KPMG Taseer Hadi & Co.
Chartered Accountants
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Lahore Pakistan

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Auditors' Report to the Members

We have audited the annexed balance sheet of Safe Mix Concrete Products Limited ("the Company") as at 30 June 2013 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conduct our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also include assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2013 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

We draw attention to note 16.1.2 to the financial statements relating to levy of sales tax on the Company. Our opinion is not qualified in respect of this matter.

KPMG Taseer Hadi & Co.

Lahore

Date : October 4, 2013

KPMG Taseer Hadi & Co
Chartered Accountants
(Kamran Iqbal Yousafi)

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Concrete Products Ltd.

Balance Sheet

As at 30 June 2013

	Note	2013 Rupees	2012 Rupees
Non-current assets			
Fixed assets	4	**183,493,759**	188,710,333
Long term deposits	5	**3,411,340**	4,220,120
Deferred taxation	6	**5,260,556**	-
Current assets			
Stores and spares		**2,871,079**	3,081,448
Stock in trade	7	**15,117,187**	28,023,759
Trade debts	8	**100,767,583**	71,918,294
Advances, prepayments and other receivables	9	**3,168,653**	4,014,085
Tax refund due from Government		**29,528,126**	22,821,879
Cash and bank balances	10	**2,589,897**	6,199,996
		154,042,525	136,059,461
Current liabilities			
Trade and other payables	11	**93,968,074**	75,323,924
Accrued markup	12	**1,770,864**	2,369,760
Short term running finance - *secured*	13	**37,814,670**	46,108,802
Current portion of liabilities against assets subject to finance lease - *secured*	14	**336,527**	2,448,417
		133,890,135	126,250,903
Net current assets		**20,152,390**	9,808,558
Non-current liabilities			
Liabilities against assets subject to finance lease - *secured*	14	**-**	336,527
Deferred taxation	6	**-**	5,310,316
		212,318,045	197,092,168
Financed by:			
Share capital and reserves			
Issued, subscribed and paid up capital	15	**200,000,000**	200,000,000
Share premium		**14,728,576**	14,728,576
Accumulated loss		**(2,410,531)**	(17,636,408)
		212,318,045	197,092,168
Contingencies and commitments	16		

The annexed notes 1 to 33 form an integral part of these financial statements.

Lahore

Chief Executive

Director

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Concrete Products Ltd.

Profit and Loss Account

For the year ended 30 June 2013

	Note	2013 Rupees	2012 Rupees
Revenue	*17*	**646,488,473**	566,124,208
Cost of sales	*18*	**(606,656,918)**	(537,201,896)
Gross profit		**39,831,555**	28,922,312
Selling and administrative expenses	*19*	**(28,071,912)**	(25,770,323)
Finance cost	*20*	**(9,403,233)**	(11,871,773)
Operating profit / (loss)		**2,356,410**	(8,719,784)
Other income	*21*	**5,531,037**	7,688,359
Profit / (loss) before taxation		**7,887,447**	(1,031,425)
Taxation	*22*	**7,338,430**	(5,723,311)
Profit / (loss) after taxation		**15,225,877**	(6,754,736)
Profit / (loss) per share - *basic and diluted*	*30*	**0.76**	(0.34)

The annexed notes 1 to 33 form an integral part of these financial statements.

Lahore

Chief Executive

Director

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Concrete Products Ltd.

Statement of Comprehensive Income

For the year ended 30 June 2013

	2013 Rupees	2012 Rupees
Profit / (loss) after taxation	**15,225,877**	(6,754,736)
Other comprehensive income for the year	**-**	-
Total comprehensive income / (loss) for the year	**15,225,877**	(6,754,736)

The annexed notes 1 to 33 form an integral part of these financial statements.

Lahore

Chief Executive

Director

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Concrete Products Ltd.

Cash Flow Statement

For the year ended 30 June 2013

	Note	2013 Rupees	2012 Rupees
Cash flow from operating activities			
Profit / (loss) after taxation		**15,225,877**	(6,754,736)
Adjustments for non-cash items:			
Depreciation		**15,168,693**	12,471,145
Gain on sale of fixed assets		**-**	(431,545)
Taxation		**(7,338,430)**	5,723,311
Assets written off		**2,006,264**	-
Interest income		**(568,566)**	(448,604)
Finance cost		**9,403,233**	11,871,773
		18,671,194	29,186,080
Operating profit before changes in working capital		**33,897,071**	22,431,344
Changes in working capital			
(Increase) / decrease in current assets:			
Trade debts		**(28,849,289)**	(12,220,502)
Stock in trade		**12,906,572**	7,066,455
Stores and spares		**210,369**	25,291
Advances, prepayments and other receivables		**845,432**	1,998,751
		(14,886,916)	(3,130,005)
Increase in current liabilities:			
Trade and other payables		**18,644,150**	26,274,241
Cash flow from operating activities		**37,654,305**	45,575,580
Taxes paid		**(9,938,689)**	(9,020,624)
Finance cost paid		**(10,002,129)**	(12,440,667)
Long term deposits		**808,780**	7,000
		(19,132,038)	(21,454,291)
Net cash generated from operating activities		**18,522,267**	24,121,289
Cash flow from investing activities			
Capital expenditure		**(11,958,383)**	(12,242,892)
Interest income received		**568,566**	448,604
Proceeds from sale of fixed assets		**-**	1,140,000
Net cash used in investing activities		**(11,389,817)**	(10,654,288)
Cash flow from financing activities			
Repayment of loan from Directors		**-**	(15,000,000)
Repayment of liabilities against assets subject to finance lease		**(2,448,417)**	(1,782,795)
Net cash used in financing activities		**(2,448,417)**	(16,782,795)
Net increase / (decrease) in cash and cash equivalents		**4,684,033**	(3,315,794)
Cash and cash equivalents at beginning of the year		**(39,908,806)**	(36,593,012)
Cash and cash equivalents at end of the year	*27*	**(35,224,773)**	(39,908,806)

