



# BECO Steel Limited

(Formerly: Ravi Textile Mills Limited)

**The General Manager**  
**Pakistan Stock Exchange Limited**  
Stock Exchange Building  
Stock Exchange Road  
Karachi

February 02, 2022

**Subject: Disclosure of Material Information**

Dear Sir:

In accordance with Sections 96 and 131 of the Securities Act, 2015 and the relevant provisions of the Rule Book of the Pakistan Stock Exchange Limited, we hereby convey the following:

Pursuant to the special resolutions passed by the shareholders of Beco Steel Limited (formerly Ravi Textile Mills Limited) (the "**Company**") at the extraordinary general meeting held on May 11, 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.

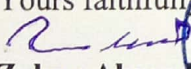
It is hereby intimated that the SECP has approved the issuance of 99,962,510 ordinary shares of the Company, having par value of PKR 10/- each, at a premium of PKR 20/- per share, in aggregate amounting to the equivalent of PKR 2,998,875,300/-, by way of other than right offer against consideration of 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 / allottees of such shares, and carrying out other formalities / steps in accordance with applicable laws.

The summarized valuation report, pertaining to the valuation of the non-cash assets to be transferred to the Company, being the consideration and basis for which the aforementioned shares are to be issued, is attached herewith.

A disclosure form as required under S.R.O. 143 (1)/2012 dated December 05, 2012 read with Section 131 of the Securities Act, 2015 is also enclosed as Annexure "A".

You may please inform the TREC holders accordingly.

Yours faithfully,

  
**Zahur Ahmad**  
Company Secretary



**Cc:**

Director / HOD  
Surveillance, Supervision and Enforcement Department  
**Securities and Exchange Commission of Pakistan**  
NIC Building, 63 Jinnah Avenue  
Blue Area, Islamabad

Registered Office:  
Flert Luxury Apartments G-7, Ground Floor,  
127-Ahmad Block, Garden Town, Lahore 54660-Pakistan  
Tel: +92 42 3229 7865 E-mail: info@becosteel.com  
Web: www.becosteel.com

Factory:  
79 Peco Road, Badami Bagh,  
Lahore 54900-Pakistan  
Tel: +92 40 3739 5670, 3761 2711





# BECO Steel Limited

(Formerly: Ravi Textile Mills Limited)

**ANNEXURE A**  
**DISCLOSURE FORM**  
**IN TERMS OF SECTIONS 96 AND 131 OF THE SECURITIES ACT 2015**

Name of the Company	<u>BECO STEEL LIMITED</u>
Date of Report	<u>FEBRUARY 02, 2022</u>
Name of Company as specified In its Memorandum	<u>BECO STEEL LIMITED</u>
Company's Registered Office	<u>Florets Luxury Apartments G-7, Ground Floor, 127-Ahmad Block, Garden Town, Lahore.</u>
Contact information	<u>042-32297865</u>

**Disclosure of Price Sensitive / Inside Information by Listed Company**

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The summarized valuation report, pertaining to the valuation of the non-cash assets to be transferred to the Company, being the consideration and basis for which the aforementioned shares are to be issued, is attached herewith.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

The company has duly caused this form / statement to be signed / on its behalf by the undersigned hereunto duly authorized.

Company Secretary




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# CHAUDHRY STEEL RE-ROLLING MILLS LIMITED [UNIT I AND II]

## Valuation Report for BECO Steel Limited

PRESENTED BY

Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

A MEMBER OF RUSSELL BEDFORD INTERNATIONAL



Board of Directors  
Beco Steel Limited  
G-7, Ground Floor  
Florets Luxury Apartments,  
127 Ahmed Block,  
New Garden Town  
Lahore.

Gentlemen,

**VALUATION OF LAND, BUILDING, PLANT, MACHINERY AND  
EQUIPMENT OF CHAUDHRY STEEL RE-ROLLING MILLS  
LIMITED**

We are pleased to enclose the Valuation Report in accordance with our engagement letter dated 04 October 2021 and the scope of work set out in Section 2 of this Report.

**Sources of Information**

The valuation is based on information provided by the management of Chaudhry Steel Re-rolling Mills Limited ['the Management'], independently verified by RSRIR to the extent verifiable, and updated based on independent research carried out by RSRIR.

**Forms of Report**

For your convenience, this report has been made available to you in electronic as well as hard copy format.

