



**CONDENSED INTERIM
FINANCIAL STATEMENTS
QUARTER ENDED
31 MARCH 2024
(UNAUDITED)**

BECO STEEL LIMITED

WE STRENGTHEN YOUR DREAMS



COMPANY INFORMATION

BOARD OF DIRECTORS

- | | |
|---------------------------------------|------------------------------------|
| 1. Mr. Muhammad Zain-ul-Afaq | ChairPerson/Non-Executive Director |
| 2. Mr. Muhammad Ali Shafique Chaudhry | Chief Executive Officer |
| 3. Ms. Afifa Shafique | Executive Director |
| 4. Mr. Muhammad Hashim Tareen | Independent Director |
| 5. Mr. Mahmood Aslam | Independent Director |
| 6. Mrs. Shabana Shafique | Non-Executive Director |
| 7. Miss. Eman Shafique | Non-Executive Director |

AUDIT COMMITTEE

- | | |
|-------------------------------|-------------------------------|
| 1. Mr. Muhammad Hashim Tareen | Chairman/Independent Director |
| 2. Mrs. Shabana Shafique | Member |
| 3. Miss Eman Shafique | Member |

HR & REMUNERATION COMMITTEE

- | | |
|---------------------------------------|-------------------------------|
| 1. Mr. Muhammad Hashim Tareen | Chairman/Independent Director |
| 2. Mr. Muhammad Ali Shafique Chaudhry | CEO/Member |
| 3. Miss Eman Shafique | Member |
| 4. Mrs. Shabana Shafique | Member |

CHIEF FINANCIAL OFFICER

Miss. Afifa Shafique

COMPANY SECRETARY

Mr. Abdul Shakoor

INTERNAL AUDITOR

Saleem Marwat

EXTERNAL AUDITORS

M/s. Sheikh and Chaudhry
Chartered Accountants

SHARE REGISTRAR

Hameed Majeed Associates (Private)
Limited

REGISTERED OFFICE

79 – Peco Road Badami Bagh Lahore Pakistan

COMPANY'S BANKER

Soneri Bank Limited
JS Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
Bank Alfalah Limited
Askari Bank Limited
Bank of Punjab Limited

DIRECTORS' REVIEW REPORT

Dear Members

The directors of the company are pleased to present the unaudited financial statements for the period ended 31 March 2024.

A brief summary of the financial results as on 31 March 2024 is as follow:

(Amount in Rupees)

Financial Highlights	Nine Months Period ended March 31,		Variance
	2024	2023	%age
Net Sales	2,781,166,825	3,377,539,277	-17.66%
Gross Profit	101,560,821	(148,501,701)	168.39%
Profit Before Taxation	45,052,130	(224,579,638)	120.06%
Taxation	(34,764,584)	(42,219,240)	-18.55%
Profit for the Period	10,287,546	(266,798,878)	103.86%
Earning Per Share	0.08	(5.9)	101.39%

Business, Financial & Operational review

Throughout the period, the Company's overall performance was affected by political tensions, a current account deficit, currency depreciation, challenges with foreign exchange reserves, increasing inflation, elevated discount rates, a substantial rise in energy costs, and a decline in sale prices.

Future Outlook


Looking ahead, the steel market continues to be influenced by ongoing geopolitical uncertainties, political developments, currency fluctuations, and rising discount rates. However, it is anticipated that the situation will stabilize in the near future, providing a more conducive environment for operations.

Acknowledgment

We appreciation to our valued customers, dedicated suppliers, supportive shareholders, committed employees, and diligent executives for their unwavering support and cooperation with our company.

Lastly, we extend our heartfelt gratitude to all stakeholders for their invaluable patronage, and eagerly anticipate their ongoing support as we strive for excellence together.