The annexed notes 1 to 33 form an integral part of these financial statements.

Lahore

Chief Executive

Director

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Concrete Products Ltd.

Statement of Changes in Equity

For the year ended 30 June 2013

	Ordinary shares	Capital reserve Share premium reserve	Revenue reserve Accumulated loss	Total
	----------Rupees----------			
Balance as at 30 June 2011	200,000,000	14,728,576	(10,881,672)	203,846,904
Total comprehensive loss for the year ended 30 June 2012	-	-	(6,754,736)	(6,754,736)
Balance as at 30 June 2012	**200,000,000**	**14,728,576**	**(17,636,408)**	**197,092,168**
Total comprehensive income for the year ended 30 June 2013	**-**	**-**	**15,225,877**	**15,225,877**
Balance as at 30 June 2013	**200,000,000**	**14,728,576**	**(2,410,531)**	**212,318,045**

The annexed notes 1 to 33 form an integral part of these financial statements.

Lahore

Chief Executive

Director

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Concrete Products Ltd.

Notes to the Financial Statements

For the year ended 30 June 2013

1 Status and nature of business

Safe Mix Concrete Products Limited ("the Company") was incorporated on 04 April 2005 as Private Limited Company. Subsequently, it has been converted into Public Limited Company on 21 February 2007, in accordance with provisions of section 45 read with section 41(3) of the Companies Ordinance, 1984. 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, building blocks and construction of prefabricated buildings, factories and other construction sites. The registered office of the Company is situated at plot # 1 - 6, Sector 26, Korangi Industrial Area, Karachi, Pakistan.

2 Statement of compliance

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Standard Board as are notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives shall prevail.

2.2 Functional and presentation currency

These financial statements are presented in Pak Rupees which is also the Company's functional currency.

3 Significant accounting policies

3.1 New standards, amendments to approved accounting standards and interpretations which became effective during the year ended 30 June 2013

There were certain new standards and amendments to the approved accounting standards which became effective during the year but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

3.2 New and revised approved accounting standards, interpretations and amendments thereto

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2013:

IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation.

- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). Three new standards IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interest in Other Entities dealing with IAS 27 would be applicable effective 1 January 2013. IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The amendments have no impact on financial statements of the Company.

- IAS 28 Investments in Associates and Joint Ventures (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the amendments to apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture. The amendments have no impact on financial statements of the Company.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) – (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement.

- Annual Improvements 2009–2011 (effective for annual periods beginning on or after 1 January 2013). The new cycle of improvements contains amendments to the following standards, with consequential amendments to other standards and interpretations.

    - IAS 1 Presentation of Financial Statements is amended to clarify that only one comparative period – which is the preceding period – is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS. Furthermore, it clarifies that the 'third statement of financial position', when required, is only required if the effect of restatement is material to statement of financial position.

    - IAS 16 Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment. The definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS 2 Inventories.

    - IAS 32 Financial Instruments: Presentation - is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.

    - IAS 34 Interim Financial Reporting is amended to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments. IAS 34 now requires the disclosure of a measure of total assets and liabilities for a particular reportable segment. In addition, such disclosure is only required when the amount is regularly provided to the chief operating

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Concrete Products Ltd.

- decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

  IFRIC 20 - Stripping cost in the production phase of a surface mining (effective for annual periods beginning on or after 1 January 2013). The interpretation requires production stripping cost in a surface mine to be capitalized if certain criteria are met. The amendments have no impact on financial statements of the Company.

- IFRIC 21- Levies 'an Interpretation on the accounting for levies imposed by governments' (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

- IAS 39 Financial Instruments: Recognition and Measurement- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) (effective for annual periods beginning on or after 1 January 2014). The narrow-scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

- Amendment to IAS 36 "Impairment of Assets" Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

3.3 Basis of measurement

These financial statements have been prepared under the historical cost convention. In these financial statements, except for the amounts reflected in cash flow statement, all transactions have been accounted for on accrual basis.

