



# **BECO STEEL LIMITED**

**CONDENSED  
INTERIM FINANCIAL  
STATEMENTS  
QUARTER ENDED  
30 SEPTEMBER 2021**

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

1.	Miss Afifa Shafique	Chairperson/Non-Executive Director
2.	Mr. Ch. Muhammad Shafique	Chief Executive Officer
3.	Mr. Muhammad Hashim Tareen	Independent Director
4.	Mr. Muhammad Asim Raza	Non-Executive Director
5.	Miss. Eman Shafique	Non-Executive Director
6.	Mr. Mahmood Aslam	Independent Director
7.	Mr. Waheed Akbar	Executive Director

### **AUDIT COMMITTEE**

1.	Mr. Muhammad Hashim Tareen	Chairman/Independent Director
2.	Mr. Muhammad Asim Raza	Member
3.	Miss Eman Shafique	Member

### **HR & REMUNERATION COMMITTEE**

1.	Mr. Muhammad Hashim Tareen	Chairman/Independent Director
2.	Ch. Muhammad Shafique	CEO/Member
3.	Miss Eman Shafique	Member
4.	Mr. Muhammad Asim Raza	Member

### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Zulfiqar Ahmad

### **COMPANY SECRETARY**

Mr. Zahur Ahmad

### **HEAD OF INTERNAL AUDITOR**

Abida Kamran & Co., Chartered Accountants

### **SHARE REGISTRAR**

Hameed Majeed Associates (Private) Limited

### **EXTERNAL AUDITORS**

Tariq Abdul Ghani Maqbool & Co.,  
Chartered Accountants

### **REGISTERED OFFICE**

Florets Luxury Apartments, Ground Floor, G-7, 127-Ahmad Block,  
New Garden Town, Lahore.

### **COMPANY'S BANKER**

JS Bank Limited  
Habib Metropolitan Bank Limited  
Soneri Bank Limited

## Directors' Review

The directors of the company are pleased to present the unaudited financial statements for the first quarter ended September 30, 2021.

The turnover of the first quarter is reported as Rs. 694.734 million (2020: Rs. 23.478 million), with gross profit for the period is Rs. 53.241 million (2020: Rs.0.696 million) and net profit Rs. 37.520 million (2020: Rs.0.613 million).

Earnings per share (EPS) for the period is Rs. 1.50 as compared to EPS of Rs. 0.02 of the corresponding period of the last quarter.

The company has started its steel business operations in July 2021 on toll manufacturing basis. Further, after approval of SECP under section 83(1)(b) of companies Act 2017, two operational steel units including unit No 1, having melting capacity of 2 Metric Tons within 24 hours per day approved WAPDA load 5000 Kw and load consumption 4800 Kw and unit No. 2 comprising large grinders, channels and angles along with an extremely specialized melting furnace with melting capacity of 105 metric tons 24 hours per day, approved WAPDA load 5000 Kw and load consumption 3800 Kw, along with land and building shall be transferred to the company against issuance of ordinary shares. Hence, the company has plans to operate melting and re-rolling units in future.

Interim financial statements are attached herewith for members' kind perusal and records.

We would like to appreciate the cooperation of our customers they have shown in our company and efforts of the employees and executives for the betterment of the company.

For and on behalf of the Board

Ch. Muhammad Shafique  
Chief Executive Officer  
Lahore  
October 29, 2021

Afifa Shafique  
Director/ Chairperson

### ڈائریکٹرز کا جائزہ

کمپنی کے ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنے پر خوش ہیں۔

پہلی سہ ماہی کا کاروبار 694.734 ملین روپے (2020: 23.478 ملین روپے) بتایا گیا ہے، اس عرصے کا مجموعی منافع 53.241 ملین روپے (2020: 0.696 ملین روپے) اور خالص منافع 37.520 ملین روپے (2020: 0.613 ملین روپے) ہے۔ اس مدت کے لئے فی حصص آمدنی (ای پی ایس) 1.50 روپے ہے۔ ای پی ایس گزشتہ سہ ماہی کی اسی مدت کا 0.02 روپے ہے۔

کمپنی نے جولائی 2021 میں ٹول مینوفیکچرنگ کی بنیاد پر اسٹیل کے کاروبار کا آغاز کیا ہے۔ مزید برآں کمپنیوں ایکٹ 2017 کی دفعہ 83(1) کے تحت ایس ای سی پی کی منظوری کے بعد یونٹ نمبر 1 سیٹ دو آپریشنل اسٹیل پلانٹ، 24 گھنٹے یومیہ کے اندر 2 میٹرک ٹن گھٹیلے کی صلاحیت رکھنے والے ڈیلیو اسے پی ڈی اے لوڈ 5000 گلوواٹ اور لوڈ کھپت 4800 گلوواٹ اور یونٹ نمبر 2 جس میں بڑے گرائنڈرز، چینلز اور زاویوں کے ساتھ 105 میٹرک ٹن 24 گھنٹے یومیہ گھٹیلے کی صلاحیت ہے۔ منظور شدہ ڈیلیو اسے پی ڈی اے لوڈ 5000 گلوواٹ اور لوڈ کھپت 3800 گلوواٹ، زمین اور عمارت کے ساتھ عام حصص کے اجراء کے خلاف کمپنی کو منتقل کیا جائے گا۔