For and on behalf of the Board



Muhammad Ali Shafique Chaudhry
Chief Executive Officer



Muhammad Zain ul Afaq
Director

Lahore
April 29, 2024

BECO STEEL LIMITED
CONDENSED QUARTERLY STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 MARCH 2024

EQUITY AND LIABILITIES	Note	31-Mar-2024 Rupees	30-June-2023 Rupees
Share capital and reserves			
Authorised share capital: 150,000,000 (30 June 2023: 150,000,000) ordinary shares of Rs.10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up capital 124,962,510 (30 June 2023: 124,962,510) ordinary shares of Rs.10 each		1,249,625,100	1,249,625,100
Share Premium		1,999,250,200	1,999,250,200
Loan from directors	5	254,672,420	254,672,420
Revenue reserve		-	-
Accumulated profit/ (loss)		(315,669,185)	(325,956,731)
		<u>3,187,878,535</u>	<u>3,177,590,989</u>
Non current liabilities			
Current liabilities			
Trade and other payable		1,931,288,432	2,648,439,498
Unclaimed dividend		4,911,563	4,911,563
Deferred tax liability		23,131,835	23,131,835
		<u>1,959,331,830</u>	<u>2,676,482,896</u>
Contingencies and commitments	6	-	-
		<u>5,147,210,365</u>	<u>5,854,073,885</u>
ASSETS			
Non current assets			
Property, plant and equipment		3,785,130,311	3,833,278,224
Long term deposits		450,000	450,000
		<u>3,785,580,311</u>	<u>3,833,728,224</u>
Current assets			
Stock in Trade		1,137,297,682	1,115,998,773
Stores, spares and loose tools		-	-
Trade debts		54,895,484	691,297,266
Income tax due from Government		112,126,174	41,820,625
Trade deposits and short term prepayments		158,627	139,874,550
Other receivable		-	-
Cash and bank balances		57,152,087	31,354,447
		<u>1,361,630,054</u>	<u>2,020,345,661</u>
		<u>5,147,210,365</u>	<u>5,854,073,885</u>

The annexed notes from 01 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
CONDENSED QUARTERLY STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2024

	Note	Nine Month ended		Quarter ended	
		31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
		Rupees	Rupees	Rupees	Rupees
Sales		2,781,166,825	3,377,539,277	942,456,686	149,899,026
Cost of Sales		(2,679,606,004)	(3,526,040,978)	(892,049,969)	(375,825,637)
Gross profit		101,560,821	(148,501,701)	50,406,717	(225,926,611)
Distribution and selling expenses		921,030	-	-	-
Administrative and general expenses		51,006,514	72,179,197	4,833,028	6,701,570
Other operating expenses		3,567,945	-	145,000	-
		55,495,489	72,179,197	4,978,028	6,701,570
Operating profit /(loss)		46,065,332	(220,680,898)	45,428,689	(232,628,181)
Other income		143,197	-	-	-
Profit from operations		46,208,529	(220,680,898)	45,428,689	(232,628,181)
Finance cost		(1,156,399)	(3,898,740)	(221,900)	(16,325)
Profit before taxation		45,052,130	(224,579,638)	45,206,789	(232,644,506)
Taxation		(34,764,584)	(42,219,240)	(11,780,707)	(1,873,737)
Profit/ (Loss) after taxation		10,287,546	(266,798,878)	33,426,082	(234,518,243)
Earning per share- basic and diluted	7	0.08	(5.93)	0.27	(9.38)

The annexed notes from 01 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
CONDENSED QUARTERLY STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTH ENDED 31 MARCH 2024