3.4 Judgments, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that effect the application of policies and reported amount of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates is recognized prospectively commencing from the period of revision.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Residual values and useful life of depreciable assets

- Taxation
- Provisions and contingencies

3.5 Property, plant and equipment

Owned

Operating fixed assets are stated at historical cost less accumulated depreciation and identified impairment loss, if any.

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.

Depreciation is charged from the month in which assets are available for use upto the month before the disposal of asset except batching plants and concrete pumps.

Depreciation methods, residual values and the useful lives of the assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

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.

Finance lease

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are initially recognized at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss.

The related rental obligations, net of finance costs, are included in liabilities against assets subject to finance lease as referred to in note 14. The liabilities are classified as current and non-current depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance costs so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term.

Assets acquired under a finance lease are depreciated over the estimated useful life of the asset on a reducing balance method at the rates given in note 4.1. Depreciation of leased assets is charged to profit and loss account.

Depreciation methods, residual values and useful lives of the assets are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss.

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3.6 Impairment 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. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. A reversal of the impairment loss is recognized in the profit and loss.

3.7 Stores and spares

These are valued at the lower of cost and net realizable value. Cost is determined using weighted average method. Write down in stores and spares is made for slow moving and obsolete items. Items in transit are valued at invoice value plus other directly attributable charges incurred thereon.

3.8 Stock in trade

These are valued at the lower of cost and net realizable value. Cost is determined using weighted average method. Cost includes applicable purchase cost plus other directly attributable charges incurred thereon.

3.9 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful receivable balances based on a review of outstanding amounts at the year end. Bad debts are written off when identified.

3.10 Revenue recognition

Revenue from sale of goods is recorded when significant risks and rewards are transferred to the customers, i.e. when dispatch is received and approved by the customer at the project site.

Income on deposits is recognized on a time proportion basis.

3.11 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and balances with bank. Bank overdrafts / short term borrowings that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of cash flow statement.

3.12 Financial instruments

Financial assets and liabilities are recognized when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

3.13 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.14 Taxation

Income tax on the profit or loss for the year comprises of current and deferred tax.

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, 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.

Deferred

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 deductable 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.

3.15 Borrowing costs

Mark-up, interest and other charges on borrowings are capitalized upto the date of commissioning of the related qualifying asset, acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are recognized in profit and loss in the period in which they are incurred.

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3.16 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

3.17 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.18 Related party transactions

The Company enters into transactions with related parties on an arm's length basis.

3.19 Borrowings

Borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance costs are accounted for on an accrual basis and are included in trade and other payables to the extent of the amount remaining unpaid.

3.20 Dividend and appropriations

Dividend and other appropriations are recognized in the period in which these are declared / approved.

	Note	**2013 Rupees**	2012 Rupees
4 Fixed assets			
Operating fixed assets	*4.1*	**183,493,759**	188,070,778
Capital work in progress	*4.2*	**-**	639,555
		183,493,759	188,710,333

4.1 Operating fixed assets

Particulars	**2013** Cost: As at 01 July 2012	Additions	Transfers	Assets written off	As at 30 June 2013	Depreciation: As at 01 July 2012	For the year	Transfers	Assets written off	As at 30 June 2013	Net book value as at 30 June 2013	Rate
	Rupees											
Owned												
Building	4,074,853	160,000	-	-	**4,234,853**	837,530	163,866	-	-	**1,001,396**	**3,233,457**	5%
Project temporary civil works	1,407,589	489,783	-	-	**1,897,372**	1,204,743	203,461	-	-	**1,408,204**	**489,168**	50%
Plant and machinery	230,487,811	11,730,804	3,950,000	(2,352,413)	**243,816,202**	55,098,031	13,479,527	1,615,585	(346,149)	**69,846,994**	**173,969,208**	10% & units of production / transported
Vehicles	6,326,327	54,000	1,678,500	-	**8,058,827**	3,763,127	584,014	1,121,614	-	**5,468,755**	**2,590,072**	20%
Furniture and fixture	491,756	-	-	-	**491,756**	150,216	34,154	-	-	**184,370**	**307,386**	10%
Computers	768,943	152,351	-	-	**921,294**	394,059	128,784	-	-	**522,843**	**398,451**	30%
Electrical equipment	592,842	-	-	-	**592,842**	227,891	36,495	-	-	**264,386**	**328,456**	10%
Office equipment	1,038,957	11,000	-	-	**1,049,957**	415,561	62,523	-	-	**478,084**	**571,873**	10%
	245,189,078	**12,597,938**	**5,628,500**	**(2,352,413)**	**261,063,103**	**62,091,158**	**14,692,824**	**2,737,199**	**(346,149)**	**79,175,032**	**181,888,071**	
Leased												
Plant and machinery	6,644,300	-	(3,950,000)	-	**2,694,300**	2,290,204	413,993	(1,615,585)	-	**1,088,612**	**1,605,688**	10%
Vehicles	1,678,500	-	(1,678,500)	-	**-**	1,059,738	61,876	(1,121,614)	-	**-**	**-**	20%
	8,322,800	**-**	**(5,628,500)**	**-**	**2,694,300**	**3,349,942**	**475,869**	**(2,737,199)**	**-**	**1,088,612**	**1,605,688**	
2013	**253,511,878**	**12,597,938**	**-**	**(2,352,413)**	**263,757,403**	**65,441,100**	**15,168,693**	**-**	**(346,149)**	**80,263,644**	**183,493,759**	