Multiple copies and versions of this report may therefore exist in different media and in case of any discrepancy, the final signed hard copy shall be regarded as definitive.

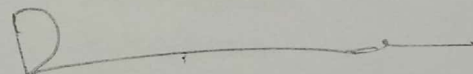
**Withdrawal of previous version**

Our report dated 09 November 2021 on subject matter is hereby withdrawn.

**Confidentiality**

This Report is confidential and has been prepared exclusively for the BECO STEEL LIMITED. It shall not be used, reproduced or circulated for any purpose, other than as specified in Section 2 of this Report, in whole or in part, without our prior written consent, and, such consent will only be given after full consideration of the prevailing circumstances at the time.

Yours truly,



**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
**Chartered Accountants**

Lahore: 20 DECEMBER 2021



# Executive Summary

## Introduction

### RSRIR's Role

Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants has completed this report as part of the Independent Valuation exercise conducted on the following assets, under instructions from BECO STEEL LIMITED:

1. Chaudhry Steel Re-rolling Mills Limited – Unit I comprising industrial land situated at Plot no.s 1 to 16, Khata no. 6298, Khatooni no.s 8718 to 8733, Sheikhabad, Mouza Bela Basti Ram, Abu Bakar Road, Badami Bagh, Tehsil and District Lahore, building(s) and other civil works thereon and plant, machinery and equipment installed therein.
2. Chaudhry Steel Re-rolling Mills Limited – Unit II comprising industrial land situated at Sidiqia Colony, Mouza Bela Basti Ram, Noor Road, Badami Bagh, Tehsil and District Lahore, building(s) and other civil works thereon and plant, machinery and equipment installed therein.

Our Valuation report is mainly based on the information provided to RSRIR by the management of CHAUDHRY STEEL RE-ROLLING MILLS LIMITED, independently verified by RSRIR, to the extent verifiable, and updated based on independent research carried out by RSRIR.

## Valuation

### Scope of work and approach

The valuation exercise has been conducted in accordance with the International Valuation Standard 300 'Plant and Equipment' and International Valuation Standard 400 'Real Property Interests'. Refer to Section 2 for detailed scope of work.

We have used the following valuation approaches for assets specified:

Land	Market Approach
Buildings	Cost Approach
Plant, Machinery and Equipment	Cost Approach

**Market Approach** provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.

**Cost Approach** provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction.

Refer to Section 3 of this report for detailed valuation methodology.



# Executive Summary

## Purpose of valuation exercise

The purpose of this valuation exercise is to provide the management of Beco Steel Limited ['the Acquirer'] an indicative valuation of property, plant and equipment assets of Chaudhry Steel Re-rolling Mills Limited to assist the Acquirer in securing approval of the Securities and Exchange Commission of Pakistan to issue ordinary shares of the Acquirer, other than by way of right, to the owners of these assets, against acquisition of these assets.

## Use of work of external experts

RSRIR engaged the services of an independent external firm of evaluators. Messers Evaluation Focused Consulting ['EFC'], to assist us with the valuation exercise.

EFC is a partnership firm, established in 2008. The firm has a team of qualified Chartered Accountants, Engineers in Civil and Mechanical disciplines accompanied with B.Sc, M.B.A, M.Com Financial Experts and Marketing Analysts. EFC provides a wide range of services including Asset Valuations.

Reliance was placed on EFCs report giving due consideration to whether the information contained therein is credible or that the information may otherwise be relied upon without adversely affecting the credibility of the valuation opinion. Our assessment included review of profile of EFC, curriculum vitae of personnel involved in the assignment and obtaining feedback from our clients and associates

In our opinion:

1. The work of EFC appears to be adequate for the purposes of this valuation;
2. The personnel involved in survey and valuation possess the necessary qualifications, experience and competence to carry out such work; and
3. The significant assumptions and methods used by EFC are generally accepted within the field.

## Summary of results of valuation exercise

	Unit I	Unit II	Total
Land	847,600,000	1,328,700,000	2,176,300,000
Building	129,175,300	73,505,000	202,680,300
Plant, Machinery and Equipment	179,225,000	440,670,000	619,895,000
<b>Total</b>	<b>1,156,000,300</b>	<b>1,842,875,000</b>	<b>2,998,875,300</b>