عبوری مالیاتی گوشوارے اس کے ساتھ ممبران کے جائزے اور ریکارڈ کے لیے منسلک ہیں۔

ہم اپنے صارفین کے تعاون کی تعریف کرتا چاہیں گے جو انہوں نے ہماری کمپنی میں ظاہر کیا ہے اور کمپنی کی بہتری کے لیے ملازمین اور ایگزیکٹوز کی کوششوں کو سراہتا چاہیں گے۔

عفیفہ شفیق  
ڈائریکٹر / چیئر پرسن

چودھری محمد شفیق  
چیف ایگزیکٹو آفیسر

لاہور

12 ستمبر 2021

**BECO STEEL LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2021**

	Note	(Un-Audited) September 30, 2021 Rupees	(Audited) June 30, 2021 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital: 150,000,000 (2021: 150,000,000) ordinary shares of Rs. 10/- each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up capital		250,000,000	250,000,000
Loan from directors		40,742,220	40,742,220
Revenue reserve		9,000,000	9,000,000
Accumulated losses		(266,809,452)	(304,329,379)
		32,932,768	(4,587,159)
<b>NON CURRENT LIABILITIES</b>			
Staff retirement benefits		-	-
Deferred taxation		-	-
<b>CURRENT LIABILITIES</b>			
Trade and other payables		50,429,436	3,429,436
Accrued mark up	6	850,000	850,000
Unclaimed dividend		1,034,090	1,034,090
Provision for taxation		12,563,735	3,879,557
		64,877,261	9,193,083
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	97,810,029	4,605,924
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	-	-
Long term deposits		-	-
		-	-
<b>CURRENT ASSETS</b>			
Stock in trade		10,225,110	-
Trade debts		84,009,591	-
Loan and advances		-	-
Income tax due from Government		2,161,876	2,161,876
Trade deposits and short term prepayments	9	-	-
Other receivables	10	60,245	60,245
Short term investment	11	1,032,815	1,009,088
Cash and bank balances		320,392	1,374,715
		97,810,029	4,605,924
		97,810,029	4,605,924

The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

**BECO STEEL LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**  
(Un-Audited)

Note	Quarter Ended September 30, 2021 Rupees	Quarter Ended September 30, 2020 Rupees
Sales-net	694,734,202	23,478,002
Cost of sales	641,493,622	22,781,728
Gross profit	53,240,580	696,274
Operating expenses:		
Administrative expenses	5,803,701	1,835,392
Other expenses	1,230,525	70,734
	7,034,226	1,906,126
Other Income	-	2,173,617
Profit from operations	46,206,355	963,765
Finance Cost	2,250	225,090
Profit before tax	46,204,105	738,675
Taxation	8,684,178	125,575
Profit after tax	37,519,927	613,100
Earnings per share-basic and diluted	1.50	0.02

The annexed notes from 1 to 15 form an integral part of these financial statements.



**Chief Financial Officer**



**Director**



**Chief Executive Officer**

**BECO STEEL LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**  
**(Un-Audited)**

Note	Quarter Ended September 30, 2021 Rupees	Quarter Ended September 30, 2020 Rupees
Profit after taxation	37,519,927	613,100
Other comprehensive income:		
Items 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 year	-	-
Total comprehensive income for the year	<u>37,519,927</u>	<u>613,100</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.



**Chief Financial Officer**



**Director**



**Chief Executive Office**

**BECO STEEL LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**  
**(Un-Audited)**

Note	Quarter Ended September 30, 2021 Rupees	Quarter Ended September 30, 2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) before taxation</b>	46,204,105	738,675
<b>Adjustments for:</b>		
Depreciation	-	131,611
Provision for worker's profit participation fund	2,310,205	54,215
Provision for worker's welfare fund	924,082	16,519
Profit on term deposit receipt	-	(23,106)
Staff retirement benefits	-	127,493
Finance cost	2,250	225,090
<b>Operating cash flows before working capital changes</b>	49,440,642	1,270,497
<b>(Increase) / decrease in current assets</b>		
Stock in trade	(10,225,110)	(18,161,265)
Stores, spare parts and loose tools	-	(1,403,126)
Trade debts	(84,009,591)	(4,495,981)
Trade deposits and short term prepayments	(23,727)	(1,522,157)
Loans and advances	-	(27,696)
Other receivables	-	169,416
	(94,258,428)	(25,440,809)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	43,765,713	1,210,790
<b>Cash used in operations</b>	(1,052,073)	(22,959,522)
Finance cost paid	(2,250)	(4,408)
Income tax paid	-	(350,104)
	(2,250)	(354,512)
<b>Net cash used in operating activities</b>	(1,054,323)	(23,314,034)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	-	(3,896,800)
Security deposit refund	-	1,000,000
<b>Net cash used in investing activities</b>	-	(2,896,800)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained / (repaid)	-	-
Short term borrowings-net	-	-
<b>Net cash generated / (used) in financing activities</b>	-	-
Net cash decrease in cash and cash equivalents	(1,054,323)	(26,210,834)
Cash and cash equivalents at the beginning of the period	1,374,715	148,077,883
Cash and cash equivalents at the end of the period	320,392	121,867,049

The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

**BECO STEEL LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**  
**(Un-Audited)**

	Share capital	Directors' loan	Revenue Reserves General reserves	Accumuated Loss	Total
	.....Rupees .....				
Balance as on July 01, 2020	250,000,000	66,586,220	9,000,000	(306,652,770)	18,933,450
Profit for the period	-	-	-	613,100	613,100
Balance as at September 30, 2020	250,000,000	66,586,220	9,000,000	(306,039,670)	19,546,550
Profit for the nine months ended June 30, 2021	-	-	-	1,710,291	1,710,291
Loan from directors repaid	-	(35,175,000)	-	-	(35,175,000)
Loan from directors	-	9,331,000	-	-	9,331,000
Balance as on June 30, 2021	250,000,000	40,742,220	9,000,000	(304,329,379)	(4,587,159)
Profit for the period	-	-	-	37,519,927	37,519,927
Balance as at September 30, 2021	250,000,000	40,742,220	9,000,000	(266,809,452)	32,932,768

The annexed notes from 1 to 15 form an integral part of these financial statements.

  
**Chief Financial Officer**

  
**Director**

  
**Chief Executive Officer**



**BECO STEEL LIMITED**  
**SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

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**1 LEGAL STATUS AND NATURE OF BUSINESS**

M/s Beco Steel Limited (Formerly; Ravi Textile Mills Limited) ("the Company") is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). During the year 2021, 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.

**2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS**

The registered office of the Company is situated at Flert Luxury Apartment G-7, Ground Floor, 127- Ahmad Block, Garden Town Lahore, Pakistan.

**3 BASIS OF PREPARATION**

**3.1 Statement of compliance**

These condensed interim financial statements comprise the condensed interim statement of financial position of the company as at September 30, 2021 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.

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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended June 30, 2021. Comparative condensed interim statement of financial position is stated from annual financial statements as of June 30, 2021, 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 are extracted from condensed interim financial statements of the Company for the nine months' period ended June 30, 2021.

**4 ACCOUNTING POLICIES**

The accounting policies and methods of computations adopted for the preparation of this condensed this interim financial statements are the same as applied in the preparation of preceding audited annual published financial statement of the company for the year ended 30 June 2021.

**5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During preparation of these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

**Beco Steel Mills Limited**

	Un-Audited September 30, 2021 Rupees	Audited June 30, 2021 Rupees
<b>6 ACCRUED MARK-UP</b>		
Bank Alfalah Limited	850,000	850,000
<b>7 CONTINGENCIES AND COMMITMENTS</b>		
There is no change in the status of contingencies and commitments from the date of preceding annual published financial statements of the company for the year ended 30 June 2021.		
	Un-Audited September 30, 2021 Rupees	Audited June 30, 2021 Rupees
<b>8 PROPERTY , PLANT AND EQUIPMENT</b>		
Opening Book value	-	-
Add: Additions during the period	-	3,896,800
Less: Depreciation charged during the period	-	(387,797)
	-	3,509,003
Less: NBV of disposals during the period		(3,509,003)
	-	-
<b>9 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
Trade Deposits And Short Term Prepayments	-	-
<b>10 OTHER RECEIVABLE</b>		
Considered good, unsecured:		
Accrued profit on saving bank account	60,245	60,245
Considered doubtful	11,330,999	11,330,999
Less: allowance for expected credit losses	(11,330,999)	(11,330,999)
	-	-
	60,245	60,245
<b>11 SHORT TERM INVESTMENT</b>		
Term deposit receipt	925,942	925,942
Add: profit accrued during the year	106,873	83,146
	1,032,815	1,009,088
<b>11.01</b>	This term deposit receipt issued by banking company has maturity period of one year and carries profit at the rate 10.25% per annum.	

**12 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES**

The aggregate amount charged in the financial statements for the year for remuneration, allowances, including all benefits to chief executive of the Company is as follows:

	Un-Audited	
	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
	Rupees	Rupees
Managerial remuneration	-	255,000
Allowances:		
Reimbursement - Travelling	-	27,660
Utilities		41,931
	-	324,591
No. of persons	-	1

**13 FINANCIAL RISK MANAGEMENT**

The Company 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 2021.

**14 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 29 October 2021 by the Board of Directors of the Company.

**15 GENERAL**

Figures have been rounded off to nearest of Rupee.



**Chief Financial Officer**



**Director**



**Chief Executive Office**