Particulars	2012 Cost: As at 01 July 2011	Additions	Transfers	Disposals	As at 30 June 2012	Depreciation: As at 01 July 2011	For the year	Transfers	On disposal	As at 30 June 2012	Net book value as at 30 June 2012	Rate
	Rupees											
Owned												
Building	4,017,617	57,236	-	-	4,074,853	667,898	169,632	-	-	837,530	3,237,323	5%
Project temporary civil works	1,407,589	-	-	-	1,407,589	1,001,897	202,846	-	-	1,204,743	202,846	50%
Plant and machinery	219,627,808	11,263,653	-	(403,650)	230,487,811	44,426,958	10,740,051	-	(68,978)	55,098,031	175,389,780	10% & units of production / transported
Vehicles	6,692,639	914,688	-	(1,281,000)	6,326,327	4,171,138	499,206	-	(907,217)	3,763,127	2,563,200	20%
Furniture and fixture	491,756	-	-	-	491,756	112,267	37,949	-	-	150,216	341,540	10%
Computers	447,152	321,791	-	-	768,943	320,893	73,166	-	-	394,059	374,884	30%
Electrical equipment	592,842	-	-	-	592,842	187,341	40,550	-	-	227,891	364,951	10%
Office equipment	1,038,957	-	-	-	1,038,957	346,295	69,266	-	-	415,561	623,396	10%
	234,316,360	12,557,368	-	(1,684,650)	245,189,078	51,234,687	11,832,666	-	(976,195)	62,091,158	183,097,920	
Leased												
Plant and machinery	6,644,300	-	-	-	6,644,300	1,806,416	483,788	-	-	2,290,204	4,354,096	10%
Vehicles	1,678,500	-	-	-	1,678,500	905,047	154,691	-	-	1,059,738	618,762	20%
	8,322,800	-	-	-	8,322,800	2,711,463	638,479	-	-	3,349,942	4,972,858	
2012	242,639,160	12,557,368	-	(1,684,650)	253,511,878	53,946,150	12,471,145	-	(976,195)	65,441,100	188,070,778	

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		Note	2013 Rupees	2012 Rupees
4.1.1	**Disposal of property, plant and equipment**			
	Sale proceeds		-	1,140,000
	Disposal			
	Cost		-	1,684,650
	Accumulated depreciation		-	(976,195)
			-	708,455
	Gain on disposal		-	431,545

No assets were disposed off during the year. However, assets having carrying value of Rs. 2.006 million were written off during the year.

		Note	2013 Rupees	2012 Rupees
4.2	**Capital work in progress**			
	Advance to suppliers		-	639,555
4.3	**The depreciation charge is allocated as follows:**			
	Cost of sales	*18*	**14,247,857**	11,585,196
	Selling and administrative expenses	*19*	**920,836**	885,949
			15,168,693	12,471,145

	Note	2013 Rupees	2012 Rupees
5 Long term deposits			
Deposits with leasing companies		-	820,780
Others	*5.1*	**3,411,340**	3,399,340
		3,411,340	4,220,120

5.1 These represent security deposits against rented premises, supply of diesel and drinking water.

	Note	2013 Rupees	2012 Rupees
6 Deferred taxation			
The asset / (liability) for deferred taxation comprises temporary differences relating to:			
Deferred tax liability			
Accelerated tax depreciation		**(27,395,288)**	(26,378,030)
Deferred tax assets			
Liability against assets subject to finance lease- secured		**117,784**	974,730
Unabsorbed tax credits	*6.1*	**32,538,060**	20,092,984
		5,260,556	(5,310,316)

6.1 Tax loss on account of unabsorbed depreciation amounting to Rs. 46.339 million and minimum tax credit amounting to Rs. 16.319 million is available to the Company's credit. Deferred tax asset in respect thereof has been recognized as availability of sufficient taxable profits in future tax years to absorb such loss is expected.

	Note	**2013 Rupees**	2012 Rupees
7 Stock in trade			
Raw materials:			
- crush		**4,870,173**	14,439,643
- sand		**2,809,538**	9,629,516
- cement		**5,856,602**	2,287,851
- admixture / chemicals		**1,116,322**	1,263,258
- diesel and lubricants		**464,552**	403,491
		15,117,187	28,023,759
8 Trade debts			
Considered good - *unsecured*	*8.1*	**100,767,583**	71,918,294

8.1 It includes the balance due from Kaizen Construction (Private) Limited, a related party, amounting to Rs. 1.543 million (2012: nil).

	Note	**2013 Rupees**	2012 Rupees
9 Advances, prepayments and other receivables			
Advances to staff - *unsecured, considered good*	*9.1*	**711,934**	450,643
Advances to suppliers - *unsecured, considered good*	*9.2*	**1,625,660**	2,235,499
Prepayments		**181,955**	153,816
Other receivables		**379,674**	1,174,127
Security deposit with the leasing company		**269,430**	-
		3,168,653	4,014,085

9.1 These represent advances given to employees against expenses on behalf of the Company amounting to Rs. 0.499 million (2012: Rs. 0.450 million).

9.2 These represent advances given to suppliers, ABE Pak (Private) Limited and Thatta Cement Limited, related parties, amounting to Rs. 0.048 million (2012: nil) and Rs. 0.388 million (2012: nil) respectively.

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		Note	2013 Rupees	2012 Rupees
10	**Cash and bank balances**			
	Cash in hand		**224,622**	88,783
	Cash at bank			
	- current accounts	*10.1*	**161,159**	115,539
	- deposit accounts	*10.2 & 10.3*	**2,204,116**	5,995,674
			2,365,275	6,111,213
			2,589,897	6,199,996

10.1 This includes bank balance amounting to Rs. 0.100 million (2012: Rs. 0.100 million) maintained with Habib Metropolitan Bank Limited, a related party.

10.2 This includes bank balance amounting to Rs. 2.204 million (2012: Rs. 5.944 million) maintained with Habib Metropolitan Bank Limited, a related party.

10.3 These carry profit at the rate of 5.00% (2012: 5.00%) per annum.

		Note	2013 Rupees	2012 Rupees
11	**Trade and other payables**			
	Trade creditors	*11.1*	**73,120,387**	56,902,412
	Advances from customers		**8,310,942**	6,017,002
	Director's remuneration payable		**115,000**	115,000
	Accrued expenses		**5,663,047**	5,821,152
	Withholding tax payable		**309,884**	245,318
	Workers' Welfare Fund	*11.2*	**926,059**	821,751
	Workers' Profit Participation Fund	*11.3*	**4,183,604**	3,347,273
	Other payables		**1,339,151**	2,054,016
			93,968,074	75,323,924

11.1 It includes the balance due to Power Cement Limited and ABE Pak (Private) Limited, related parties, amounting to Rs. 0.806 million (2012: nil) and Rs. nil (2012: Rs. 1.585 million) respectively.

11.2 Interest on Workers' Welfare Fund is charged at 12.69% (2012: 14.22%) per annum.

		Note	2013 Rupees	2012 Rupees
11.3	**Workers' Profit Participation Fund ("WPPF")**			
	As at the beginning of the year		**3,347,273**	2,930,652
	Interest on funds utilized by the Company	*11.3.1*	**424,881**	416,621
	Charged to profit and loss for the year		**411,450**	-
	As at end of the year		**4,183,604**	3,347,273

11.3.1 Interest on Workers' Profit Participation Fund is charged at 12.69% (2012: 14.22%) per annum.

		2013	2012
		Rupees	Rupees
12	**Accrued mark-up**		
	Mark-up on short term running finance - *secured*	**1,770,864**	2,369,760

		Limit in millions of Rupees	Note	2013 Rupees	2012 Rupees
13	**Short term running finance - *secured***				
	The Bank of Punjab	*70.00*	*13.1*	**37,814,670**	46,108,802

13.1 This represents utilized portion of short term running finance facility available from the Bank of Punjab under mark-up arrangement. This facility is secured by way of first exclusive charge on all present and future non-current and current assets of the Company for Rs. 93.5 million registered with Securities and Exchange Commission of Pakistan and personal guarantee of Syed Maratib Ali. It carries mark-up at the rate of 3 months average KIBOR plus 200 bps (2012: 3 months highest KIBOR plus 250 bps) with a floor of 13.00% (2012: 14.00%) per annum payable on quarterly basis.

		2013	2012
		Rupees	Rupees
14	**Liabilities against assets subject to finance lease - *secured***		
	Present value of minimum lease payments	**336,527**	2,784,944
	Current maturity presented under current liabilities	**(336,527)**	(2,448,417)
		-	336,527

These represent plant and machinery and vehicles acquired under finance lease arrangements and are secured by specific charge on leased assets, joint ownership of leased assets with the lender and lien over documents of title. Rentals are paid monthly in advance. The leases are priced at rates ranging from 16.00% per annum to 23.00% per annum (2012: 16.00% per annum to 23.00% per annum). Under the terms of agreement, taxes, repairs, replacements and insurance costs in respect of assets subject to finance lease are borne by the Company. The Company also has the option to acquire these assets at the end of the respective lease terms and intends to exercise the option.

