247	
	Site preparation and sample testing		2,761,794	4,829,404	1,031,366	1,920,139	
	Insurance expenses		2,535,566	2,401,453	864,071	788,920	
	Fees and subscription Equipment hiring charges		510,000 1,999,166	- 3,955,699	- 904,800	1024426	
	Equipment hinnig charges		731,582,587	829,993,764	303,205,730	1,234,436 331,464,358	
			701,002,007	020,000,704			
14.	FINANCE COST						
	Bank charges Interest on workers' profit		62,756	43,749	715	17,840	
	participation fund		6,270,027	3,916,883	2,074,809	1,819,397	
	Markup on borrowings	14.1	34,973,687	25,050,613	10,996,823	8,061,771	
			41,306,470	29,011,245	13,072,347	9,899,008	

#### 15. 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:

#### 15.1 Transactions with related parties

indisuctions with related parties			ths Ended	
			31 March 2024	31 March 2023
			(Ru	pees)
Power Cement limited	Company under common control	Purchases made during the period	267,873,590	276,420,006
Javedan Corporation	Company under common control	Sales made during the period	24,151,178	170,789,493
Mr. Arif Habib	Associate person Lineal Ascendant of CEO	Loan received during the period	-	-
		Loan paid during the period	-	-
Arif Habib Corporation Limited	Company under common control	Loan received during the period	-	-
		Loan paid during the period	-	18,118,274
		Interest accrued during the period	-	-
		Interest paid during the period	-	2,740,983
Mr. Abdus Samad	Company under common control	Loan received during the period	-	-
		Loan paid during the period	-	-
		Interest accrued during the period	16,056,976	-
		Interest paid during the period	1,500,000	-
Global Residency REIT	Company under common control	Sales made during the period	294,559,422	635,363,883
Rahat Residency Reit	Company under common control	Sales made during the period	53,114,140	46,390,022
Signature Residency Reit	Company under common control	Sales made during the period	59,943,225	-
Silk Islamic Development	Company under common control	Sales made during the period	-	2,382,241

Nine Months Ended

#### 15.2 Balances with Related Parties

			Unaudited 31 March 2024	Audited 30 June 2023
Name of related party	Nature of relationship	Particulars	(Ru	pees)
Power Cement limited	Company under common control	Amount payable as at period end	15,011,089	11,969,856
Javedan Corporation Limited	Company under common control	Advances as at period end	24,149,705	30,035,492
Mr. Arif Habib	Associate person Lineal Ascendant of CEO	Loan payable as	-	-
Mr. Abdus Samad	Chief Executive Officer	Loan payable as	8,700,000	87,000,000
Mr. Abdus Samad	Chief Executive Officer	Markup payable	19,780,027	5,223,051
Arif Habib Corporation Limited	Company under common control	Loan payable as	-	-
		Interest Payable	-	-
Global Residency REIT	Company under common control	Amount receivable	181,855,850	196,193,785
Rahat Residency Reit	Company under common control	Amount receivable	15,826,063	6,860,469
Signature Residency Reit	Company under common control	Amount receivable	20,036,533	2,595,035
Silk Islamic Development	Company under common control	Amount receivable	5,483	70,356

#### 16. General

#### 16.1 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 \_\_\_\_\_\_.

#### 16.2 Level of rounding

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

#### 16.3 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:

Reclassification from component	<b>Reclassification to component</b>	Note	Rupees
Other Income (Grouting income)	Revenue - net ( Jul-22 to Mar-23)	12	19,776,403
Other Income (Grouting income)	Revenue - net ( Jan-23 to Mar-23)	12	5,873,013

ASa

Samad Habib CEO

Km Kashif Habib Director

nraullagin Imran Haque CFO











Plot # 1, Global Industry, Nusrat Bhutto Colony, North Nazimabad, Karachi, Pakistan Helpline # 0345-2025369 & 0345-2023473 Website: www.safemixlimited.com



