Downloaded from: www.OpenDoors.Pk

safe mix
Concrete Limited



FOCUSED ON SOLUTIONS

ANNUAL REPORT 2022

Downloaded from: www.OpenDoors.Pk

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.

Downloaded from: www.OpenDoors.Pk

This page has been left blank intentionally

Downloaded from: www.OpenDoors.Pk

safe mix
Concrete Limited

CONTENTS

Company Information	04
Notice Of Annual General Meeting	05
Review Report By The Chairman	10
Directors' Report	12
Key Operational & Financial Data	16
Pattern Of Shareholding	17
Statement Of Compliance With Listed Companies (Code Of Corporate Governance) Regulation, 2019	19
Review Report To The Members On Statement Of Compliance With The Code Of Corporate Governance	21
Auditors' Report To The Members	22
Statement Of Financial Position	26
Statement Of Profit or Loss	27
Statement Of Comprehensive Income	28
Statement Of Changes In Equity	29
Statement Of Cash Flows	30
Notes To The Financial Statements	31
Directors' Report (Urdu)	66
Proxy Form	67

Downloaded from: www.OpenDoors.Pk

Company Information

Board of Directors
Mr. Syed Najmudduja Jaffri – Chairman
Mr. Abdus Samad Habib - Chief Executive Officer
Mr. Kashif Habib
Mr. Khalil Ahmed
Mr. Ahsan Anis
Mrs. Anna Samad
Mr. Muneer Gader

Audit Committee
Mr. Ahsan Anis – Chairman
Mr. Kashif Habib
Mr. Syed Najmudduja Jaffri

Human Resources & Remuneration Committee
Mr. Khalil Ahmed – Chairman
Mr. Syed Najmudduja Jaffri
Mr. Abdus Samad Habib

Chief Financial Officer
Mr. Muneer Gader

Company Secretary
Mr. Muneer Gader

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

Downloaded from: www.OpenDoors.Pk

NOTICE OF 16th ANNUAL GENERAL MEETING

Notice is hereby given that that Sixteenth Annual General Meeting of the shareholders of Safe Mix Concrete Limited (the Company) will be held on Friday, October 28, 2022, at 12:30 p.m. at PSX Auditorium, Stock Exchange Building, and Stock Exchange Road, Karachi to transact the following business.

ORDINARY BUSINESS

1. To confirm the minutes of 15th Annual General Meeting held on October 27, 2021.

2. To receive, consider and adopt annual audited financial statements of the Company together with Auditors' Reports thereon for the year ended June 30, 2022.

3. To appoint Auditors and fix their remuneration for the year ending June 30, 2023. The Board of Directors have recommended for reappointment of M/s. Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants as external auditors.

4. To elect 7 (seven) Directors, as fixed by the Board in accordance with the provision of Section 159 of the Companies Act, 2017, for a term of 3 (three) years. The names of retiring directors of the Company, also eligible to offer themselves for re-election, are as follows:

    1) Syed Najmuddujah Jaffri (Chairman)
    2) Abdus Samad Habib (Chief Executive)
    3) Kashif Habib
    4) Ahsan Anis
    5) Khalil Ahmed
    6) Anna Samad
    7) Muneer Gader

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, 2023 which require approval of shareholders u/s 207 and / or 208 of the companies Act, 2017, 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, 2023.

    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 (if triggered) and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval u/s 207 and / or 208 of the Companies Act, 2017 (if required).

ANY OTHER BUSINESS

6. To consider any other business with the permission of the Chair.

Statements under Section 166(3) for Agenda Item No. 4 and under Section 134(3) of the Companies Act, 2017 in respect of special business contained in Agenda Item Number 5, are annexed to the notice being sent to the members.

By Order of the Board



Muneer Gader
Company Secretary

Karachi
Dated: October 07, 2022

Downloaded from: www.OpenDoors.Pk

Notes:

1. Share transfer books of the Company will remain closed from October 21, 2022 to October 28, 2022 (both days inclusive). Transfers received in order at the office of the company's share registrar, M/s THK Associated (Private) Limited, Plot No 32-C Jami Commercial Street 2, D.H.A Phase VII, Karachi 75500, and e-mail sfc@thk.com.pk Pakistan up to the close of business on Thursday October 20, 2022 will be considered in time for determination of entitlement of shareholders to attend and vote at the meeting.

2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for him/her. Proxy form is enclosed with the Annual report. A proxy must be a member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company, duly stamped, signed and witnessed, not less than 48 (forty eight) hours before the meeting.

3. Procedure including the guidelines as laid down in Circular No. I - 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 national identity card 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 and 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 and the proxy shall be furnished with the proxy form

    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. For election of Directors any person who seeks to contest the election of Directors shall file with the Company at its registered office, not later than fourteen (14) days before the above said meeting his/her intention to offer himself/herself for the election of the Directors in terms of Section 159(3) of the Companies Act, 2017 together with:

    i. Consent to act as director under Section 167(1) of the Act on a duly filled and signed FORM-28.

    ii. Declaration for eligibility to act as director of listed company and awareness of duties and powers of directors under the Companies Act, 2017, Memorandum and Articles of Association of the Company, Rule Book of Pakistan Stock Exchange Limited and the Listed Companies (Code of Corporate Governance) Regulations, 2017 and other relevant laws and regulations.

    iii. Declaration of independence in terms of Section 166(2) of the Companies Act, 2017 as required under Listed Companies (Code of Corporate Governance) Regulations, 2017 (applicable only for person filing consent to act as independent director of the Company).

    iv. A detailed profile along with office address for placement on the Company's website.

    v. Detail of other directorship and offices held

    vi. Copy of valid CNIC (in case of Pakistan national) / Passport (in case of foreign national), and

    vii. NTN & Folio No./CDC Investors Account No./CDC Sub-Account No (applicable for person filing consent for the first time).

Downloaded from: www.OpenDoors.Pk

5. In pursuance of SECP's Circular No. 4 dated February 15, 2021, pertaining to Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector, the shareholders shall be entitled to attend the proceedings of the AGM through online means using a video link facility, Zoom application or other electronic means for the safety and well-being of the valued shareholders and the general public.

   Accordingly the company intends to convene the AGM with minimum physical interaction with shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies.

   Therefore the company has made arrangements to ensure that all participants including 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 saib75@gmail.com with subject of "Registration for JCL AGM 2022" 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.

6. Notice to Shareholders for provision of CNIC and other details

   The Individual Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99- B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi. The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number with the copy of CNIC / NTN details.

7. Payment of Cash Dividend through Electronic Mode (Mandatory)

   Further, under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Consequently, in order to receive future 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 to withhold the payment of future dividends, if any, to such members till provision of prescribed details.

8. E-Voting

   Members can also exercise their right of E-Voting subject to the requirement of Sections 143-145 of the Companies Act, 2017 and the applicable clauses of the Companies (Postal Ballot) Regulations 2018.

9. Provision of Video Link Facility

   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.

Downloaded from: www.OpenDoors.Pk

Shareholders, who wish to participate through video-link facility, are requested to fill in Video Link Facility Form available at Company's website and send a duly signed copy to the Registered Address of the Company.

10. Distribution of Annual Report

The Annual Report of the Company for the year ended June 30, 2022 has been placed on the Company's website at the given link: https://safemixlimited.com/investors-desk.

Further, Annual Report of the Company for the year ended June 30, 2022 is dispatched to the shareholders through CD. 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

11. Deposit of Physical shares in CDC Accounts

As per Section 72 of the Companies Act 2017 every exiting company shall be required to replace its physical shares 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.

12. Unclaimed Dividend

Shareholders, who by any reason, could not claim their previous dividends are advised to contact our Share Registrar M/s THK Associated (Private) Limited, Plot No 32-C Jami Commercial Street 2, D.H.A Phase VII, Karachi 75500, and e-mail sfc@thk.com.pk, to collect/enquire about their unclaimed dividend, if any. The details of the dividend declared by the Company which have remained due for more than three years are available on the Company's website.

Downloaded from: www.OpenDoors.Pk

STATEMENT UNDER SECTION 166 (3) OF THE COMPANIES ACT, 2017

This statement set out justification required concerning Agenda Item No. 4 (Election of Directors) to be transacted at the 16th Annual General Meeting.

AGENDA ITEM NO.4

ELECTION OF DIRECTORS

In terms of section 153 (1) of the Companies Act, 2017, the directors, through circular resolution dated September 23, 2022, have fixed the number of elected directors at Seven (7) to be elected at the Annual General Meeting ("AGM") for a period of three years.

Independent directors, required on the Board, in terms of regulations 6(1) of the listed companies (Code of Corporate Governance) Regulations 2017 shall be elected through the process of election of directors in terms of section 159 of the Companies Act, 2017 and Articles of Association of the Company.

As regards the justification for choosing independent directors in terms of Section 166(3) of the Act, the candidates for independent director should be eligible for election as director of the listed company and meet the criteria of independence laid down under section 166(2) of the Companies Act 2017

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

This statement sets out the material facts concerning the Special Business given in Agenda item 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.

AGENDA ITEM NO.5

AUTHORIZATION FOR THE BOARD OF DIRECTORS TO APPROVE THOSE TRANSACTIONS WITH RELATED PARTIES (IF EXECUTED) DURING THE FINANCIAL YEAR ENDING 30TH JUNE 2023 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 30th June 2023 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 30th June 2023, 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.

Downloaded from: www.OpenDoors.Pk

Review Report by the Chairman

During the year under review, the Board of Directors (the Board) of Safe Mix Concrete Limited (SMCPL) 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 2022 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 adequate resources to ensure that the committees 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;

Downloaded from: www.OpenDoors.Pk

- 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 SMCPL 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

Date : 06 October 2022

Downloaded from: www.OpenDoors.Pk

Directors' Report

On the behalf of the Board of Directors of 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, 2022, together with auditors' report thereon.