The amount of future payments under the lease arrangements and the period in which these payments will become due are as follows:

	Minimum lease payments	Future finance charge	Present value of minimum lease payments 2013	2012
	(---Rupees---)			
Years				
Not later than one year	**337,815**	**1,288**	**336,527**	2,448,417
Later than one year but not later than five years	**-**	**-**	**-**	336,527
	337,815	**1,288**	**336,527**	2,784,944

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	2013 Rupees	2012 Rupees
15 Share capital		
15.1 Authorized share capital:		
35,000,000 ordinary shares of Rs. 10 each	**350,000,000**	350,000,000

15.2 Issued, subscribed and paid-up capital

2013	2012			
------------ Number of shares -----------				
20,000,000	20,000,000	Fully paid ordinary shares of Rs. 10 each issued for cash	**200,000,000**	200,000,000

16 Contingencies and commitments

16.1 Contingencies

16.1.1 Building blocks of cement including ready mix concrete blocks were exempt from levy of sales tax by Federal Board of Revenue (“FBR”) vide an amendment by Finance Act 2008 in Serial No. 35 of Table 1 of the Sixth Schedule read with section 13(1) of the Sales Tax Act, 1990 (“the Act”). However, Sales tax audit of the Company was initiated vide letter No 505-5 on 21 December 2010 for tax period 2007-08. As a consequence, audit observations were issued vide letter dated 14 January 2011 involving a sales tax liability amounting to Rs. 105.257 million. Resultantly, the Company applied to the Honorable Lahore High Court (“the Court”) against the Sales tax audit on the grounds that it is exempt from levy of sales tax under Serial No. 35 of Table 1 of Sixth Schedule of the Act. A stay order was granted by the Court on 24 January 2011 and since then there has been no development in this case. The Company is confident that it has a strong case and the outcome will be in favor of the Company.

16.1.2 FBR vide Finance Act 2011 withdrew amendment of Serial No. 35 of Table 1 of the Sixth Schedule of the Act with effect from 04 June 2011. However, the management is of the view that ready mix concrete is still exempt from levy of sales tax based on the fact that the said tax is levied on construction services and supply of goods whereas sale of concrete is neither a construction service nor supply of goods under section 2(39) of the Act and hence not taxable. The Company has taken up the matter with FBR and has made comprehensive representations in this regard. However, in case of adverse decision of the case, an estimated sale tax liability amounting to Rs. 106.094 million may arise. Based on the negotiations with FBR and the legal opinion, the management is expecting a favorable outcome and accordingly no provision in this respect has been made in these financial statements.

16.1.3 The Sindh High Court ("the Court") in the case of 'Kasim textile' in its order of 09 May 2013 has held that benefit of carry forward of minimum tax under section 113 of the Income Tax Ordinance, 2001 is only available if tax payable in a tax year is less than minimum tax paid. If in a tax year, a company has assessed losses on which no tax is payable, the company forgoes the right to carry forward minimum tax paid in that year. In the light of this order, the Company is not entitled to carry forward minimum tax paid in the current and prior tax years of Rs. 16.319 million as a result of assessed tax losses in these years and adjust it against normal tax liability. Also in the case of refunds claimed in any year, those would also be adjusted accordingly. However, the management is of the view that the verdict has been challenged in the Supreme Court and that they are waiting for the final outcome and accordingly no adjustment has been made in the financial statements in this respect.

16.2 Commitments

There are no commitments at the balance sheet date (2012: nil).

		Note	2013 Rupees	2012 Rupees
17	**Revenue**			
	Sale of concrete mix		**630,779,385**	544,316,927
	Toll manufacturing income		**15,709,088**	21,807,281
			646,488,473	566,124,208
18	**Cost of sales**			
	Raw material and stores consumed		**446,937,158**	422,797,340
	Salaries, wages and other benefits		**37,049,113**	31,278,289
	Depreciation	*4.3*	**14,247,857**	11,585,196
	Fuel and power		**74,512,917**	55,785,788
	Repair and maintenance		**12,338,496**	7,545,847
	Equipment hiring charges		**13,465,254**	2,788,016
	Carriage and freight		**479,086**	6,000
	Insurance expenses		**2,503,611**	2,794,667
	Premises rent		**4,860,000**	2,499,996
	Site preparation and sample testing		**263,426**	120,757
			606,656,918	537,201,896
19	**Selling and administrative expenses**			
	Salaries, wages and other benefits		**10,431,273**	11,892,715
	Traveling and conveyance		**1,682,919**	2,363,710
	Depreciation	*4.3*	**920,836**	885,949
	Office rent		**1,372,600**	1,127,020
	Auditors' remuneration	*19.1*	**500,000**	450,000
	Sales commission	*19.2*	**3,706,589**	2,645,593
	Security expenses		**426,191**	363,550
	Postage, telegram and telephones		**715,182**	724,012
	Rent, rates and taxes		**1,099,701**	455,118
	Insurance		**598,983**	609,064
	Entertainment		**346,923**	257,312
	Printing and stationery		**638,508**	607,080
	Utilities		**583,484**	630,113
	Boarding and lodging charges		**514,000**	470,400
	Assets written off		**2,006,264**	-
	Advertisement		**549,252**	138,944
	Legal and professional fee		**261,500**	462,236
	Repair and maintenance vehicle		**475,682**	610,845
	Miscellaneous		**1,242,025**	1,076,662
			28,071,912	25,770,323

19.1	**Auditors' remuneration**		
	Statutory audit	**340,000**	300,000
	Half yearly review	**125,000**	125,000
	Out of pocket expenses	**35,000**	25,000
		500,000	450,000

19.2 This includes sales commission of Rs. 3.261 million (2012: Rs. 2.571 million) related to City District Government Karachi.

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		Note	2013 Rupees	2012 Rupees
20	**Finance cost**			
	Bank charges		**149,421**	160,317
	Mark-up expense		**8,724,623**	11,192,555
	Interest on Workers' Welfare Fund	*11.2*	**104,308**	102,280
	Interest on Workers' Profit Participation Fund	*11.3*	**424,881**	416,621
			9,403,233	11,871,773
21	**Other income**			
	Income from financial assets			
	- profit on deposit accounts		**568,566**	448,604
	Income / (expense) from assets other than financial assets			
	- gain on sale of fixed assets	*4.1.1*	**-**	431,545
	- Worker's Profit Participation Fund		**(411,450)**	-
	- miscellaneous income		**5,373,921**	6,808,210
			5,531,037	7,688,359
22	**Taxation**			
	Income tax			
	- current year	*22.1*	**3,232,442**	5,443,169
	- prior year		**-**	332,592
	Deferred taxation		**(10,570,872)**	(52,450)
			(7,338,430)	5,723,311

22.1 Provision for current tax has been made in accordance with section 113 'Minimum tax on income of certain persons' of the Income Tax Ordinance, 2001 ("the Ordinance"). There is no relationship between tax expense and accounting profit as the provision for current taxation is based on turnover tax therefore no numerical reconciliation has been presented.

23 Remuneration of Chief Executive, Directors and Executives

	2013			
	Chief executive	**Executive Directors**	**Non-executive Directors**	**Executives**
Remuneration	**1,340,000**	**-**	**-**	**5,151,999**
Meeting fee	**-**	**-**	**50,000**	**-**
Total	**1,340,000**	**-**	**50,000**	**5,151,999**
Number of persons	**1**	**-**	**1**	**7**

	2012			
	Chief executive	Executive Directors	Non-executive Directors	Executives
Remuneration	1,380,000	-	-	5,832,999
Meeting fee	-	-	-	-
Total	1,380,000	-	-	5,832,999
Number of persons	1	-	-	9

No other benefits are being paid other than those mentioned above.

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24 Number of employees

The average number of employees during the year and as at reporting date are as follows:

	Number of employees	
	2013	2012
Average number of employees during the year	**140**	142
Total number of employees as at June 30	**144**	135

25 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

25.1 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted and arise principally from long term deposits, trade debts and security deposits. Out of the total financial assets of Rs. 108.130 million (2012: Rs. 83.963 million) financial assets which are subject to credit risk amount to Rs. 107.905 million (2012: Rs. 83.874 million).

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represent the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2013	2012
	Rupees	Rupees
Loans and advances		
Long term deposits	**3,411,340**	4,220,120
Trade debts	**100,767,583**	71,918,294
Advances and other receivables	**1,361,038**	1,624,770
Bank balances	**2,365,275**	6,111,213
	107,905,236	83,874,397

All trade receivables are in domestic currency and the aging of trade receivables at the reporting date is:

	2013	2012
	Rupees	Rupees
Not past due	**50,694,540**	34,394,540
Past due 0 – 180 days	**43,128,762**	32,802,906
Over 180 days	**6,944,281**	4,720,848
	100,767,583	71,918,294

Based on past experience the management believes that no further impairment allowance is necessary in respect of trade receivables and there are reasonable grounds to believe that the amounts will be recovered in normal course.

The Company's five significant customers account for Rs. 36.416 million (2012: Rs. 54.804 million) of trade debts as at the reporting date apart from which exposure to any single customer does not exceed 12% (2012: 32%) of trade debts as at the reporting date.

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Credit quality of major financial assets

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

Banks	Rating Long term	Rating Short term	Rating Agency	2013	2012
The Bank of Punjab	AAA	A1+	PACRA	**54,046**	492
Bank Alfalah Limited	AA	A1+	PACRA	**7,113**	11,126
Habib Metropolitan Bank Limited	AA+	A1+	PACRA	**2,304,116**	6,043,646
NIB Bank Limited	AA-	A1+	PACRA	**-**	54,374
Askari Bank Limited	AA	A1+	PACRA	**-**	1,575
				2,365,275	6,111,213

25.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return from operations. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation.

The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

		2013			
		Carrying amount	**Contractual maturities**	**Maturity upto one year**	**Maturity upto five years**
	Note	**(------Rupees------)**			
Trade and other payables	*11*	**93,968,074**	**93,968,074**	**93,968,074**	**-**
Accrued mark-up	*12*	**1,770,864**	**1,770,864**	**1,770,864**	**-**
Short term borrowings - *secured*	*13*	**37,814,670**	**37,814,670**	**37,814,670**	**-**
Liabilities against assets subject to finance lease	*14*	**336,527**	**337,815**	**337,815**	**-**
		133,890,135	**133,891,423**	**133,891,423**	**-**

		2012			
		Carrying amount	Contractual maturities	Maturity upto one year	Maturity upto five years
		(------Rupees------)			
Trade and other payables	*11*	75,323,924	75,323,924	75,323,924	-
Accrued mark-up	*12*	2,369,760	2,369,760	2,369,760	-
Short term borrowings - *secured*	*13*	46,108,802	46,108,802	46,108,802	-
Liabilities against assets subject to finance lease	*14*	2,784,944	3,020,490	2,682,675	337,815
		126,587,430	126,822,976	126,485,161	337,815

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

25.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

a) Currency risk

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 payables that exist due to transactions in foreign currencies. The Company is not exposed to currency risk as all the operations of the Company are being carried out in local currency.

b) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments is:

	2013	2012	**2013**	2012
	Effective rate (Percentage)		**Carrying amount (Rupees)**	
Financial liabilities				
Variable rate instruments:				
Short term borrowings	**13.00 to 13.37**	14.41 to 15.70	**37,814,670**	46,108,802

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on short term borrowing at the year end date, fluctuate by 100 bps higher / lower with all other variables held constant, profit after taxation for the year 2013 and for 2012 would have been decreased / increased respectively by the following amounts as a result of increase / decrease in finance cost on the variable rate financial liabilities:

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	2013 Rupees	2012 Rupees
Increase of 100 basis points		
Effect on profit or loss		
Variable rate instrument	**(378,147)**	(461,088)
Decrease of 100 basis points		
Effect on profit or loss		
Variable rate instrument	**378,147**	461,088

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

25.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between nowledgeable, willing parties in an arm's length transaction.

25.5 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the debt-to-equity ratio calculated as a ratio of total debt to equity. Debt comprises long term debts and liabilities against assets subject to finance lease. Equity includes total equity as shown in the balance sheet.

The debt-to-equity ratios as at reporting dates are as follows:

	2013 Rupees	2012 Rupees
Total debt	**336,527**	2,784,944
Total equity and debt	**212,654,572**	199,877,112
Debt-to-equity ratio	**0.2%**	1.4%

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Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

26 Transactions 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. Amounts due from and due to related parties are shown under respective notes to the accounts. Other significant transactions with related parties are as follows:

	2013	2012
	Rupees	Rupees
Associated companies:		
Kaizen Construction (Private) Limited		
Sale of concrete	**3,755,892**	-
ABE Pak (Private) Limited		
Sale of goods	**117,380**	-
Purchase of goods	**3,307,304**	4,701,200
IGI Insurance		
Insurance premium	**2,472,597**	2,658,461
Thatta Cement Limited		
Purchase of goods	**-**	804,807
Power Cement Limited		
Purchase of goods	**2,366,000**	10,888,425
Habib Metropolitan Bank Limited		
Interest Income	**567,605**	445,958
Tax deducted at source	**26,445**	61,423
Bank charges	**273**	4,483
Lease finance charge	**207,565**	350,372
Directors:		
Interest on loan from Directors	**-**	1,388,768

27 Cash and cash equivalents

Cash and bank balances	*10*	**2,589,897**	6,199,996
Short term borrowings	*13*	**(37,814,670)**	(46,108,802)
		(35,224,773)	(39,908,806)

safe mix
Concrete Products Ltd.

28 Plant capacity and actual production

The production capacity and the actual production achieved during the year are as follows:

	2013	2012
	(---------Cubic meter---------)	
Available capacity		
Batching plant	**770,400**	770,400
Actual production		
Batching plant	**126,290**	122,896

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

29 Operating segments

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

29.1 Revenue from sale of ready mix concrete represents 100% (2012: 100%) of the gross sales of the Company.

29.2 100% (2012: 100%) of the gross sales of the Company are made to customers located in Pakistan.

29.3 All non-current assets of the Company as at 30 June 2013 are located in Pakistan.

30 Profit / (loss) per share - *basic and diluted*

30.1 Profit / (loss) per share - *basic*

		2013	2012
Profit / (loss) after tax	*Rupees*	**15,225,877**	(6,754,736)
Weighted average number of ordinary shares outstanding during the year	*Numbers*	**20,000,000**	20,000,000
Profit / (loss) per share - *basic*	*Rupees*	**0.76**	(0.34)

There is no dilution effect on the basic earnings per share as the Company has no such commitments.

31 Corresponding figures

Corresponding figures have been re-arranged, where necessary, for the purpose of comparison. Significant reclassification for better presentation includes toll manufacturing income amounting to Rs. 21.807 million previously included in other operating income now presented under revenue.

32 Date of authorization for issue

The financial statements were authorized for issue on October 4, 2013 by the Board Of Directors of the Company.

33 General

Figures have been rounded off to nearest rupee.

Lahore

Chief Executive

Director