	(Rupees)					
	Share capital	Share premium	Loan from sponsors	Revenue reserve General reserve	Accumulated Loss / profit	Total equity
Balance as at 30 June 2022	1,249,625,100	1,999,250,200	217,072,420	9,000,000	(113,808,140)	3,361,139,580
Profit for the nine month ended 31 March 2023	-	-	-	-	(266,798,878)	(266,798,878)
Loan from sponsor	-	-	-	-	-	-
Loan from sponsor repaid	-	-	(34,742,220)	-	-	(34,742,220)
Other comprehensive income for the nine month ended 31 March 2023	-	-	-	-	-	-
Total comprehensive income for the nine month ended 31 March 2023	-	-	(34,742,220)	-	(266,798,878)	(301,541,098)
Balance as at 31 March 2023	<u>1,249,625,100</u>	<u>1,999,250,200</u>	<u>182,330,200</u>	<u>9,000,000</u>	<u>(380,607,018)</u>	<u>3,059,598,482</u>
Balance as at 30 June 2023 (Audited)	<u>1,249,625,100</u>	<u>1,999,250,200</u>	<u>254,672,420</u>	-	<u>(325,956,731)</u>	<u>3,177,590,989</u>
Profit for the nine month ended 31 March 2024	-	-	-	-	10,287,546	10,287,546
Loan from directors	-	-	-	-	-	-
Loan paid to directors	-	-	-	-	-	-
Other comprehensive income for the nine month ended 31 March 2024	-	-	-	-	-	-
Total comprehensive profit for the nine month ended 31 March 2024	-	-	-	-	10,287,546	10,287,546
Balance as at 31 March 2024	<u>1,249,625,100</u>	<u>1,999,250,200</u>	<u>254,672,420</u>	<u>-</u>	<u>(315,669,185)</u>	<u>3,187,878,535</u>

The annexed notes from 01 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2023

Note	Nine Months ended		Quarter ended	
	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
	Rupees	Rupees	Rupees	Rupees
Profit/(Loss) for the period	10,287,546	(266,798,878)	36,371,499	(234,518,243)
Other comprehensive income:				
Item that will not be reclassified to statement of profit or loss:	-	-	-	-
Items that may be reclassified to statement of profit or loss:	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>10,287,546</u>	<u>(266,798,878)</u>	<u>36,371,499</u>	<u>(234,518,243)</u>

The annexed notes from 01 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
CONDENSED QUARTERLY STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTH ENDED 31 MARCH 2023

	Note	Nine month ended	
		31-Mar-2024	31-March-2023
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before taxation		45,052,130	(224,579,638)
Adjustments for following items:			
Depreciation		49,017,206	54,929,260
Finance cost		1,156,399	3,898,740
		<u>50,173,605</u>	<u>58,828,000</u>
Operating profit before working capital changes		95,225,735	(165,751,638)
(Increase) / decrease in current assets			
Trade debts - unsecured but considered good		636,401,782	(104,697,169)
Loan and advances		-	-
Stock-in-trade		(21,298,909)	(80,612,499)
Stores, spares and loose tools		-	683,494
Trade deposit and prepayment		139,715,923	(37,944,715)
Other receivable		-	-
		<u>754,818,796</u>	<u>(222,570,889)</u>
Decrease / (decrease) in current liabilities			
Unclaimed dividend		-	39,827
Trade and other payables		(717,151,066)	583,267,749
		<u>(717,151,066)</u>	<u>583,307,576</u>
Cash generated from operations		132,893,465	194,985,049
Finance cost paid		(1,156,399)	(3,898,740)
Income tax paid		(105,070,133)	(131,940,181)
		<u>(106,226,532)</u>	<u>59,146,128</u>
Net cash used in operating activities		26,666,933	59,146,128
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(869,292)	-
Security deposit		-	-
Net cash (used in) / generating from investing activities		(869,292)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from directors		-	34,742,220
Repayment of loan from directors		-	-
Net cash flows generated from / (used in) financing activities		-	34,742,220
Net increase / (decrease) in cash and cash equivalents		25,797,640	24,403,908
Cash and cash equivalents at the beginning of the period		31,354,447	35,332,519
Cash and cash equivalents at the end of the period		<u>57,152,087</u>	<u>59,736,427</u>

The annexed notes from 01 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH ENDED 31 MARCH 2023 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

1.01 M/s Beco Steel Limited (Formerly; Ravi Textile Mills Limited) ("the Company") is a public limited company incorporated in Pakistan on 21 April 1987 vide incorporation No: 0015977 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The name of the company was changed from Ravi Textile Mills Limited to Beco Steel Limited. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal activity of the Company shall be to carrying out the business of manufacturing of steel and allied products, along with ancillary activities thereto.