Overview

The Financial Year 21-22 has been impressive as the Company has been able to post the highest Profit After Tax amounting to PKR 46.456 million translating into an EPS of Rs. 1.86 per share. Although the last quarter of FY 21-22 has been distressed on account macroeconomic challenges and uncertainties and growth and sales had declined overall. However, for your Company the last quarter of FY 21-22 has been exceptional as company achieved sales of PKR 317.272 million alone in last quarter as compared to PKR 201.220 million in first nine month of the financial year.

During the period under review the Company also incurred significant capital expenditure amounting to PKR 153.701 million to increase the transit mixers. The increased transit mixers will enable the Company to meet future concrete demand which in turn will lead to improved sales and profitability for the coming period.

Financial Performance

During the year under review the Company recorded a sale of PKR 518.493 million as compared to PKR 221.232 million in the corresponding year. The cost of sale incurred for the year is PKR 416.164 million as compared to PKR 203.600 million in the corresponding year. The gross profit for the year is PKR 102.329 million as compared to gross profit of PKR 17.631 million resulting in positive variance of PKR 84.697 million over the corresponding year.

The administrative expense incurred for the year is PKR 29.138 million The finance cost incurred for the year is PKR 18.049 million and other income earned for the year is PKR 23.299 million.

Operating Results

	Year Ended June 30	
	2022	2021
	----------Rupees----------	
Sales	**518,493,673**	221,232,490
Cost of Sales	**(416,164,447)**	(203,600,861)
Gross Profit	**102,329,226**	17,631,629
Administrative & Selling expenses	**(30,306,596)**	(16,176,225)
Operating Profit	**72,022,630**	1,455,404
Other Expenses	**(5,949,085)**	-
Finance Cost	**(18,049,631)**	(9,600,672)
Other Income	**23,299,041**	6,760,906
Profit / (Loss) before taxation	**71,322,955**	(1,384,363)
Taxation	**(24,866,606)**	7,951,091
Profit after taxation	**46,456,349**	6,566,728
EPS – Basic and diluted	**1.86**	0.26

Outlook

The outlook of Construction and Real Estate Sector seems challenging as significant increase in construction cost has a negative impact on the Sector. Completion of ongoing projects and launch of new projects may be delayed until overall economic sentiment improves, and market certainty prevails.

Despite the challenges in Real Estate Sector the government efforts on rehabilitation and reconstruction of infrastructure / houses affected by Monsoon Floods will provide some relief to the Cement and Concrete Sector. Also, the ongoing Real Estate Projects of associated companies provides reasonable sales demand in the next immediate period. And as overall sentiments improve associated companies may also launch projects in pipeline and other players in market will also join in. Hence outlook of the Company seems balanced, and we may see growth of your company in coming periods.

Corporate and Financial Reporting Framework

SMCL is listed at the Pakistan Stock Exchange. 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 accuracy, comprehensiveness, and transparency of financial and non-financial information.

Downloaded from: www.OpenDoors.Pk

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 flows 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.

It has always been SMCL's endeavour to excel through better Corporate Governance and fair and transparent practices.

Trading in Company's Shares

During the year ended June 30, 2022, the directors, executives and their spouses and minor children have not traded in the shares of the Company except as disclosed under Annexure I. 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 Meeting

During the year ended 30 June 2022, 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	3/4	1/1
Abdus Samad Habib	4/4	4/4*	1/1
Ahsan Anis	4/4	4/4	N/A
Kashif Habib	4/4	4/4	N/A
Khalil Ahmed	4/4	N/A	1/1
Anna Samad	2/4	N/A	N/A
Muneer Gader	4/4	4/4*	N/A

- Mr. Abdus Samad Habib and Mr. Muneer Gader attended Audit Committee Meeting by invitation.

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: 2

Downloaded from: www.OpenDoors.Pk

Committees of the Board:

Audit Committee

Mr Ahsan Anis	Chairman
Mr Kashif Habib	Member
Mr. Abdus Samad Habib	Member

Human Resource & Remuneration Committee

Mr Khalil Ahmed	Chairman
Syed Najmudduja Jaffri	Member
Mr Abdus Samad Habib	Member

Internal Control

The Company have deployed an effective system of Internal Financial Control in order to safeguard its assets and ensure the accuracy and reliability of its records. Senior management reviews financial performance of the Company through detailed monthly financial reports and analysis, while the Board also carries out its own review at each quarter and probes into any variation versus expectation. Detailed examinations are also carried out by the internal audit function which reviews adherence to internal control processes as well as laid out procedures and report its findings to the Board of Audit Committee.

Auditors

The board of director have recommended appointment of M/s Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants as external auditors for the year ending June 30, 2023 to the General Meeting.

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 and presented at Page No. 16.

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.

Investment in Retirement Benefits

The company operates an unfunded gratuity scheme for all its eligible employees who have completed their minimum qualifying period of service with the company.

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

Karachi: October 06, 2022

Abdus Samad Habib
Chief Executive Officer

Syed Najmudduja Jaffri
Chairman

Downloaded from: www.OpenDoors.Pk

Annexure I

Statement Showing Shares Bought and Sold by Director and CEO
From July 01, 2021 to June 30, 2022

Name	Designation	Shares Bought	Shares Sold	Remarks
Mr. Abdus Samad	Chief Executive	4,164,000	-	-

Downloaded from: www.OpenDoors.Pk

Key Operational & Financial Data

	2022	2021	2020	2019	2018	2017	2016	2015
	---------- (Rupees) ----------							
Revene	518,493,673	221,232,490	409,447,827	879,312,072	590,070,371	197,858,437	304,467,342	690,183,505
Cost of sales	416,164,447	203,600,861	422,447,307	865,539,147	551,690,674	190,969,639	281,687,468	629,516,153
Gross Profit / (Loss)	102,329,226	17,631,629	(12,999,480)	13,772,925	38,379,697	6,888,798	22,779,874	60,667,352
Selling and administrative expenses	30,306,596	16,176,225	47,139,072	50,061,388	33,581,397	28,467,849	25,056,498	30,395,343
Loss on impairment of fixed assets	-	-	45,062,463	-	-	-	-	-
Finance cost	18,049,631	9,600,672	12,952,981	13,924,828	11,278,697	9,524,898	6,721,723	7,620,577
Profit / (Loss) before tax	71,322,955	(1,384,363)	(110,022,623)	(39,152,575)	4,420,639	(19,756,611)	(54,897,677)	29,020,218
Profit / (Loss) after tax	46,456,349	6,566,728	(98,777,041)	(29,771,054)	2,415,373	(16,767,581)	(37,250,757)	21,648,586
Paid up Capital	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Total Assets	705,959,292	520,829,314	490,062,787	608,474,409	753,508,449	503,902,449	453,987,266	458,307,524
Total Liabilities	476,758,029	337,958,149	312,706,753	420,325,976	512,452,055	265,208,239	197,546,247	160,180,512
EPS	1.86	0.26	(3.95)	(1.19)	0.10	(0.67)	(1.49)	1.01

Downloaded from: www.OpenDoors.Pk

Pattern of Shareholding

As on 30/06/2022

No.of shareholders	<--Having Shares--> From	To	Shares held	Percentage
150	1	100	1,769	0.0071
237	101	500	114,327	0.4573
97	501	1000	94,548	0.3782
186	1001	5000	534,259	2.1370
55	5001	10000	456,223	1.8249
9	10001	15000	122,500	0.4900
16	15001	20000	296,485	1.1859
12	20001	25000	281,500	1.1260
5	25001	30000	141,500	0.5660
3	30001	35000	99,000	0.3960
1	35001	40000	37,500	0.1500
1	40001	45000	42,000	0.1680
7	45001	50000	350,000	1.4000
1	50001	55000	55,000	0.2200
2	55001	60000	120,000	0.4800
1	60001	65000	64,000	0.2560
1	70001	75000	75,000	0.3000
1	80001	85000	84,500	0.3380
1	85001	90000	90,000	0.3600
3	95001	100000	295,500	1.1820
1	105001	110000	110,000	0.4400
1	125001	130000	129,500	0.5180
1	130001	135000 1	31,500	0.5260
1	145001	150000	150,000	0.6000
1	155001	160000	157,000	0.6280
1	165001	170000	166,500	0.6660
1	190001	195000	194,000	0.7760
2	195001	200000	395,000	1.5800
1	220001	225000	225,000	0.9000
1	250001	255000	251,500	1.0060
1	670001	675000	673,517	2.6941
1	1145001	1150000	1146,042	4.5842
1	5170001	5175000	5,172,500	20.6900
1	5695001	5700000	699,328	22.7973
1	7040001	7045000	7,043,002	28.1720
805		Company Total	25,000,000	100.000

Downloaded from: www.OpenDoors.Pk

Category of shareholders

As on 30/06/2022

Particulars	No. of Folio	No.of Shares	Percentage
DIRECTORS, CEO & CHILDREN	3	6,000	0.0240
BANKS, DFI & NBFI	1	673,517	2.6941
GENERAL PUBLIC (LOCAL)	776	18,158,389	72.6336
GENERAL PUBLIC (FOREIGN)	18	255,015	1.0201
OTHERS	7	5,907,079	23.6283
Company Total	**805**	**25,000,000**	**100.0000**

List of Shareholders holding 5% And Above Shares

As on 30/06/2022

Name	No.of Shares	Percentage
Arif Habib Limited	5,699,328	22.80%
Arif Habib	5,172,500	20.69%
Abdus Samad	7,043,002	28.17%
Total	**17,914,830**	**71.66%**

Downloaded from: www.OpenDoors.Pk

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

Year ended 30, June 2022

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	Names
Independent Director	Mr. Ahsan Anis Mr. Khalil Ahmed
Executive Director	Mr. Samad A. Habib Mr. Muneer Gader
Non-Executive Directors	Mr. Kashif Habib Syed Najmudduja Jaffri
Female Director	Ms. Anna Samad (Non-Executive Director)

3. The directors have confirmed that none of them is serving as a director on 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 Companies Act 2017 (“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 Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. 3 out of 7 directors have attended directors training program and the remaining directors shall acquire the required training within ongoing financial year.

10. The Board has approved 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. No new appointments were made during the year.

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:

Downloaded from: www.OpenDoors.Pk

Audit Committee	Mr. Ahsan Anis - Chairman Mr. Kashif Habib – Member Mr. Syed Najmudduja Jaffri – Member
HR and Remuneration Committee	Mr. Khalil Ahmed - Chairman Mr. Abdus Samad Habib - Member Mr. 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 was held 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 are 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 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

19. Explanation of non-compliance with requirements, other than regulation 3,6,7,8,27,32,33 and 36 is below:

Regulation	Compliance Requirement	Explanation
06	A company shall have at least two or one third members of the board, whichever is higher, as independent director. 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.	During the year ended 30 June 2022 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.
24	An individual shall not simultaneously hold the position of Company secretary and Chief Financial Officer.	The Board is of the opinion the person is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles simultaneously. In addition, it is a cost effective measure and it is in the best interest of Company & the shareholders.



Chairman
Syed Najmudduja Jaffri

Karachi
Dated: October 06, 2022

Downloaded from: www.OpenDoors.Pk

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
Tel. No. :(021) 34549345-9
E-Mail :info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

INDEPENDENT AUDITORS' 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

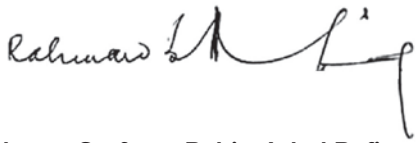
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Safe Mix Concrete Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 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, 2022.



Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Karachi.
Dated : October 06, 2022
UDIN: CR202210213UOLSeT2px

A member of
Russell Bedford International
A global network of independent accountancy firms,
business consultants and specialist legal advisers.

Downloaded from: www.OpenDoors.Pk

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
Tel. No. :(021) 34549345-9
E-Mail :info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

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, 2022, 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, 2022 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 were 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.

Following are the Key audit matters:

S.No	Key audit matter(s)	How the matter was addressed in our audit
01	**Expenditures incurred on Property, Plant and Equipment (Refer note 4.1 to the financial statements)** During the year, the Company incurred significant expenditures on plants and equipment amounting, in aggregate, to Rs. 160.3 million. Such expenditures were mainly financed through long-term financing facilities obtained from an Islamic institution. We considered this matter to be of most significance keeping in view the materiality of the amounts involved as well as the fact that its recognition, measurement, presentation and disclosure in the financial statements required the application of significant management judgment which, in turn, required us to apply significant auditor judgment and, accordingly, devote sufficient time and resources to obtain sufficient appropriate audit evidence.	Our audit procedures included, but were not limited to, the following: • Inspecting necessary documentary evidences to verify the occurrence and accuracy of the expenditures incurred on the plants and equipment and the corresponding loan proceeds received from the Islamic institution; • Assessing the reasonableness of various factors and assumptions used by management in determining the useful lives of the assets as well as inspecting the necessary documentary evidences to establish the date from which such assets were considered as 'available for use' and, hence, be depreciated from that date; • Recalculating the carrying amounts of the assets and the related loan liability as well assessing the adequacy of their presentation and disclosures.

A member of
Russell Bedford International
A global network of independent accountancy firms,
business consultants and specialist legal advisers.

Downloaded from: www.OpenDoors.Pk

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
Tel. No. :(021) 34549345-9
E-Mail :info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

2	**Revenue from contracts with customers (Refer note 24 to the financial statements)** Revenue is recognized when control of the underlying products has been transferred to the customers. The Company recognized revenue from the sales of ready-mix concrete subject to the acknowledgement of customers. We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and due to the reason that the revenue increased significantly as compared to last year. In addition, revenue also considered as an area of significant audit risk as part of audit procedures.	Our audit procedures amongst others included the following: - evaluated management controls over revenue and checked their validation; - performed verification of sales, on sample basis, with underlying documentation including gate pass, delivery order and invoice; - performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period; - performed audit procedures to analyze variation in the price and quantity sold during the year; and - ensured that presentation and disclosures related to revenue are being addressed appropriately.

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.

A member of
Russell Bedford International
A global network of independent accountancy firms,
business consultants and specialist legal advisers.

Downloaded from: www.OpenDoors.Pk

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
Tel. No. :(021) 34549345-9
E-Mail :info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

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.

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;

A member of
Russell Bedford International
A global network of independent accountancy firms,
business consultants and specialist legal advisers.

Downloaded from: www.OpenDoors.Pk

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
Tel. No. :(021) 34549345-9
E-Mail :info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

(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).

Other Matter

The financial statements of the Company for the year ended June 30, 2021 were audited by M/s. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants who, vide their audit report dated October 01, 2021, expressed an unmodified opinion on those financial statements.

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: October 06, 2022
UDIN: AR202210213W07Rzh1tO

A member of
Russell Bedford International
A global network of independent accountancy firms,
business consultants and specialist legal advisers.

Downloaded from: www.OpenDoors.Pk

STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

	Note	2022	2021
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	4	328,930,166	187,093,830
Long term deposits	5	46,960	7,033,950
Long term advances to employees	6	1,152,140	1,152,140
Deferred taxation - net	7	76,921,709	95,255,579
		407,050,975	290,535,499
Current assets			
Stock-in-trade	8	19,805,708	16,479,091
Stores, spares and loose tools		7,790,399	6,228,312
Trade debts	9	184,044,628	135,687,353
Loans and advances	10	46,940,491	16,389,341
Prepayments and other receivables	11	1,510,017	584,327
Assets held for sale		-	3,000,000
Taxation - net	12	12,342,128	10,329,577
Cash and bank balances	13	26,474,946	41,595,814
		298,908,317	230,293,815
Total assets		705,959,292	520,829,314
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
35,000,000 (June 30, 2021: 35,000,000) ordinary share of Rs. 10 each	14	350,000,000	350,000,000
Issued, subscribed and paid up capital	14	250,000,000	250,000,000
Capital contribution - Loan from director	15	87,000,000	87,000,000
Capital reserve			
Share premium		14,728,576	14,728,576
Revenue reserve			
Accumulated losses		(122,527,313)	(168,857,411)
		229,201,263	182,871,165
Non-current liabilities			
Long term financing - secured	16	100,021,093	462,639
Staff retirement benefits	17	7,664,169	6,113,600
		107,685,262	6,576,239
Current liabilities			
Short term borrowing - secured	18	80,000,000	86,000,000
Trade and other payables	19	109,615,559	203,039,903
Advance from customers	20	138,851,469	6,589,491
Current maturity of long term financing		18,013,522	1,526,256
Loan from related parties - unsecured	21	18,118,274	33,000,000
Accrued markup	22	4,473,943	1,226,260
		369,072,767	331,381,910
Contingencies and commitments	23		
Total equity and liabilities		705,959,292	520,829,314

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

Samad Habib	**Kashif Habib**	**Muneer Gader**
CEO	**Director**	**CFO**

Downloaded from: www.OpenDoors.Pk

STATEMENT OF PROFIT AND LOSS ACCOUNT

For the year ended June 30, 2022

	Note	2022	2021
		(Rupees)	
Revenue - net	24	518,493,673	221,232,490
Cost of sales	25	(416,164,447)	(203,600,861)
Gross profit		102,329,226	17,631,629
Administrative expenses	26	(29,138,878)	(15,917,397)
Selling and distribution expenses	27	(1,167,718)	(258,828)
		(30,306,596)	(16,176,225)
Operating profit		72,022,630	1,455,404
Other expenses	28	(5,949,085)	-
Other income	29	23,299,041	6,760,906
		17,349,956	6,760,906
Finance costs	30	(18,049,631)	(9,600,672)
Profit / (loss) before taxation		71,322,955	(1,384,363)
Taxation	31	(24,866,606)	7,951,091
Profit after taxation		46,456,349	6,566,728
Earning per share - basic and diluted		1.86	0.26

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

Samad Habib
CEO

Kashif Habib
Director

Muneer Gader
CFO

Downloaded from: www.OpenDoors.Pk

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2022

	Note	2022	2021
		(Rupees)	
Profit after taxation		46,456,349	6,566,728
Other comprehensive loss			
Items that will not be reclassified subsequent to profit or loss			
Remeasurements loss on defined benefit liability		(177,818)	(1,481,124)
Tax thereon		51,567	429,526
		(126,251)	(1,051,598)
Total comprehensive income for the year		46,330,098	5,515,130

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

Samad Habib
CEO

Kashif Habib
Director

Muneer Gader
CFO

Downloaded from: www.OpenDoors.Pk

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2022

	Issued, subscribed and paid-up capital	Share premium reserve	Loan from related party	Accumulated profit / (loss)	Total
	----------(Rupees)----------				
Balance as at June 30, 2020	250,000,000	87,000,000	14,728,576	(174,372,541)	177,356,035
Total comprehensive income for the year ended June 30, 2021					
- Profit after taxation	-	-	-	6,566,728	6,566,728
- Other comprehensive loss	-	-		(1,051,598)	(1,051,598)
	-	-	-	5,515,130	5,515,130
Balance as at June 30, 2021	250,000,000	87,000,000	14,728,576	(168,857,411)	182,871,165
Total comprehensive income for the year ended June 30, 2022					
- Profit after taxation	-	-	-	46,456,349	46,456,349
- Other comprehensive loss	-	-	-	(126,251)	(126,251)
	-	-	-	46,330,098	46,330,098
Balance as at June 30, 2022	250,000,000	87,000,000	14,728,576	(122,527,313)	229,201,263

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

Samad Habib
CEO

Kashif Habib
Director

Muneer Gader
CFO

Downloaded from: www.OpenDoors.Pk

STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

	Note	2022	2021
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		71,322,955	(1,384,363)
Adjustments for non-cash items:			
- Depreciation on property, plant and equipment	4.1	15,889,777	11,487,409
- Provision for expected credit loss	9.2	-	3,521,519
- Provision for staff retirement benefit	17.2	1,594,801	1,093,780
- Provision for Workers' Profit Participation Fund	28	3,863,602	-
- Gain on final settlement with CDGK	29	(1,308,758)	-
- Profit on saving accounts	29	(412,250)	(84,002)
- Gain on sale of asset held for sale	29	(200,000)	-
- Ammotization of deferred income	29	-	(1,120,000)
- Gain on sale of operating fixed assets	29	-	(272,841)
- Finance costs	30	18,049,631	9,600,672
		37,476,803	24,226,537
Cash generated from operating activities before working capital changes		108,799,758	22,842,174
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
- Stock-in-trade		(3,326,617)	(3,397,462)
- Stores, spares and loose tools		(1,562,087)	(762,652)
- Trade debts		(48,357,275)	(34,397,339)
- Loans and advances		(30,551,150)	13,464,151
- Prepayments and other receivables		(925,690)	2,692,390
Increase in current liabilities			
- Trade and others payables		(90,813,201)	(69,799,841)
- Advance from customers		132,261,978	(3,183,409)
		(43,274,042)	(95,384,162)
Cash generated from / (used in) operations		65,525,716	(72,541,988)
Income tax (paid) / received		(8,493,722)	19,274,372
Staff retirement benefit paid	17.1	(222,049)	(383,576)
Finance cost paid		(12,975,505)	(9,447,745)
		(21,691,276)	9,443,051
Net cash generated from / (used in) operating activities		43,834,440	(63,098,937)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(156,031,552)	(22,061,090)
Proceeds from sale of operating fixed assets		-	3,920,000
Proceed from sale of advance from setter plant		1,500,000	-
Profit on saving accounts		412,250	84,002
Long term deposit recovered		-	12,291,240
Net cash used in investing activities		(154,119,302)	(5,765,848)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipt / (payment) from bank against long term financing		116,045,720	(21,989,609)
Loan received from related parties		228,600,000	85,879,022
Loan repaid from related parties		(243,481,726)	(52,879,022)
Net cash generated from financing activities		101,163,994	11,010,391
Net decrease in cash and cash equivalents		(9,120,868)	(57,854,393)
Cash and cash equivalents at the beginning of the year		(44,404,186)	13,450,207
Cash and cash equivalents at the end of the year	33	(53,525,054)	(44,404,186)

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

Samad Habib	Kashif Habib	Muneer Gader
CEO	Director	CFO

Downloaded from: www.OpenDoors.Pk

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

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 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 except for the asset classified as held for sale which is measured at the lower of its carrying amount (as on the date of such classification) and its fair value less costs to sell.

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.

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.

Downloaded from: www.OpenDoors.Pk

(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 reduced over time and, accordingly, whether it is appropriate to use 'diminishing balance method' as the depreciation method.
3.14	**Timing of revenue recognition**	Whether **control** of the promised goods is transferred to the customer when the goods are dispatched from the Company's premises.
26.3	**Lease term**	Whether the lessee and the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

(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 estimation uncertainty	Brief description of the assumption or the source of estimation uncertainty
3.1	**Property, plant and equipment**	Estimation of useful lives and residual values of the operating fixed assets
3.4	**Stores, Spares and loose tools**	Estimation of the net realizable value of stores and spares inventory and recognition of the provision for slow-moving items
3.11	**Deferred taxation**	Recognition of deferred tax asset on unused tax losses and unused tax credits - availability of future taxable profit against which deductible temporary differences and unused tax losses and unused tax credits can be utilised

2.5 New accounting pronouncements

2.5.1 Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2022.

During the year certain new accounting and reporting standards / amendments / interpretations became effective and applicable to the Company. However, since such updates were not considered to be relevant to these financial statements, the same have not been reported.

2.5.2 New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective

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

Downloaded from: www.OpenDoors.Pk

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IFRS 3 'Business Combinations' - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The management of the Company is currently in the process of assessing the impacts of these amendments to these financial statements.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  a. requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

Downloaded from: www.OpenDoors.Pk

c. clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

The management of the Company is currently in the process of assessing the impacts of above amendments to these financial statements.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The amendments are not likely to affect the financial statements of the Company.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted. The amendments are not likely to affect the financial statements of the Company.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique This amendment enables the fair value measurement of biological assets on a post-tax basis.

  The above amendments are not likely to affect the financial statements of the Company.

Downloaded from: www.OpenDoors.Pk

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant 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.

Assets acquired under Ijarah Arrangements with financial institutions are classified as operating lease under Islamic Financial Accounting Standard (IFAS) No. 2 "Ijarah" was notified by SECP vide S.R.O. 431 (I) / 2007 on 22 May 2007. The said IFAS requires the Ijarah payments under such arrangements to be recognized as an expense over the Ijarah term.

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.

3.2 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.

Downloaded from: www.OpenDoors.Pk

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.

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.

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.

3.3 Impairement of 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.

Downloaded from: www.OpenDoors.Pk

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.

3.4 Inventories including stores, spares and loose tools

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

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

3.5 Trade debts

Trade debts are carried at cost, which is the fair value of the consideration to be received, less provision for expected credit loss. Provision for expected credit loss are estimated on the basis of review of outstanding amounts at the year end. Bad debts are written off when identified.

3.6 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried at cost. 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).

Downloaded from: www.OpenDoors.Pk

(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.

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.

Downloaded from: www.OpenDoors.Pk

(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.

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.

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.

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.

Downloaded from: www.OpenDoors.Pk

3.10 Staff retirement benefits - Defined contribution plan

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees. The actuarial valuation is carried out using the Projected Unit Credit Method.

3.11 Taxation

Income tax comprises of current and deferred tax. Income tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or below equity, in which case it is recognised in other comprehensive income or below equity respectively.

Current tax

Current year taxation is based on the taxable income determined in accordance with the prevailing law for taxation at the current rate of tax or one point five percent of turnover, whichever is higher, after taking into account applicable tax credits, rebates and exemptions available, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 loses 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.

Downloaded from: www.OpenDoors.Pk

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.

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 directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to all borrowings of the Company that are outstanding during the period. However, the Company excludes from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that the Company capitalises during a period does not exceed the amount of borrowing costs it incurs during that period.

The Company begins capitalising borrowing costs as part of the cost of a qualifying asset on the 'commencement date' which is the date when the Company first meets all of the following conditions: (a) it incurs expenditures for the asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

The Company ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.14 Revenue

Revenue from sale of goods is recegnized 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.

Downloaded from: www.OpenDoors.Pk

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.

	Note	2022	2021
		(Rupees)	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	328,930,166	184,523,323
Capital work in progress	4.2	-	2,570,507
		328,930,166	187,093,830

4.1 Operating fixed assets

	Buidling	Plant and Machinery	Furniture and fixture	Computers	Electrical equipment	Office equipment	Vehicles	Total
	Rupees							
As at June 30, 2020								
Cost	14,769,733	249,103,392	962,113	1,861,290	757,847	4,411,885	6,457,013	278,323,273
Accumulated depreciation	(2,453,529)	(91,017,770)	(475,027)	(1,665,675)	(488,169)	(1,599,904)	(4,150,008)	(101,850,082)
Net book value	12,316,204	158,085,622	487,086	195,615	269,678	2,811,981	2,307,005	176,473,191
Movement during the year ended June 30, 2021								
Opening net book value	12,316,204	158,085,622	487,086	195,615	269,678	2,811,981	2,307,005	176,473,191
Additions / transfer								
- Additions	510,912	5,081,638	56,000	24,000	-	277,500	2,011,040	7,961,090
- Transfer	-	18,223,610	-	-	-	-	-	18,223,610
	510,912	23,305,248	56,000	24,000	-	277,500	2,011,040	26,184,700
Disposals:								
- Cost	-	(5,716,225)	-	-	-	-	(3,468,735)	(9,184,960)
- Accumulated depreciation	-	2,997,044	-	-	-	-	2,540,758	5,537,802
	-	(2,719,181)	-	-			(927,977)	(3,647,158)
Asssets classified as held for sale	-	-	-	-				
- Cost	-	(24,302,308)	-	-	-	-	-	(24,302,308)
- Accumulated depreciation	-	21,302,308	-	-	-	-	-	21,302,308
	-	(3,000,000)	-	-			-	(3,000,000)
Depreciation for the year	(508,303)	(10,062,505)	(51,975)	(64,295)	(26,968)	(273,378)	(499,985)	(11,487,409)
Closing net book value	12,318,813	168,609,184	491,110	155,320	242,710	2,816,103	2,890,083	187,523,323
As at June 30, 2021								
Cost	15,280,645	242,390,107	1,018,113	1,885,290	757,847	4,689,385	4,999,318	271,020,705
Accumulated depreciation	(2,961,832)	(76,780,923)	(527,002)	(1,729,970)	(515,137)	(1,873,282)	(2,109,235)	(86,497,381)
Net book value	12,318,813	165,609,184	491,110	155,320	242,710	2,816,103	2,890,083	184,523,323

Downloaded from: www.OpenDoors.Pk

	Buidling	Plant and Machinery	Furniture and fixture	Computers	Electrical equipment	Office equipment	Vehicles	Total
Movement during the year ended June 30, 2022	---------- Rupees ----------							
Opening net book value	12,318,813	165,609,184	491,110	155,320	242,710	2,816,103	2,890,083	184,523,323
Additions / transfer								
- Additions	2,967,835	151,735,807	3,030	186,000	-	73,150	-	154,965,822
- Transfer	-	1,965,730	-	-	-	-	3,365,067	5,330,797
	2,967,835	153,701,537	3,030	186,000	-	73,150	3,365,067	160,296,619
Disposals:								
- Cost	-	-	-	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Depreciation for the year	(615,941)	(12,990,014)	(49,111)	(70,957)	(24,271)	(236,596)	(1,902,887)	(15,889,777)
Closing net book value	14,670,707	306,320,707	445,029	270,363	218,439	2,652,657	4,352,263	328,930,165
As at June 30, 2022								
Cost	18,248,480	396,091,644	1,021,143	2,071,290	757,847	4,762,535	8,364,385	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	306,320,707	445,030	270,363	218,439	2,652,657	4,352,263	328,930,166
Annual rates of depreciation	5%	10% & units of production	10%	30%	10%	10%	20%	

	Note	2022	2021
		(Rupees)	
4.1.1 Depreciation charge for the year has been allocated as follows:			
Cost of sales	25	14,747,687	10,870,799
Administrative expenses	26	1,142,090	616,610
		15,889,777	11,487,409
4.2 Capital work in progress			
Opening balance		2,570,507	6,694,117
Additions during the year		1,065,730	1,300,000
Transferred to operating fixed assets		(3,636,237)	(5,423,610)
Closing balance		-	2,570,507
5. LONG TERM DEPOSITS			
Deposit against ijarah finance		-	1,191,800
Deposit against rented premises		-	5,292,430
Others		46,960	549,720
		46,960	7,033,950

6. LONG TERM ADVANCES TO EMPLOYEES

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

Downloaded from: www.OpenDoors.Pk

	Note	2022	2021
		(Rupees)	
7. DEFERRED TAXATION - net			
Taxable temporary differences:			
- Accelerated depreciation		39,803,610	26,856,621
Deductible temporary differences:			
- Unabsorbed tax losses and depreciation		(45,566,136)	(55,807,775)
- Minimum tax		(32,503,267)	(27,740,113)
- Provision against ECL		(36,433,307)	(36,791,368)
- Provision for gratuity - net		(2,222,609)	(1,772,944)
		(116,725,319)	(122,112,200)
		(76,921,709)	(95,255,579)
8. STOCK IN TRADE			
8.1 Disaggregation by material type			
Cement		3,245,209	3,499,573
Fly ash		293,706	32,357
Sand		6,095,078	6,302,228
Crush		8,866,207	5,784,182
Chemical		1,305,508	860,751
		19,805,708	16,479,091

The stock is pledged with banks as security against Isitisna facilities (refer note. 18).

	Note	2022	2021
		(Rupees)	
9. TRADE DEBTS			
Total trade debt outstanding	9.1	309,676,720	262,554,139
Less : provision for expected credit loss	9.2	(125,632,092)	(126,866,786)
		184,044,628	135,687,353

9.1 This includes an amount of Rs. 72.525 million (2021: Rs. Nil) receivable from M/s. Globe Residency REIT, a related party, in respect of goods sold during the year.

	Note	2022	2021
		(Rupees)	
9.2 Provision for expected credit loss			
Balance as at beginning of the year		126,866,786	123,345,267
(Reversal) / charge for the year - net		(1,234,694)	3,521,519
Balance as at closing of the year		125,632,092	126,866,786
10. LOANS AND ADVANCES			
Advances			
- to suppliers	10.1	45,413,075	14,873,378
- to staff for purchases		-	1,115,573
		45,413,075	15,988,951
Loans to employees	10.2	1,527,416	400,390
		46,940,491	16,389,341

Downloaded from: www.OpenDoors.Pk

10.1 These include an advance of Rs. 6.89 million (2021: Nil) made to M/s. Power Cement Limited, a related party, for procurment of ordinary Portland cement.

10.2 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.

	Note	2022	2021
		(Rupees)	
11. PREPAYMENTS AND OTHER RECEIVABLES			
Prepayment		1,413,214	539,369
Other receivables		96,803	44,958
		1,510,017	584,327
12. TAXATION - net			
Opening balance		10,329,577	32,922,436
Payment made / tax refund during the year		8,493,722	(19,274,371)
		18,823,299	13,648,065
Less : Provision for taxation - current year		(6,481,171)	(3,318,487)
Closing balance		12,342,128	10,329,577
13. CASH AND BANK BALANCES			
Cash in hand		6,175	161,271
Cash at bank:			
- Balance held in current accounts		2,541,298	40,784,064
- Balance held in saving accounts	13.1	23,927,473	650,479
		26,468,771	41,434,543
		26,474,946	41,595,814

13.1 During the year, average interest rate on saving accounts is 2.75% to 9.00% (2021: 5.75%).

14. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022	2021		2022	2021
---Number of shares---			---------Rupees----------	
		Authorized capital		
35,000,000	35,000,000	Ordinary shares of Rs.10/- each	**350,000,000**	350,000,000
		Issued, subscribed and paid up capital		
		Ordinary share of Rs. 10 each fully		
25,000,000	25,000,000	paid in cash	**250,000,000**	250,000,000

15. LOAN FROM DIRECTOR

Capital contribution from director	87,000,000	87,000,000

This represent interest free loan from director. On May 15, 2020 the lender and the Company have agreed the loan will be repaid at the disrection of the Company. Therefore the loan have been treated as 'capital contribution' with effect from the above date in accordance with Institute of Chartered Accountants of Pakistan (ICAP) Technical Release 32.

Downloaded from: www.OpenDoors.Pk

		Note	2022	2021
			(Rupees)	
16.	**LONG TERM FINANCING - secured**			
	Diminishing Musharka Facility - I	16.1	118,034,615	1,795,856
	Diminishing Musharka Facility - II		-	193,039
			118,034,615	1,988,895
	Less: Current maturity shown under current liabilities		(18,013,522)	(1,526,256)
			100,021,093	462,639
16.1	**Diminishing Musharka Facility - I**			
	Opening carrying amount		1,795,856	-
	Add: Facilities received during the year		119,200,900	2,011,040
	Less: Installments paid during the year		(2,962,141)	(215,184)
			118,034,615	1,795,856
	Current maturity shown under current liabilities		18,013,522	1,333,217
	Non-current maturity		100,021,093	462,639
			118,034,615	1,795,856

16.1.1 The company entered into a diminishing musharka of Rs. 121.212 million for purchase of vehicles with a Islamic financail institution . The arrangement carries profit at the rate of 3M KIBOR + 2.50% and 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, sponsor and corporate guarantee of associated company.

17. 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, 2022 by M/s. Acturial Consultant, using Projected Unit Credit Method .

		Note	2022	2021
			(Rupees)	
17.1	**Movement in net liability in the statement of financial statement**			
	Opening defined benefit obligation		6,113,600	3,922,272
	Expense charged to statement of profit or loss		1,594,801	1,093,780
	Remeasurement loss recognized in other comprehensive income		177,817	1,481,124
	Benefit paid		(222,049)	(383,576)
	Closing defined benefit obligation		7,664,169	6,113,600
17.2	**Expense recognized in the statement of profit or loss**			
	Current service cost		979,537	748,710
	Interest cost on defined benefit obligation		615,264	345,070
			1,594,801	1,093,780

Downloaded from: www.OpenDoors.Pk

	Note	2022	2021
		(Rupees)	
17.3 Remeasurement loss recognized in other comprehensive income			
Acturial loss on defined benefit obligation due to experience adjustment		177,817	1,481,124
17.4 Charge for the year has been allocated as follows:			
Cost of sales		478,440	328,133
Administrative expense		1,116,361	765,647
		1,594,801	1,093,780
17.5 Principal assumption used in valuation of gratuity			
Withdrawal rate		Low	Low
Mortality rate		SLIC 2001-05-1	SLIC 2001-05-1
Valuation discount rate		13.50%	10.25%
Expected rate of increase in salaries		12.50%	9.75%
17.6 Year end sensitivity analysis of defined benefit obliagtion			
Discount rate + 100 bps		6,821,968	4,464,204
Discount rate - 100 bps		8,642,686	6,023,822
Rate of salary increase + 100 pbs		8,699,267	6,069,488
Rate of salary increase + 100 pbs		6,763,502	4,418,347

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.

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

17.7.1 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.

17.7.2 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.

17.7.3 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.

Downloaded from: www.OpenDoors.Pk

		Note	2022	2021
			(Rupees)	
17.8	**The expected maturity analysis of undiscounted retirement benefit obligation is:**			
	Less than a year		105,126	50,365
	Between 1-2 years		135,531	121,799
	Between 2-3 years		161,535	141,852
	Between 3-4 years		189,007	166,031
	Between 4-5 years		228,615	187,187
	Between 6-10 years		4,744,772	1,376,230
	11 years and above		207,834,358	154,160,866
18.	**SHORT TERM BORROWINGS - secured**			
	Istisna financing facility		80,000,000	86,000,000

This represents financing facilities under Islamic mode of financing from islamic bank for working capital requirement of the company, to the extent of Rs. 86 million (June 30, 2021: Rs. 86 million). The facility carries profit rate of 6 month's KIBOR plus 2% (June 30, 2021: 6 month's KIBOR plus 2%). The facilities are valid upto January 31, 2023.

The arrangement is secured against the following:

- 1st charge of PKR 160 million over all present and future current assets of the Company registered with SECP;
- 1st charge of PKR 160 million over all present and future fixed assets of the Company registered with SECP;
- Personal guarantee of director.

		Note	2022	2021
			(Rupees)	
19.	**TRADE AND OTHER PAYABLES**			
	Trade creditors	19.1	52,116,314	155,339,185
	Withholding tax payable		15,474,355	13,407,922
	Accured expenses		12,823,856	7,162,992
	Workers' Profit Participation Fund payable	19.2	20,971,645	15,471,190
	Workers' Welfare Fund payable	19.3	1,715,311	1,715,311
	Advance for sale of Stater plant		-	1,700,000
	Other payables		6,514,078	8,243,303
			109,615,559	203,039,903

19.1 This include an amount of Rs. Nil (2021: 42.643 million) payable to M/s. Power Cement Limited, a related party, for purchase of ordinary Portland cement.

		Note	2022	2021
			(Rupees)	
19.2	**Workers' Profit Participation Fund payable**			
	Opening balance		15,471,191	14,162,245
	Interest on fund utilized by the Company	30	1,636,852	1,308,945
	Charge for the year	28	3,863,602	-
	Closing balance		20,971,645	15,471,190

Downloaded from: www.OpenDoors.Pk

		Note	2022	2021
			(Rupees)	
19.3	**Workers' Welfare Fund payable**			
	Opening balance		1,715,311	1,715,311
	Charge for the year	23.1.3	-	-
	Closing balance		1,715,311	1,715,311

20. ADVANCE FROM CUSTOMERS

Advances from cusomters	138,851,469	6,589,491

20.1 This include an advance of Rs. 132.625 million (2021: Nil) from M/s. Javedan Corporation Limited, a related party.

		Note	2022	2021
			(Rupees)	
21.	**LOAN FROM RELATED PARTIES - unsecured**			
	Mr. Arif Habib - Shareholder	21.1	-	33,000,000
	Arif Habib Corporation Limited	21.2	18,118,274	-
			18,118,274	33,000,000
21.1	**Loan from Mr. Arif Habib**			
	Opening Balance		33,000,000	-
	Receipt during the year		55,000,000	85,879,022
	Repayment during the year		(88,000,000)	(52,879,022)
	Closing Balance		-	33,000,000

21.1.1 The loan is taking to meet the working capital requirement of the company. The loan is interest free and repayable on demand.

		Note	2022	2021
			(Rupees)	
21.2	**Loan from Arif Habib Corporation Limited**			
	Opening Balance		-	-
	Receipt during the year		173,600,000	-
	Repayment during the year		(155,481,726)	-
	Closing Balance		18,118,274	-

21.2.1 The loan is taking to meet the working capital requirement of the company to the extend of Rs. 150 million. The loan carries markup rate of 3 month's KIBOR plus 1.80% and repayable on demand.

22. ACCURED MARKUP

This include markup payable amounting to Rs. 2.16 million to Arif Habib Corporation Limited, a related party of the company.

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 Federal Board of Revenue (FBR) issued notice to the Company for payment of sales tax under Sales Tax Act 1990. The Company is registered with Sindh Revenue Board and is paying Sindh sales tax on services under Sindh Sales Tax on Services Act 2011 under tariff heading 9837:0000 from applicable date of Ready Mix Concrete Services included as taxable services under Sindh Sales Tax on Services Act 2011. Further other provincial authorities have also included Ready Mix Concrete Services as taxable services under respective provincial sales tax act. The Company based on the opinion of its tax advisors is confident that there will be no unfavorable outcome in the matter. Accordingly no provision were made in these financial statements.

Downloaded from: www.OpenDoors.Pk

23.1.2 Pursuant to Section 113 C of Income Tax Ordinance 2001 (Ordinance) Alternate Corporate Tax (ACT) is applicable on the Company at the rate of 17% of accounting income after certain adjustments as mentioned in section 113 (c) of Ordinance. However, the Company is in process of filing a petition before the honorable court on the applicability of ACT on the Company on the premise of unabsorbed losses and depreciation of prior years. Based on the advice of the legal counsel the Company is confident that the stay order will be granted by the honorable court as there are multiple similar instances wherein the honorable court has provided the stay order. Accordingly, no provision has been recorded in these financial statements amounting to PKR 6.115 million

23.1.3 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.

23.2 Commitments

There are no material commitments as at June 30, 2022 (2021: Nil).

	Note	2022	2021
		(Rupees)	
24. REVENUE- net			
Sale of concrete mix		585,897,850	249,992,714
Less : Sindh sale tax		(67,404,177)	(28,760,224)
		518,493,673	221,232,490
25. COST OF SALES			
Raw materials consumed		227,410,042	96,400,752
Fuel and power		80,094,609	36,761,495
Salaries, wages and other benefits	25.2	59,121,065	37,631,264
Repair and maintenance		15,685,858	8,305,185
Equipment hiring charges		15,626,666	5,176,207
Depreciation		14,747,687	10,870,799
Site preparation and sample testing		2,566,475	558,424
Insurance expense		912,045	964,258
Ijarah rentals		-	6,932,477
		416,164,447	203,600,861
25.1 Raw materials and stores consumed			
Opening stock of raw materials and stores		22,707,402	18,547,289
Purchases		240,475,863	138,038,657
		263,183,265	156,585,946
Closing stock of raw materials		(27,596,107)	(22,707,402)
		235,587,158	133,878,544
Add : Ice and water consumed		1,626,000	4,219,200
Less : Raw material sold during the year		(9,803,117)	-
		227,410,041	138,097,744
Reimbursement from third parties		-	(16,281,950)
Cement provided by client / debit balance		-	(25,340,755)
Transfer to CWIP		-	(74,287)
		227,410,042	96,400,752

25.2 These include Rs. 478,440 (2021: Rs. 328,133) in respect of staff retirement benefits.

Downloaded from: www.OpenDoors.Pk

26. ADMINISTRATIVE EXPENSES

	Note	2022	2021
		(Rupees)	
Salaries, wages and benefits	26.1	14,831,739	4,170,927
Directors' remuneration		2,370,040	1,321,840
Provision for expected credit loss		-	3,521,519
Auditor's remuneration	26.2	1,730,000	1,075,200
Fees and subscription		1,287,520	717,720
Repair and maintenance		1,276,653	292,505
Rent, rates and taxes	26.3	506,749	387,069
Entertainment		1,552,322	613,678
Legal and professional		1,068,750	1,610,000
Insurance		879,544	78,395
Printing and stationery		732,658	423,719
Depreciation	4.1	1,142,090	616,610
Postage, telegram and telephone		454,126	447,065
Miscellaneous expenses		1,306,687	641,150
		29,138,878	15,917,397

26.1 These include Rs. 1,116,361 (2021: Rs. 765,647) in respect of staff retirement benefits.

26.2 Auditors' remuneration

	Note	2022	2021
		(Rupees)	
Statutory audit and other certifications		1,000,000	740,000
Half yearly review		500,000	200,000
Sale tax		120,000	75,200
Out of pocket expenses		110,000	60,000
		1,730,000	1,075,200

26.3 This include rent expense of Rs. 0.3 million (2021: Rs. Nil). On May 09, 2022, Company entered into a rental agreement for acquisition of space located at Nusrat Bhutto Colony. Company assessed the lease term and concluded that the lease arrangement meet the criteria of short tem lease thus the entire amount of lease rentals have been expensed out.

27. SELLING AND DISTRIBUTION EXPENSES

	Note	2022	2021
		(Rupees)	
Sales Commision		381,128	-
Travelling and conveyance		735,813	142,158
Advertisement and sale promotion		50,777	116,670
		1,167,718	258,828

28. OTHER EXPENSES

Workers' Profit Participation Fund	19.2	3,863,602	-
Long outstanding advances written off		2,085,483	-
		5,949,085	-

Downloaded from: www.OpenDoors.Pk

29. OTHER INCOME

	Note	2022	2021
		(Rupees)	
Grouting income		11,228,375	2,142,463
Liabilities no longer payable written back		6,331,708	-
Other income		2,783,256	3,141,600
Recovery of receivable written off		1,234,694	-
Gain on final settlement with CDGK	29.1	1,308,758	-
Profit on saving accounts		412,250	84,002
Amortization of deferred income		-	1,120,000
Gain on sale of fixed assets		-	272,841
		23,299,041	6,760,906

29.1 This represents gain realized on settlement of outstanding liability of City District Government Karachi (CDGK). Presented below is the detail analysis of the liability extinguished and amount paid to CDGK upon execution of the settlement.

	(Rupees)
Rent payable to CDGK	8,386,832
Long term deposit against rented premises forfeited	(5,102,840)
	3,283,992
Less: Amount paid as full and final settlement	(1,975,234)
	1,308,758

30. FINANCE COSTS

	Note	2022	2021
		(Rupees)	
Mark-up on borrowings		16,364,798	8,210,520
Interest on worker participation profit fund		1,636,852	1,308,945
Bank charges		47,981	81,207
		18,049,631	9,600,672

31. TAXATION

Current	6,481,171	3,318,487
Deferred	18,385,435	(11,269,579)
	24,866,606	(7,951,091)

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 2021 (accounting year ended June 30, 2021) 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.

Downloaded from: www.OpenDoors.Pk

32. EARNINGS PER SHARE - BASIC AND DILUTED

	Note	2022	2021
		(Rupees)	
32.1 Basic earning per share			
Profit after taxation		46,456,349	6,566,728
		(Number)	
Weighted average number of ordinary shares outstanding during the year		25,000,000	25,000,000
		(Rupees)	
Earning per share		1.86	0.26

32.2 Diluted earning per share

There was no diluted effect on the basic earning per share of the Company, since there were no potential ordinary shares in issue as at reporting date

33. CASH AND CASH EQUIVALENTS

	Note	2022	2021
		(Rupees)	
Cash and bank balances	13	26,474,946	41,595,814
Short term borrowings - running musharaka	18	(80,000,000)	(86,000,000)
		(53,525,054)	(44,404,186)

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	2022			
	Chief Executive	Non-Executive Directors	Executives	Total
	Rupees			
Managerial Remenuration	2,350,040	-	-	2,350,040
Meeting fee	-	20,000	-	20,000
Total	2,350,040	20,000	-	2,370,040
No. of persons	1	2	-	3

Particulars	2021			
	Chief Executive	Non-Executive Directors	Executives	Total
Managerial Remenuration	1,281,840	-	-	1,281,840
Meeting fee	-	40,000	-	40,000
Total	1,281,840	40,000	-	1,321,840
No. of persons	1	2	-	3

Downloaded from: www.OpenDoors.Pk

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.

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	2022	2021
		(Rupees)	
Long term deposits		46,960	7,033,950
Trade debts	(a)	184,044,628	135,687,353
Loans and advances		46,940,491	16,389,341
Prepayment and other receivables		1,510,017	584,327
Bank balances	(b)	26,468,771	41,434,543
		259,010,867	201,129,514

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:

Downloaded from: www.OpenDoors.Pk

	2022		2021	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	Rupees			
Not past due	112,559,314	-	57,301,977	-
Past due 1 - 60 days	27,541,005	-	14,593,195	-
Past due 61 - 365 days	25,192,319	-	34,110,129	-
More than 365 days	144,384,082	125,632,092	156,548,838	126,866,786
	309,676,720	125,632,092	262,554,139	126,866,786

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:

Banks	Short term rating	Credit rating agency	2022	2021
			Rupees	
Summit Bank Limited	A-3	VIS	23,927,165	140,777
Habib Metropolitan Bank Limited	A-1+	PACRA	2,383,855	107,767
Bank Alfalah Limited	A-1+	PACRA	105,491	137,630
Bank of Punjab	A-1+	PACRA	44,935	40,494,008
Bank Islami Pakistan Limited	A-1	PACRA	6,822	
Meezan Bank Limited	A-1+	VIS	502	509,896
			26,468,771	41,434,543

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. As of the reporting date, the Company was not exposed to any major concentrations of credit risk.

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:

Downloaded from: www.OpenDoors.Pk

	June 30, 2022				
	Carrying amount	Contractual cash flows	Twelve months or less	One to five years	More than five years
	Rupees				
Financial liabilities					
Long term financing	118,034,615	176,068,030	36,609,012	139,459,018	-
Trade and other payables	71,454,248	71,454,248	71,454,248	-	-
Advance from customers	138,851,469	138,851,469	138,851,469	-	-
Short term borrowings	80,000,000	80,000,000	80,000,000	-	-
Accrued markup	4,473,943	4,473,943	4,473,943	-	-
	412,814,275	470,847,690	331,388,672	139,459,018	-

	June 30, 2021				
	Carrying amount	Contractual cash flows	Twelve months or less	One to five years	More than five years
	Rupees				
Financial liabilities					
Long term financing	1,988,895	1,526,256	1,526,256	462,639	-
Trade and other payables	170,745,480	170,745,480	170,745,480	-	-
Advance from customers	6,589,491	6,589,491	6,589,491	-	-
Short term borrowings	86,000,000	86,000,000	86,000,000	-	-
Accrued markup	1,226,260	1,226,260	1,226,260	-	-
	265,323,866	264,861,227	264,861,227	462,639	-

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 Comopany 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:

	Effective interest rate (%)		Carrying amounts (Rs.)	
	2022	2021	2022	2021
Financial assets				
Bank deposits - Saving account	3.75%	5.75%	23,927,473	650,479
Financial liabilities				
Short term borrowings	9.53% - 17.43%	8.95% - 9.88%	80,000,000	86,000,000

Downloaded from: www.OpenDoors.Pk

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.

As at June 30, 2022		
Cash flow sensitivity-Variable rate financial instrument	(560,725)	560,725
As at June 30, 2021		
Cash flow sensitivity-Variable rate financial liabilities	(853,495)	853,495

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. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 5%. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. The Company manages price risk by monitoring the exposure in quoted securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its investments. As of the reporting date, the Company was not exposed to other price risk.

35.2 Financial instruments by categories

	June 30, 2022			
Financial assets	**At fair value through profit or loss**	**At fair value through other comprehensive income**	**At Amortized cost**	**Total**
	---------- Rupees ----------			
Long term deposits	-	-	46,960	46,960
Trade debts	-	-	184,044,628	184,044,628
Loan to employees	-	-	1,527,416	1,527,416
Cash and bank balances	-	-	26,474,946	26,474,946
	-	-	212,093,950	212,093,950

Financial liabilities	**Financial liabilities at amortized cost**
	--- Rupees ---
Long term financing	118,034,615
Trade and other payables	71,454,248
Advance from customers	138,851,469
Short term borrowings	80,000,000
Accrued markup	4,473,943
	412,814,275

Downloaded from: www.OpenDoors.Pk

Financial assets	June 30, 2021			
	At fair value through profit or loss	At fair value through other comprehensive income	At Amortized cost	Total
	---------- Rupees ----------			
Long term deposits	-	-	7,033,950	7,033,950
Trade debts	-	-	135,687,353	135,687,353
Loan to employees	-	-	400,390	400,390
Cash and bank balances	-	-	41,595,814	41,595,814
	-	-	184,717,507	184,717,507

Financial liabilities	Financial liabilities at amortized cost
	--- Rupees ---
Long term financing	1,988,895
Trade and other payables	170,745,480
Advance from customers	6,589,491
Short term borrowings	86,000,000
Accrued markup	1,226,260
	266,550,126

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.

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 a, 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 June 30, 2022 no assets and liabilities are recognized at fair values.

37. CAPITAL MANAGEMENT

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.

Downloaded from: www.OpenDoors.Pk

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

	Note	2022	2021
		(Rupees)	
Borrowings:			
Long term financing		118,034,615	1,988,895
Loan from related parties		18,118,274	33,000,000
		136,152,889	34,988,895
Shareholders' equity:			
Issued, subscribed and paid up capital		250,000,000	250,000,000
Share premium		14,728,576	14,728,576
Capital contribution - Loan from director		87,000,000	87,000,000
Accumulated losses		(122,527,313)	(168,857,411)
		229,201,263	182,871,165
Total capital managed by the Company		365,354,152	217,860,060

38. TRANSACTION 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:

Name of related party	Basis of relationship with party	Particulars	2022	2021
			---------- Rupees ----------	
Power Cement Limited	Company under common control	Purchases made during the year	155,509,312	73,659,700
		Amount receivable as at year end	6,891,946	-
		Amount payable as at year end	-	42,643,980
Javedan Corporation Limited	Company under common control	Sales made during the year	28,031,086	16,933,171
		Advance as at year end	132,625,015	-
		Amount payable as at year end	-	463,476
Globe Residency REIT	Company under common control	Sales made during the year	245,830,274	-
		Amount receivable as at year end	72,525,883	-
Mr. Arif Habib	Associate person lineal ascendant of CEO	Loan received during the year	55,000,000	81,000,000
		Loan paid during the year	88,000,000	48,000,000
		Loan payable as at year end	-	33,000,000
Mr. Abdus Samad	Chief Executive Officer	Loan received during the year	-	4,879,022
		Loan paid during the year	-	4,879,022
		Loan payable as at year end	87,000,000	87,000,000
Arif Habib Corporation Limited	Company under common control	Loan received during the year	173,600,000	-
		Loan paid during the year	155,481,726	-
		Interest accured during the year	3,979,399	-
		Interest paid during the year	1,818,274	-
		Loan payable as at year end	18,118,274	-

Downloaded from: www.OpenDoors.Pk

39. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

39.1

Description	2022 Carried under		2021 Carried under	
	Non - shariah arrangement	Shariah arrangements	Non - shariah arrangement	Shariah arrangements
Loans and advances				
Advance to employees	-	-	-	1,115,573
Loan to employees	-	1,527,416	-	400,390
Long term advances to employees	-	1,152,140	-	1,152,140
Advance to suppliers	-	45,413,075	-	14,873,378
Others receivables	-	96,803	-	44,958
Deposits				
Long term deposits	-	46,960	-	7,033,950
Bank balances	-	26,468,771	-	41,434,543
Liabilities				
Long term financing - diminishing musharka	-	100,021,093	-	462,639
Loan to advances				
Diminishing musharka - current portion	-	18,013,522	-	1,526,256
Istisna finance facility	-	80,000,000	-	86,000,000
Advance from customers		138,851,469	-	6,589,491
Payable to sponsors	-	-	-	33,000,000
Payable to associated company	18,118,274	-	-	-
Income				
Profit on saving accounts	-	412,250	-	84,002

39.2 Source of other income

	Note	2022	2021
		(Rupees)	
Grouting income		11,228,375	2,142,463
Liabilities no longer payable written back		6,331,708	-
Other income		2,783,256	3,141,600
Recovery of receivable written off		1,234,694	-
Gain on final settlement with CDGK		1,308,758	-
Profit on saving accounts		412,250	84,002
Amortization of deferred income		-	1,120,000
Gain on sale of fixed assets		-	272,841
		23,299,041	6,760,906

39.3 Relationship with banks

Name of banks	Non Islamic window operations	Islamic window operations
Summit Bank Limited	×	✓
Habib Metropolitan Bank Limited	✓	×
Bank Alfalah Limited	×	✓
Bank of Punjab	✓	✓
Bank Islami Pakistan Limited	×	✓
Meezan Bank Limited		

Downloaded from: www.OpenDoors.Pk

40. OPERATING SEGMENTS

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

40.2 100 % (2021: 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, 2022 are located in Pakistan.

41. GENERAL

	2022	2021
	(Rupees)	
41.1 Number of employees		
Total employees of the Company at the year end	147	74
Average employees of the Company during the year	99	71

41.2 Plant capacity and actual production

Capacity and actual production	Unit of measurement	Production Capacity	Actual Production
		2022	
Batching plant	Cubic meter	918,000	98,975
		2021	
Batching plant	Cubic meter	876,000	51,481

The available capacity of the batching plant could not be fully utilized due to depressed 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:

Reclassification from component	Reclassification to component	–– Rupees ––
Short term borrowings (Trade and other payable)	Short term borrowings - secured	86,000,000
Advance for sale of setter plant	Trade and other payable	1,700,000
Others (Long term deposit)	Deposits against rented premises (Long term deposit)	5,292,430
Deposit against ijarah finance (Long term deposit)	Long term advances to employees	1,152,140
Administrative expenses (rent, rate and taxes)	Administrative expenses (fees and subscription)	717,720
Prepayment and other receivables (Loan, advance and other prepayment)	Prepayment and other receivables	584,327
Advance from customers (Trade and other payable)	Advance from customer	6,589,491
Provision for expected credit loss (Selling and distribution expenses)	Provision for expected credit loss (Administrative expenses)	3,521,519

Downloaded from: www.OpenDoors.Pk

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 October 06, 2022.

41.5 Level of rounding

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

Samad Habib	**Kashif Habib**	**Muneer Gader**
CEO	**Director**	**CFO**

Downloaded from: www.OpenDoors.Pk

آڈیٹرز

آئندہ سالانہ اجلاس عام میں ممبران کی منظوری کی شرط پر بورڈ آف ڈائریکٹرز نے **30 جون 2023** کو اختتام پذیر ہونے والی مدت کے لئے میسرز رحمان سرفراز رحیم اقبال رفیق 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 ہٰذا کے ساتھ منسلک ہے۔

اسٹیک ہولڈرز کے لئے معلومات:

گزشتہ برسوں کا اہم عملیاتی اور مالیاتی ڈیٹا کا خلاصہ صفحہ نمبر **16** پر پیش کیا 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۔

ریٹائرمنٹ مراعات میں سرمایہ کاری:

کمپنی اُن تمام اہل ملازمین کے لئے جنہوں نے کمپنی کے ساتھ اپنی ملازمت کی کم از کم مدت پوری کر لی ہے، ایک غیر فنڈ شدہ گریجویٹی چلاتی ہے۔

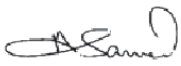
اظہار تشکر

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 سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کا بھی شکریہ ادا کرنا چاہیں گے۔

برائے اور منجانب بورڈ



سید نجم الہدیٰ جعفری
چیئرمین



عبدالصمد حبیب
چیف ایگزیکٹو آفیسر

Downloaded from: www.OpenDoors.Pk

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 نان 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 سونپے گئے 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) نان ایگزیکٹو ڈائریکٹر..... 3

(ج) ایگزیکٹو ڈائریکٹر..... 2

بورڈ کی کمیٹیاں:

آڈٹ کمیٹی

جناب احسن انیس.....چیئرمین

جناب کاشف حبیب.....ممبر

جناب عبدالصمد حبیب.....ممبر

ہیومن ریسورس اینڈ ریومیریشن کمیٹی

جناب خلیل احمد.....چیئرمین

سید نجم الہدیٰ جعفری.....ممبر

جناب صمد اے حبیب.....ممبر

اندرونی انضباط

اپنے اثاثہ جات کے تحفظ اور اپنے ریکارڈز کی درستگی اور اعتبار کے تیقّن کی غرض سے کمپنی نے ایک مؤثر 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 کو پیش کرتا ہے۔

Downloaded from: www.OpenDoors.Pk

مستقبل کا منظر

کنسٹرکشن اور رئیل اسٹیٹ سیکٹر کا مستقبل چیلنجوں سے بھرپور دکھائی دیتا ہے کیونکہ تعمیراتی لاگت میں بیش بہا اضافے نے اس سیکٹر پر منفی اثر ڈالا ہے۔ مجموعی ملکی معیشت میں بہتری آنے اور مارکیٹ سے غیر یقینی ختم ہونے تک جاری پروجیکٹس کی تکمیل اور نئے پروجیکٹس کی پیشکش تعطل کا شکار ہو سکتے ہیں۔

رئیل اسٹیٹ سیکٹر کو درپیش چیلنجوں کے باوجود مون سون کے نتیجے میں آنے والے سیلاب سے متاثر ہونیوالوں کی بحالی اور انفرااسٹرکچر/ مکانات کی دوبارہ تعمیر کی کارروائیوں نے سیمنٹ اور کنکریٹ سیکٹر کو کچھ سہارا دیا ہے۔ منسلکہ کمپنیوں کے جاری رئیل اسٹیٹ پروجیکٹس کی طلب آنے والے مہینوں میں بڑھنے کی توقع ہے۔ مجموعی حالات میں بہتری آنے پر منسلکہ کمپنیاں پائپ لائن میں موجود اپنے پروجیکٹس متعارف کروا سکتی ہیں اور مارکیٹ کے دیگر کھلاڑی بھی ان کے ساتھ مل سکتے ہیں۔ چنانچہ کمپنی کا مستقبل متوازن دکھائی دیتا ہے اور مستقبل قریب میں آپ کی کمپنی بہتر نتائج پیش کر سکتی ہے۔

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۔

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 مادّی ادائیگی غیر ادا شدہ نہیں رہی۔

کوڈ کی تعمیل کے ضمن میں بورڈ، ذریعہ ہٰذا تصدیق کرتا ہے کہ ایک چالو کاروباری ادارے کے طور پر SMCL کی اہلیت وصلاحیت پر کوئی شک وشبہ نہیں اور یہ کہ کارپوریٹ گورننس کے بہترین معمولات سے کوئی مادّی 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 2022 کو اختتام پذیر ہونے والے سال کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں نے ماسوائے Annexure-I میں بیان کردہ کے، 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 2022 کو مختتمہ سال کے دوران بورڈ کے چار (04)، آڈٹ کمیٹی کے چار (04) اور ہیومن ریسورس اینڈ ریومیریشن 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 الہدیٰ جعفری	3/4	3/4	1/1
جناب عبدالصمد حبیب	4/4	4/4*	1/1
جناب احسن انیس	4/4	4/4	N/A
جناب کاشف حبیب	4/4	4/4	N/A
جناب خلیل احمد	4/4	N/A	1/1
مسماۃ ایناصمد	2/4	N/A	N/A
جناب منیر گادر	4/4	4/4*	N/A

Downloaded from: www.OpenDoors.Pk

ڈائریکٹرز کی رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ہم، مورخہ 30 جون 2022 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

مالی سال 2022-2021 متاثر کن رہا کیونکہ کمپنی نے مبلغ 46.456 ملین روپے کا بلند ترین بعد از ٹیکس منافع ریکارڈ کیا جو مبلغ 1.86 روپے فی شیئر کمائی کا مظہر ہے۔ اگرچہ مالی سال 2022-2021 کی آخری سہ ماہی میکرو اکنامک چیلنجوں اور غیر یقینیوں کے نتیجے میں مجموعی بڑھوتی اور فروخت کے عمل میں کمی آنے کے سبب پریشان کن رہی۔ تاہم سال کی آخری سہ ماہی کمپنی کے لئے غیر معمولی رہی اور کمپنی زیر جائزہ مالی سال کے پہلے نو ماہ کے دوران ہونے والی 201.220 ملین روپے کی فروخت کی بہ نسبت صرف آخری سہ ماہی میں 317.272 ملین روپے کی فروخت کرنے میں کامیاب رہی۔

زیر جائزہ مدت کے دوران کمپنی نے ٹرانزٹ مکسروں کی تعداد بڑھانے پر 153.701 ملین روپے کا سرمایہ خرچ کیا۔ ٹرانزٹ مکسروں کی زیادہ تعداد مستقبل میں کنکریٹ کی طلب پوری کرنے میں مدد دے گی جو لامحالہ زیادہ فروخت اور کمپنی کے لئے زیادہ منافع پر منتج ہوگی۔

مالیاتی کارکردگی

زیر جائزہ مدت کے دوران کمپنی نے 518.493 ملین روپے کی فروخت ریکارڈ کی جو گزشتہ برس کی اسی مدت کے دوران 221.232 ملین روپے رہی تھی۔ دوران سال لاگت فروخت گزشتہ برس کی اسی مدت کے دوران 203.600 ملین روپے کی بہ نسبت زیر جائزہ مدت کے دوران 416.164 ملین روپے رہی۔ اسی طرح دوران سال خام منافع 102.329 ملین روپے رہا جو گزشتہ برس کی اسی مدت کے دوران صرف 17.631 ملین روپے رہا تھا جو 84.697 ملین روپے کی مثبت بڑھوتی کو ظاہر کرتا ہے۔

انتظامی اخراجات برائے سال جائزہ 29.138 ملین روپے رہے اور مالیاتی لاگت اور دیگر آمدنی بالترتیب 23.299 ملین روپے اور 18.049 ملین روپے رہے۔

کاروباری نتائج	سال مختتمہ مورخہ 30 جون 2022	2021
	------روپے------	
فروخت	**518,493,673**	221,232,490
لاگت فروخت	**(416,164,447)**	(203,600,861)
خام منافع	**102,329,226**	17,631,629
انتظامی اور فروختگی اخراجات	**(30,306,596)**	(16,176,225)
کاروباری منافع	**72,022,630**	1,455,404
دیگر اخراجات	**(5,949,085)**	-
لاگت مالیات	**(18,049,631)**	(9,600,672)
دیگر آمدنی	**23,299,041**	6,760,906
نفع/نقصان قبل از ٹیکس	**71,322,955**	(1,384,363)
ٹیکس کاری	**(24,866,606)**	7,951,091
منافع بعد از ٹیکس	**46,456,349**	6,566,728
فی شیئر کمائی (EPS) بنیادی اور ڈیلیوٹڈ	**1.86**	0.26

Downloaded from: www.OpenDoors.Pk

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 28, 2022 and at any adjournment thereof.

As witness my / our hand this _____ day of _____ 2022.

	Please affix of Rs. 5/- Revenue stamp

Signature of member(s)

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 ant vote instead of his / her. No person shall act as proxy (except for corporation) unless he / she is entitled to be present and votein 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 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) alongwith proxy form to the Company.

Downloaded from: www.OpenDoors.Pk

پراکسی فارم

سالانہ جنرل اجلاس

میں مسمّی / مسمّاۃ ــــــــــــــــــــــــ ساکن ــــــــــــــــــــــــ ضلع ــــــــــــــــــــــــ

بحیثیت ممبر سیف مکس کنکریٹ لمیٹڈ، مسمّی / مسمّاۃ ــــــــــــــــــــــــ

ساکن ــــــــــــــــــــــــ کو بطورِ مختار (پراکسی) مقرر کرتا ہوں تا کہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاسِ عام جو بتاریخ 28 اکتوبر، 2022 منعقد ہو رہا ہے میں اور ان کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

دستخط: ــــــــــــــــــــــــ بروز/ بتاریخ ــــــــــــــــــــــــ 2022

گواہان:

1	2
نام: ــــــــــــــــــــــــ	نام: ــــــــــــــــــــــــ
پتہ: ــــــــــــــــــــــــ	پتہ: ــــــــــــــــــــــــ
شناختی کارڈ نمبر: ــــــــــــــــــــــــ	شناختی کارڈ نمبر: ــــــــــــــــــــــــ
دستخط: ــــــــــــــــــــــــ	دستخط: ــــــــــــــــــــــــ

دستخط ۵ روپے ریونیو اسٹیمپ

نوٹ:

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

Downloaded from: www.OpenDoors.Pk

BOOK POST
PRINTED MATTER

Safe Mix Concrete Limited

Plot # 1, Global Industry, Nusrat Bhutto Colony, North Nazimabad, Karachi, Pakistan
Helpline # 0345-2025369 & 0345-2022473 Website: www.safemixlimited.com