1.02 Pursuant to the special resolutions passed by the shareholders of M/s Beco Steel Limited (formerly: Ravi Textile Mills Limited) (the "Company") at the extraordinary general meeting held on 11 May 2021, and the approvals thereby granted, for, inter alia, the issuance of shares of the Company other than by way of right offer, and for consideration other than cash, in accordance with the provisions of Section 83(1)(b) of the Companies Act, 2017 and the Companies (Further Issue of Shares) Regulations, 2020, the Company filed an application with the Securities and Exchange Commission of Pakistan ("SECP") seeking approval for issuance of shares.

SECP vide its letter No. EMD/CI/80/2008/58 dated 31 January 2022, approved the issuance of 99,962,510 ordinary shares of the Company, having par value of PKR 10/- each, at a premium of PKR 20/- per share, in aggregate amounting to the equivalent of PKR 2,998,875,300/-, by way of other than right offer against consideration of non-cash assets, including land, building, and plant & machinery, subject to the fulfilment of the conditions prescribed by the SECP, transfer of the non-cash assets to the Company by the subscribers/allotees of such shares, and carrying out other formalities / steps in accordance with applicable laws. The company is currently in process of completing legal formalities for the transfer of non-cash assets, including land, building, and plant & machinery, and for the issuance of shares.

2 BASIS OF PREPARATION

2.01 Statement of Compliance

(a) These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- (b) These condensed interim financial statements comprise the condensed interim statement of financial position of the company as at 31 December 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with notes forming part thereof.
- (c) These condensed interim statements are un-audited but subject to limited scope review by the external auditors and being submitted to the shareholders as required by the Listing Regulation of Pakistan Stock Exchange Limited and Section 237 of the Company Act, 2017.
- (d) These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended 30 June 2023. Comparative condensed interim statement of financial position has been extracted from annual financial statements for the year ended 30 June 2023, whereas comparatives for condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and related notes for the Nine month ended 31 December 2023 have been subjected to review but not audited.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this un condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2023.

BECO STEEL LIMITED
SELECTED NOTES TO THE CONDENSED QUARTERLY FINANCIAL STATEMENTS
FOR THE NINE MONTH ENDED 31 MARCH 2024 (UN-AUDITED)

	Note	Un-Audited 31-Mar-24 Rupees	Audited 30-Jun-23 Rupees
5 DIRECTOR'S LOAN	5.01	254,672,420	254,672,420

5.01

These are interest free loans from directors of the Company payable at the discretion of the entity. They do not pass the liability test and thus recorded as equity at face value. They will not be re-measured subsequently. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the directors' loan would be direct debit to equity as per TR-32 'Accounting Directors' Loan' issued by Institute of Chartered Accountants of Pakistan.

6 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments as disclosed in the audited financial statements as at 30 June 2023.

	Nine month ended		Quarter ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Note	Rupees	Rupees	Rupees	Rupees
7 Basic earnings per share	Nine month ended		Quarter ended	
Profit/ (Loss) for the period (Rupees)	10,287,546	(266,798,878)	33,426,082	(234,518,243)
Weighted average number of ordinary shares (Numbers)	124,962,510	124,962,510	124,962,510	124,962,510
Earnings per share - Basic (Rupees)	0.08	(5.93)	0.27	(9.38)

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at 31 March 2024 and 2023 which would have any effect on the profit per share if the option to convert is exercised.

7.2 Decreases in EPS ratio due to geopolitical and Inflationary impact.

8 TRANSACTIONS WITH RELATED PARTIES

The related parties comprises of associated undertaking, directors and key management personnel. The Company in the normal course of business carried out transaction with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in this condensed quarterly financial statements are as follows:

	Nine month ended		Quarter ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	Rupees	Rupees	Rupees	Rupees
Related Party Transaction				
Purchases from Beco Steel Ferrous And Non Ferrous Metal	11,159,858	-	11,159,858	-

9 FINANCIAL RISK MANAGEMENT

The company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2023.

12 DATE OF AUTHORIZATION FOR ISSUE

These condensed quarterly financial statements were approved by the Board of Directors and authorized for issue on 29 April 2024.

13 GENERAL

Figures have been rounded off to nearest of Rupee.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER