



ANNUAL REPORT 2022

BECO STEEL LIMITED
WE STRENGTHEN YOUR DREAMS

TABLE OF CONTENTS

COMPANY INFORMATION	2
NOTICE OF ANNUAL GENERAL MEETING	3
VISION AND MISSION STATEMENT, CORE VALUES AND GOALS	5
DIRECTORS' REPORT TO SHAREHOLDERS	6
CHAIRPERSON REPORT	24
SIX YEARS AT A GLANCE	26
STATEMENT OF ETHICS AND BUSINESS PRACTICES	27
STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (Code of Corporate Governance) Regulations, 2019.....	28
INDEPENDENT AUDITORS REVIEW REPORT ON GOVERNANCE REGULATIONS 2019	31
INDEPENDENT AUDITORS REVIEW REPORT ON FINANCIAL STATEMENTS	32
STATEMENT OF FINANCIAL POSITION	38
STATEMENT OF PROFIT AND LOSS	39
STATEMENT OF COMPREHENSIVE INCOME	40
STATEMENT OF CHANGES IN EQUITY	41
STATEMENT OF CASH FLOWS	42
NOTES TO THE FINANCIAL STATEMENTS	43
PATTERN OF SHAREHOLDING	66
FORM OF PROXY	70

COMPANY INFORMATION

BOARD OF DIRECTORS

1.	Miss Afifa Shafique	Chairperson/Non-Executive
2.	Mr. Ch. Muhammad Ali Shafique	Director/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
2.	Mr. Muhammad Asim Raza	Director Member
3.	Miss Eman Shafique	Member

HR & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Kamran Munawar

COMPANY SECRETARY

Mr. Zahur Ahmad

HEAD OF INTERNAL AUDITOR

Abida Kamran & Co.,
Chartered Accountants

EXTERNAL AUDITORS

Tariq Abdul Ghani Maqbool &
Co., Chartered Accountants

SHARE REGISTRAR

Hameed Majeed Associates (Private) Limited

REGISTERED OFFICE

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

COMPANY'S BANKER

Soneri Bank Limited
JS Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited


NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 36th Annual General Meeting (AGM) of BECO Steel Limited (the "Company") will be held on Friday, 28 October 2022 at 03:00 P.M. at the Florets Luxury Apartments, G-7, Ground Floor, 127-Ahmad Block, Garden Town, Lahore, to transact the following business:

1. To confirm the minutes of the preceding of Annual General Meeting of the shareholders held on October 28, 2021.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2022 together with the Auditors' and Directors' Reports thereon and the Review Report of the Chairman;
3. To declare and approve the final cash dividend at 10% i.e. PKR 01/- per share to minority shareholders only except sponsor shareholders for year ended June 30, 2022, as recommended by the board of directors.
4. To appoint External Auditors of the Company and to fix their remuneration. The members are hereby notified that the Board of Directors and the Audit Committee have recommended the name of Tariq Abdul Ghani Maqbool & Co., Chartered Accountants, for re-appointment as auditors of the Company for the year ending 30 June 2023.
5. To transact any other business with the permission of the Chair.

By Order of the Board

Lahore: 06 October 2022



Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from 21 October 2022 to 28 October 2022 (both days inclusive).
2. CDC Investor Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).
3. Shareholders residing in a city and collectively holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting.
4. In accordance with the provisions of Section 242 of the Companies Act, 2017, and Regulation 4 of the Companies (Distribution of Dividends) Regulations 2017, a listed company is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders.
5. Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Withholding of tax on dividend based on 'Active' and 'Non-Active' status of shareholders shall be @ 15% and 30% respectively.
6. Members seeking exemption from deduction of income tax or those who are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring no deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.
7. The shareholders of BECO Steel Limited having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.

VISION AND MISSION STATEMENT, CORE VALUES AND GOALS

VISION

To accomplish, build up and sustain a good reputation of the project in steel sector locally and globally by marketing high quality of steel and allied products through team work by means of honesty, integrity and commitment and to explore and create growth opportunities to maximize return to all stakeholders.

MISSION

To provide maximum satisfaction to the customers by supplying quality of steel and allied products for well-known steel brands through effective utilization of work force, material and machines by encouraging, supporting and rewarding the employees with highest level of efficiency, productivity and profitability sharing with shareholders.

CORE VALUES

- Merit
- Integrity
- Team Work
- Safety
- Dedication

GOALS

Financial

- To reduce cost and time to improve financial results.
- To maximize profits by investing surplus funds in profitable avenues.
- To make investment decisions by ranking projects on the basis of best economic indicators.
- Growth and superior return to the stakeholders.

Learning and Growth

- Motivate and train our force, revitalize our equipment base and attain full autonomy in financial and decision-making matters.
- To enhance the technical and commercial skills through modern HR management practices.
- Continuously develop technical and managerial skills at all levels and stay abreast of latest technological developments in the industry.

Internal Processes

- To set up task forces with representation from all relevant departments to improve internal business decision making and strategic planning.
- To use most effective business practices and formulate a framework of synergic organization with change in culture.

DIRECTORS' REPORT TO SHAREHOLDERS

On behalf of the Board of Directors, we take this opportunity to place before you annual audited financial results of the company for the year ended 30 June 2022.

Financial performance

The summary of financial results of the Company for the year ended 30 June 2022:

Particular	2022 RS.	2021 RS.	Percentage Change
Sales	6,310,320,105	230,770,190	2634%
Cost of Sales	(6,014,357,200)	(226,741,864)	2553%
Gross Profit	295,962,905	4,028,326	7247%
Administrative Expenses	(43,874,558)	(15,273,926)	187%
Distribution and Selling Expenses	(15,775,800)	(1,844,454)	755%
Other Expenses	(16,302,077)	(2,644,306)	516%
Operating Profit/(Loss)	220,010,470	(15,734,360)	1498%
Other Income	94,909	22,311,482	100%
Profit from Operation	220,105,379	6,577,122	3247%
Finance Cost	(145,473)	(296,308)	51%
Profit before taxation	219,959,906	6,280,814	3402%
Provision for taxation	(29,438,667)	(3,957,423)	644%
Profit after tax	190,521,239	2,323,391	8100%
EPS (in Rupees)	4.45	0.09	
Gearing Ratio (%)	NIL	NIL	

The overall results of the company demonstrated 81% growth in the top line resulting profit after tax of Rs. 190.521 million as compared to after tax profit of Rs. 2.323 million of the previous year mainly due to addition of plant & machinery. The net sales made in the year amounting to Rs. 6.310 billion as compared to previous year sale of Rs. 230.770 million mainly due to start of commercial operations of the company resulting in successful outcome. The earning per share is 4.45 as compared to Rs. 0.09 per share.

Issuance of shares by way of other than right offer, and for consideration other than cash against acquisition of non-cash assets including land, building, plant and machinery

During the year under review, 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, for total value 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.

The process of transfer of non-cash assets including land and building, and plant & machinery has been completed. Further, title of land has also been transferred in the name of company. Ordinary Shares numbering 99,962,510 @ Rs. 10 per Share with premium Rs. 20 per Share against consideration other than cash (i.e. land, building, and plant & machinery) have been issued on 27 April 2022, and the process stands completed in all respects.

During the reporting period, the company operated on its own manufacturing facility to produce steel and allied products for approximately last two months of the financial year, whereas, remaining period, it operated on toll manufacturing facility.

During the year under review, 05 Meetings of the Board of the Directors were held from July 2021 to June 2022. Attendance by each Director was as under:

Sr. No.	Name of Directors	Designations	Meetings Attended
1	Mr. Muhammad Hashim Tareen	Independent Director	5
2	Mr. Mahmood Aslam	Independent Director	5
3	Mr. Muhammad Asim Raza	Non-Executive Director	5
4	Miss Eman Shafique	Non-Executive Director	5
5	Miss Afifa Shafique	Chairperson	5
6	Mr. Ali Shafique Chaudhary	Chief Executive Officer	1
7	Mr. Waheed Akbar	Executive Director	5
8	Chaudhry Muhammad Shafique	Chief Executive Officer*	4

*During the year under review, the Chief Executive Officer Chaudhry Muhammad Shafique has resigned which was duly approved by board of directors and Mr. Ali Shafique Chaudhary was appointed as Chief Executive Officer with effect from 26.05.2022.

The Minutes of the Meetings were appropriately recorded and circulated within the stipulated time in accordance with CCG. The Chief Financial Officer and the Company Secretary attended all the meetings during the year ended 30 June 2022.

Leave of absence was granted to the directors who did not attend the Board Meeting.

Board Audit Committee

The Board of Directors of the Company has set up an Audit Committee comprising of three Members in accordance with the Code of Corporate Governance during the year 30 June 2022, four Meetings of the Committee were held. Attendance by each member was as under:

Sr. No.	Name of Directors	Designations	Meetings Attended
1	Mr. Muhammad Hashim Tareen	Chairman/Member	4
2	Mr. Muhammad Asim Raza	Member	4
3	Miss Eman Shafique	Member	4

In compliance with the Code of Corporate Governance, audit committee met with the external auditors without the chief financial officer and head of internal audit once in a year.

Leave of absence was granted to the member who did not attend the audit committee meeting.

Terms of Reference of Audit Committee:

The Board of directors of every company shall determine the terms of reference of the audit committee. The Board of directors shall provide adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee shall explicitly documented and shall also include the following:

- a. Determination of appropriate measures to safeguard the company's assets;
- b. Review of annual and interim financial statements of the company, prior to their approval by the Board of directors, focusing on following:
 - i. Major judgment areas;
 - ii. Significant adjustments resulting from the audit;
 - iii. Going concern assumption;
 - iv. Any changes in accounting policies and practice;
 - v. Compliance with applicable accounting standards;
 - vi. Compliance with these regulations and other statutory and regulatory requirements
 - vii. All related party transactions.
- c) Review of preliminary announcements of results prior to external communication and publications

- d) Facilitating the external audit and discussion with the external auditors of major observations arising from interim and final audit and any matter that the auditors may wish to highlight (in the absence management, were necessary)
- e) Review of management letter issued by the external auditors and management's response thereto;
- f) Ensuring coordination between the internal & external auditors of the company;
- g) Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company
- h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) Ascertaining that the internal control system including financial and operational control, accounting system for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) Review of the company's statement on internal control system prior to endorsement by the Board of directors and internal audit reports;
- k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of directors, in consideration with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body.
- l) Determination of compliance with relevant statutory requirements;
- m) Monitoring compliance with these regulations and identification of significant violations thereof;
- n) Review of management for staff and management to report to audit committee in confidence, concerns, if any about actual and potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) Recommend to the Board of directors the appointment of external auditors, their removal, audit fee, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. the board of directors shall give due consideration to the recommendations of audit committee and where it acts otherwise it shall record the reasons thereof.
- p) Consideration of any other issue or matter as may be assigned by the Board of directors.

Human Resource and Remuneration Committee

The board has reconstituted a human resource & remuneration committee comprising of four members during the year under review. One meeting was held during the financial year.

Attendance of members is as under:

Sr.	Name of Directors	Designations	Meeting Attended
1	Mr. Muhammad Hashim Tareen	Chairman/Member	1
2	Mr. Muhammad Asim Raza	Member	1
3	Miss Eman Shafique	Member	1
4	Mr. Ali Shafique Chaudhary	CEO/Member	1
5	Chaudhry Muhammad Shafique	Chief Executive Officer/Member	1

Terms of Reference of HR & Remuneration Committee

The terms of reference of HR & Remuneration Committee shall be determined by the Board of Directors which may include the following:

- i. Recommend to the Board for consideration and approval a policy framework for determining remuneration of directors (executive directors and members of senior management). the definition of senior management will be determined by the Board which shall normally include the first layer of management below the chief executive officer level;
- ii. Undertaking annually a formal process of evaluation of performance of the Board as a whole and its committee either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualification and major terms of appointment;
- iii. Recommending human resource management policies to the Board;
- iv. Recommending to the Board the selection, evaluation, development, compensation (including retirement benefit) of the chief operating officer, chief financial officer, company secretary and head of internal audit;
- v. Consideration and approval on recommendation of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- vi. Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company

Performance Evaluation of Board of Directors and Committees of the Board

The evaluation of Board's role of oversight and its effectiveness is a continual process, which is appraised by the board itself. The core areas of focus are:

- i. Alignment of corporate goals and objectives with the vision and mission of the company
- ii. Strategy formulation for sustain operation
- iii. Board independence
- iv. Evaluation of board's committees' performance in relation to discharging their responsibilities set out in respective terms of reference.

Director's Remuneration

The remuneration of the Board of members is recommended by Committee and approved by Board. However, in accordance with the Code of Corporate Governance, it is ensured that no director takes part in deciding his own remuneration. The company does not pay remuneration to non-executive directors except fee for attending the meetings. In order to retain the best talent, the company's remuneration policies are structured in line with prevailing industry trend and business practices. For information on remuneration of Directors and CEO in 2021-2022, please refer note to the financial statements.

External Auditors

The present External Auditors M/s. Tariq Abdul Ghani Maqbool & Co. Chartered Accountants, retire, and being eligible, offer themselves for reappointment. The audit committee & the Board of directors recommend the reappointment of M/s. Tariq Abdul Ghani Maqbool & Co. Chartered Accountants for the year ending 30 June 2023.

Internal Audit & Control

The company has an independent internal audit function. The board audit committee quarterly reviews the appropriateness of resources and authority of this function. The head of internal audit functionally reports to the audit committee. The board audit committee approves the audit plan, based on an annual and quarterly assessment of the operating areas. The internal audit function carries out reviews on the financial, operational and compliance controls and reports findings to the board audit committee, chief executive officer and the divisional managements.

Material Changes

For material changes please refer to the note 1.02 to the financial statements. All the material events and other price sensitive information have been reported to PSX on as and when basis.

Pattern of Shareholding

The pattern of Shareholding of the company has been annexed to this report.

Related Party Transactions

All transactions with related parties have been executed at arm's length and have been disclosed in the financial statements under relevant notes.

Communication

The company focuses on the importance of the communication with the shareholders. The annual, half yearly and quarterly reports are distributed to them within the time specified in the Companies Act, 2017. The activities of the company are updated on its website at www.becosteel.com on timely basis.

Corporate Governance

The Board gives prime importance to conducting the company's business in accordance with the best international and local corporate governance practices and is committed to inculcating healthy corporate culture, ethical business practices, reliable and transparent financial reporting, and open communication channels with the stakeholders, and compliance with applicable laws and regulations. As a result, good corporate governance principles have been deeply ingrained in company's decision making and operating set up as well as monitoring processes.

The company recognizes and respects the rights of each and every stakeholder including shareholders, employees, financiers, creditors, business partners, local communities and others. The company encourages active participation of shareholders in all general meetings of the company and values their views towards better governance and operational management. The company is also cognizant of its legal and ethical obligations towards its business partners, local communities and other stakeholders; and takes appropriate actions to timely respond to their expectations after taking into account a pragmatic view of interests associated with the company.

The status of each director on company's Board whether non-executive or independent has been disclosed in this report in accordance with the revised

Code of Corporate Governance, 2019 (CCG) issued by the Securities and Exchange Commission of Pakistan.

The code of conduct for directors and employees of the company has been approved by the Board and changes were made in line with new requirements stated in revised CCG. The said code of conduct strengthens the standard for professional business-like behavior expected from directors and employees and binds them to demonstrate ethical, honest and responsible attitude. The code has been disseminated across the company to all directors and employees for their information compliance.

Before each meeting of the board of directors a closed period is declared by the company during which directors, CEO executives of the company and their spouses are not allowed to trade in shares of the company in any manner, whether directly or indirectly. The Board has reviewed the status of executives in terms of clause (xvii) of CCG and has set threshold defining categories of management employees as executive's consequent to which they are subject to additional regulatory requirements for trading and disclosing their transactions in company shares.

The directors of the company are fully aware of their duties and responsibilities and strive to discharge their fiduciary responsibilities in the best possible manner in compliance with all applicable corporate laws and regulations.

During the year, the Board was actively involved in performing their duties including those required to be performed under various laws and the Memorandum and Articles of Association of the company with the ultimate objective of safeguarding the interests of the shareholders, enhancing the profitability of the company, increasing shareholder's wealth and promoting market confidence.

Corporate and Financial Reporting Framework

- i. The financial statements, prepared by the management of the company, present its state of affairs fairly, the result of its operations, cash flows and change in equity.
- ii. Proper books of accounts of the company have been maintained.
- iii. Appropriate accounting policies have been applied in preparation of financial statements and any change in accounting policies have been disclosed in the financial statements. The accounting estimates are based reasonable and prudent judgment.

- iv. International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- v. The system of internal control is sound in design and has been effectively implemented and monitored.
- vi. There are no significant doubts upon the company's ability to continue as a going concern.
- vii. Key operating and financial data of last six years has been given in the annual report.
- viii. Information about outstanding taxes, duties, levies and charges is given in the notes to the accounts.
- ix. Significant plans and decisions regarding corporate restructuring, business expansion and discontinue operations along with future prospects, risks and uncertainties have been disclosed in relevant sections of report.

Code of Conduct

The company has prepared a "Code of Conduct for Directors and Employees" and approved by the Board.

Priority Standards of Conduct

- a. **Safety:** There can be no production without safety.
- b. **Quality:** To achieve total customer satisfaction by manufacturing and marketing products that achieve the highest quality levels for any given price and provide the customers with the best value for their money. We stand to maximize customer utility for all users of our products by strictly conforming to all relevant laws and standards, adapting, enhancing and innovating product attributes to better serve customer needs, continually improving our quality management systems, and controlling our costs and prices.
- c. **Productivity:** With safety and quality each of us will strive to excel the performance in all fields of our activities i.e. production, sales & marketing, planning & development, finance, import, supply chain management, human resources & administration etc.

Safety, Health and Environment

Beco Steel limited conducts its business with responsibility and in a way to make sure health, safety and protection from environmental aspects of its associates and the society. We implement and maintain the programs that provide reasonable assurance that the business will do the following:

- 1. To comply with all applicable government and internal health, safety and environmental requirements

2. Design facilities and conduct operations in a way that avoids risk to human health, safety and the environment.

Compliance with the Code of Corporate Governance

The statement of compliance with the Code of Corporate Governance is annexed with the annual report.

Corporate Social Responsibility

Beco Steel Limited is cognizant of its legal and ethical responsibilities towards the local community where it operates. As such the Board has authorized the management to exercise its Corporate Social Responsibilities by serving the local community in the areas of health, education and environmental responsibilities in accordance with prevailing environmental and health laws.

Staff Retirement Benefits

The company plans to operate an un-funded gratuity scheme covering all employees whose period of service with the Company is more than one year.

Acknowledgement

We would like to take this opportunity to thank our customer, suppliers and bankers for their continued support and cooperation towards the progress of the company. We hope that this support would continue in the future as well.

We would also like to thank our dedicated and talented team of executive, staff and workers for the hard work put in during the period. We expect continued efforts from our employees to achieve even better results in the next year and last, but not the least, the management is thankful to the board for its usual support and guidance in executing the vision and objective set for the company.

On Behalf of the Board



Muhammad Ali Shafique Ch
(Chief Executive Officer)

Lahore: 06 October 2022



Afifa Shafique
(Director/Chair Person)

ڈائریکٹر ان کی رپورٹ برائے حصص داران

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی نتائج آپ کے سامنے پیش کرتے ہیں۔

مالیاتی کارکردگی

30 جون 2022 کا مالیاتی خلاصہ درج ذیل ہے:

تفصیلات	2022 (روپے)	2021 (روپے)	فیصد تبدیلی میں اضافہ / (کمی)
فروخت	6,310,320,105	230,770,190	2634%
فروخت کیفیت	(6,014,357,200)	(226,741,864)	2553%
کل منافع	295,962,905	4,028,326	7247%
انتظامی اخراجات	(43,874,558)	(15,273,926)	187%
تقسیم اور فروخت کے اخراجات	(15,775,800)	(1,844,454)	755%
دوسرے اخراجات	(16,302,077)	(2,644,306)	516%
آپریٹنگ نقصانات	220,010,470	(15,734,360)	1498%
دوسری آمدنی	94,909	22,311,482	100%
آپریٹنگ سے منافع	220,105,379	6,577,122	3247%
فنانس لاگت	(145,473)	(296,308)	51%
ٹیکس سے پہلے منافع	219,959,906	6,280,814	3402%
ٹیکس کی فراہمی	(29,438,667)	(3,957,423)	644%
ٹیکس کے بعد منافع	190,521,239	2,323,391	8100%
فی حصص آمدنی	4.45	0.09	

کمپنی کے مجموعی نتائج پلانٹ اور مشینری کے اضافے کی وجہ سے 81 فیصد کا منافع کیا جس کے نتیجے میں پچھلے سال کے 2.323 ملین بنیادی روپے کے ٹیکس کے بعد اس سال 2022

میں 190.521 ملین روپے کا منافع ہوا۔

پچھلے سال کمپنی کی فی حصص آمدنی 0.09 روپے فی شیئر تھی جو اس سال 2022 میں بھر کر 4.45 روپے فی شیئر ہو گئی ہے۔

شیئر کا اجراء آفر کے علاوہ:

زیر نظر سال کے دوران، ایس ای سی پی نے اپنے خط نمبر EMD/CI/80/2008/58 مورخہ 31 جنوری 2022 کو کمپنی کے 99,962,510 شیئر جاری کرنے کی منظوری دی

جس کی کل مالیت -/2,998,875,300 روپے ہے۔ غیر نقدی اثاثوں زمین، عمارت اور پلانٹ سمیت مشینری کی منتقلی کا عمل مکمل کر لیا گیا ہے۔ مزید یہ کہ زمین کا ٹائٹل بھی کمپنی

کے نام منتقل کیا گیا ہے۔ عام شیئرز کی تعداد 99,962,510 @ -/10 روپے فی حصص -/20 روپے فی شیئر پر بیم کے ساتھ جاری کیا گیا ہے اور یہ تمام معاملات مورخہ 27

اپریل 2022 ہر لحاظ سے مکمل ہیں۔ رپورٹنگ کی مدت کے دوران، کمپنی نے مالی سال کے تقریباً آخری دو مہینوں تک اسٹیل اور اس سے متعلقہ مصنوعات تیار کرنے کے لیے اپنی مینوفیکچرنگ سہولت پر کام کیا جب کہ باقی مدت میں، اس نے ٹول مینوفیکچرنگ کی سہولت پر کام کیا۔

زیر نظر سال کے دوران، بورڈ آف ڈائریکٹرز کے 5 اجلاس جولائی 2021 سے جون 2022 تک منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری مندرجہ ذیل تھی:-

سیریل نمبر	ڈائریکٹر کے نام	عہدہ	میٹنگ میں شرکت
1	جناب محمد ہاشم ترین	آزاد ڈائریکٹر	5
2	جناب محمود اسلم	آزاد ڈائریکٹر	5
3	جناب محمد عاصم رضا	نان ایگزیکٹو ڈائریکٹر	5
4	مس ایمان شفیق	نان ایگزیکٹو ڈائریکٹر	5
5	مس عقیقہ شفیق	چئیر پرسن	5
6	جناب علی شفیق چوہدری	موجودہ چیف ایگزیکٹو آفیسر	1
7	جناب وحید اکبر	ایگزیکٹو ڈائریکٹر	5
8	جناب چوہدری محمد شفیق	سابق چیف ایگزیکٹو آفیسر	4

زیر نظر سال کے دوران، چیف ایگزیکٹو آفیسر چوہدری محمد شفیق نے استعفیٰ دے دیا ہے جس کی بورڈ آف ڈائریکٹرز نے باضابطہ طور پر منظوری دے دی ہے اور جناب

علی شفیق چوہدری کو 26.05.2022 سے چیف ایگزیکٹو آفیسر مقرر کیا گیا ہے۔

میٹنگز کے منٹس کو مناسب طریقہ سے ریکارڈ کیا گیا اور سی سی جی کے مطابق مقررہ وقت میں تقسیم کیا گیا۔ چیف فنانشل آفیسر اور کمپنی سیکرٹری نے 30 جون 2022 کو ختم ہونے والے سال کے دوران تمام میٹنگز میں شرکت کی۔ بورڈ میٹنگ میں شرکت نہ کرنے والے ڈائریکٹرز کو غیر حاضری کی چھٹی دے دی گئی۔

بورڈ آڈٹ کمیٹی:

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2022 کے دوران کوڈ آف کارپوریٹ گورننس کے مطابق تین ممبران پر مشتمل ایک آڈٹ کمیٹی قائم کی ہے، کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر ممبر کی حاضری حسب ذیل تھی:

سیریل نمبر	ڈائریکٹر کے نام	عہدہ	میٹنگ میں شرکت
1	جناب محمد ہاشم ترین	چئیرمین / ممبر	4
2	جناب محمد عاصم رضا	ممبر	4
3	مس ایمان شفیق	ممبر	4

آڈٹ کمیٹی کے حوالہ کی شرائط:

کمیٹی کا بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کے ٹرمز آف رفرنس کا تعین کریگی۔ بورڈ آف ڈائریکٹرز مناسب وسائل اور اختیارات فراہم کریگا تاکہ آڈٹ کمیٹی کو اپنی ذمہ داریوں کو مؤثر طریقے سے نبھانے کے قابل بنائے۔ آڈٹ کمیٹی کے حوالہ کی شرائط واضح طور پر دستاویزی ہوں گی اور اس میں درج ذیل بھی شامل ہوں گے۔

۱۔ کمیٹی کے اٹاٹوں کی حفاظت کیلئے مناسب اقدامات کا تعین کرنا۔

۲۔ بورڈ آف ڈائریکٹرز کی منظوری سے قبل کمیٹی کے سالانہ اور عبوری مالیاتی بیانات کا جائزہ، مندرجہ ذیل پر توجہ مرکوز کرنا۔

i. خصوصی توجہ کے حامل معاملات

ii. آڈٹ کے نتیجے اہم ایڈجسٹمنٹ

iii. جاری تشویش کا مفروضہ

iv. اکاؤنٹنگ پالیسیوں اور پریکٹس میں کوئی تبدیلی

v. اطلاق اکاؤنٹنگ معیارات کی تعمیل

vi. ان ضوابط اور دیگر قانونی اور ریگولیٹری ضروریات کی تعمیل۔

vii. تمام متعلقہ پارٹی لین دین۔

۳۔ بیرونی مواصلات اور اشاعت سے پہلے نتائج کے ابتدائی اعلانات کا جائزہ۔

۴۔ بیرونی آڈٹ کی سہولت فراہم کرنا اور بیرونی آڈیٹرز کے ساتھ عبوری اور حتمی آڈٹ سے پیدا ہونے والے مشاہدات پر غور و فکر کرنا اور کسی بھی معاملے پر جو آڈیٹر اُجاگر کرنا چاہیں (انتظامیہ کی غیر موجودگی میں جہاں ضروری ہو)۔

۵۔ بیرونی آڈیٹرز کے جاری کردہ منجمنٹ لیٹر کا جائزہ اور اس پر منجمنٹ کا جواب

۶۔ کمیٹی کے اندرونی اور بیرونی آڈیٹروں کے درمیان ہم آہنگی کو یقینی بنانا

۷۔ اندرونی آڈٹ، آڈیٹنگ، رپورٹنگ فریم ورک اور طریقہ کار کے دائرہ کار اور وسعت کا جائزہ اور اس بات کو یقینی بنانا کہ انٹرل آڈٹ فنکشن کے پاس مناسب وسائل ہیں اور مناسب طریقے سے کمیٹی کے اندر رکھے گئے ہیں۔

۸۔ دھوکہ دہی، بدعنوانی اور اختیارات کے ناجائز استعمال کی سرگرمیوں کی اندرونی تفتیش کے بڑے نتائج پر غور اور اس پر انتظامیہ کا رد عمل۔

۹۔ یہ جاننا کہ اندرونی کنٹرول سسٹم بشمول مالیاتی اور آپریشنل کنٹرول، خریداری اور فروخت، رسیدوں اور ادائیگیوں، اثاثوں اور واجبات اور رپورٹنگ کا ڈھانچہ بروقت اور مناسب ریکارڈنگ کے لیے اکاؤنٹنگ سسٹم مناسب اور موثر ہے۔

۱۰۔ بورڈ آف ڈائریکٹرز اور انٹرل آڈٹ رپورٹس کی توثیق سے قبل کمیٹی کے اندرونی کنٹرول سسٹم پر بیان کا جائزہ لینا۔

۱۱۔ بورڈ آف ڈائریکٹرز کی طرف سے متعین کسی بھی معاملے پر خصوصی پریوینٹو، ویلیو فارمی اسٹڈیز یا دیگر تحقیقات کا قیام،

۱۲۔ کسی بھی معاملے کو بیرونی آڈیٹرز یا کسی دوسرے متعلقہ تقاضوں کی تعمیل کا تعین

۱۳۔ انقواء و ضوابط کی تعمیل کی نگرانی اور اسکی اہم خلاف ورزیوں کی نشاندہی کرنا۔

۱۴۔ عملے اور منجمنٹ کے لیے انتظام کا جائزہ لینے کے لیے آڈٹ کمیٹی کو اعتماد، خدشات، اگر کوئی مالیاتی اور دیگر معاملات میں حقیقی اور ممکنہ غلطیوں کے بارے میں رپورٹ کرے اور اصلاحی اور تخفیف کے اقدامات شروع کرنے کی سفارش کرے۔

۱۵۔ بورڈ آف ڈائریکٹرز کو بیرونی آڈیٹرز کی تقرری، انکی برطرفی، آڈٹ فیس، بیرونی آڈیٹروں کے ذریعہ کمیٹی کو اسکے مالی بیانات کی آڈٹ کے علاوہ کسی بھی سروس کی فراہمی کی سفارش کرنا۔ بورڈ آف

ڈائریکٹرز آڈٹ کمیٹی کی سفارشات پر غور کریں گے اور جہاں یہ دوسری صورت میں کام کرتا ہے وہ اس کی وجوہات کو ریکارڈ کریگا۔

۱۶۔ بورڈ آف ڈائریکٹرز کے ذریعہ تفویض کردہ کسی دوسرے مسئلے یا معاملے پر غور کرنا۔

انسانی وسائل اور معاوضہ کمیٹی:

بورڈ نے زیر نظر سال کے دوران چار ارکان پر مشتمل ایک انسانی وسائل اور معاوضہ کمیٹی کی تشکیل نو کی ہے۔ مالی سال کے دوران ایک اجلاس ہوا۔ ممبران کی حاضری حسب ذیل ہے:

سیریل نمبر	ڈائریکٹر کے نام	عہدہ	مینگ میں شرکت
1	جناب محمد ہاشم ترین	چئیرمین ممبر	1
2	جناب علی شفیق چوہدری	چیف ایگزیکٹو آفیسر / ممبر	1
3	جناب چوہدری محمد شفیق	چیف ایگزیکٹو آفیسر / ممبر	1
4	مس ایمان شفیق	ممبر	1
5	جناب محمد عاصم رضا	ممبر	1

ایچ آر اور معاوضہ کمیٹی کے حوالہ کی شرائط

اجرت کمیٹی کے حوالہ کی شرائط بورڈ آف ڈائریکٹرز کی طرف سے طے کی جائیں گی جس میں درج ذیل شامل ہو سکتے ہیں:

- ۱۔ بورڈ کو فوراً اور منظوری کے لیے تجویز کریں کہ ڈائریکٹر یا ایگزیکٹو ڈائریکٹر اور سینئر مینجمنٹ کے ممبران کے معاوضے کا تعین کر نیکیے لیے ایک پالیسی فریم ورک پر غور اور منظوری کے لیے بورڈ کو سفارش کرنا۔ سینئر مینجمنٹ کا تعین بورڈ کریگا جس میں عام طور پر مینجمنٹ کی پہلی پرت چیف ایگزیکٹو آفیسر کی سطح سے نیچے ہوگی۔
- ۲۔ سالانہ طور پر بورڈ کی مجموعی کارکردگی کا جائزہ لینے کا باقاعدہ عمل اور اس کی کمیٹی براہ راست یا بیرونی آزاد کنسلٹنٹ کو مشغول کر کے ڈائریکٹرز کی رپورٹ میں نام، قابلیت اور اہم معلومات کے بارے میں ایک بیان دیا جائیگا۔

۳۔ بورڈ کو انسانی وسائل کے انتظام کی پالیسیوں کی سفارش کرنا۔

۴۔ بورڈ کو چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور اندرونی آڈٹ کے سربراہ کے انتخاب، تنفیص، ترقی، معاوضہ بشمول ریٹائرمنٹ فائدوں کی سفارش کرنا۔

۵۔ اہم انتظامی عہدوں کے لیے ایسے معاملات پر چیف ایگزیکٹو آفیسر کی سفارش پر غور اور منظوری جو چیف ایگزیکٹو آفیسر یا چیف آپریٹنگ آفیسر کو براہ راست رپورٹ کرتے ہیں۔

۶۔ جہاں ہیومن ریسورس اور معاوضے کے کنسلٹنٹس مقرر کیے جاتے ہیں، انکی اسناد کمیٹی جاتی ہے اور انکی طرف سے بیان دیا جائیگا کہ آیا انکا کمپنی کے ساتھ کوئی اور تعلق ہے۔

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی کارکردگی کا جائزہ:

بورڈ کے کردار کا جائزہ اور اس کے اثرات کا اندازہ ایک مستقل عمل ہے جس کا جائزہ بورڈ خود لیتا ہے توجہ کے بنیادی شعبے یہ ہیں:

۱۔ کمپنی کے وژن اور مشن کیساتھ کارپوریٹ اہداف اور مقاصد کی صف بندی۔

۲۔ پائیدار آپریشن کیلئے حکمت عملی کی تشکیل

۳۔ بورڈ کی آزادی

۴۔ بورڈ کی کمیٹیوں کی کارکردگی کا اندازہ انکی ذمہ داریوں کو نبھانے کے حوالے سے جو متعلقہ شرائط میں متعین کی گئی ہیں۔

ڈائریکٹر کا معاوضہ:

بورڈ آف ممبرز کے معاوضے کی تجویز بورڈ نے دی ہے اور شیئر ہولڈرز نے جنرل میٹنگ میں اس کی منظوری دی ہے۔ تاہم، کارپوریٹ گورننس کے ضابطے کے مطابق، اس بات کو یقینی بنایا گیا ہے کہ کو یہ ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ کمپنی نان ایگزیکٹو ڈائریکٹر کو اجرت نہیں دیتی سوائے اجلاسوں میں شرکت کی فیس کے۔ بہترین ٹیلنٹ کو برقرار رکھنے کیلئے، کمپنی کی معاوضے کی پالیسیاں صنعت کی سرچہ رجحانات اور کاروباری طریقوں کے مطابق ہیں۔ 2021-2022 میں ڈائریکٹر ز اور سی ای او کے معاوضے کے بارے میں معلومات کے لیے، براہ کرم مالیاتی گوشواروں کے مقرر نوٹ سے رجوع کریں۔

بیرونی آڈیٹرز:

موجودہ بیرونی آڈیٹر مسرز طارق عبدالغنی مقبول اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو چکے ہیں، اور اہل ہونیکے بعد، خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹر 30 جون 2023 کو ختم ہونے والی سال کے لیے مسرز طارق عبدالغنی مقبول اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کرتے ہیں۔

اندرونی آڈٹ اور کنٹرول

کمپنی کا ایک آزاد داخلی آڈٹ فنکشن ہے، بورڈ آڈٹ کمیٹی سہماہی اس فنکشن کے وسائل اور اختیار کی مناسبت کا جائزہ لیتی ہے۔ اندرونی آڈٹ کا سربراہ عملی طور پر آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ بورڈ آڈٹ کمیٹی آپریٹنگ ایریا کی سالانہ اور سہماہی تشخیص کی بنیاد پر آڈٹ پلان کی منظوری دیتی ہے۔ انٹرنل آڈٹ فنکشن بورڈ کے آڈٹ کمیٹی، چیف ایگزیکٹو آفیسر اور ڈویژنل مینجمنٹ کو مالی، آپریشنل اور کمپلائنس کنٹرولز اور رپورٹس کے نتائج پر جائزے دیتا ہے۔

مادی تبدیلیاں

مادی تبدیلیوں کے لیے براہ کرم اس رپورٹ کے تعارف میں بیان کردہ جامع نوٹ ”کمپنی کے انتظامی کنٹرول کے حصول و نتیجے میں تبدیلی“ کا حوالہ دیں۔ مزید یہ کہ، کمپنی نے اسٹیل انڈسٹری کی طرف اپنی بنیادی کاروباری لائن کو تبدیل کر دیا ہے۔ تمام مادی واقعات اور قیمتوں سے متعلق دیگر معلومات کی بنیاد پر پی ایس ایکس کو مطلع کیا گیا ہے۔

شیئر ہولڈنگ کا نمونہ

کمپنی کے شیئر ہولڈنگ کے پیٹرن کو اس رپورٹ سے منسلک کیا گیا ہے۔

متعلقہ پارٹی لین دین

متعلقہ فریقوں کے ساتھ تمام لین دین قابل رسائی قیمتوں پر کیا گیا ہے۔ اور متعلقہ نوٹس کے تحت مالی گوشواروں میں انکشاف کیا گیا ہے۔

مواصلات

کمپنی شیئر ہولڈرز کے ساتھ رابطے کی اہمیت پر توجہ مرکوز کرتی ہے۔ سالانہ، ششماہی اور سہماہی رپورٹیں انکو کمپنیز ایکٹ، 2017 میں بتائے گئے وقت کے اندر تقسیم کی جاتی ہیں۔ کمپنی کی سرگرمیاں بروقت بنیادوں پر اسکی ویب سائٹ www.becosteel.com پر اپ ڈیٹ کی جاتی ہیں۔

کارپوریٹ گورننس:

بورڈ کمپنی کے کاروبار کو بہترین بین الاقوامی اور مقامی کارپوریٹ گورننس کے طریقوں کے مطابق چلانے کو اہمیت دیتا ہے اور صحت مند کارپوریٹ کلچر، اخلاقی کاروباری طریقوں قابل اعتماد اور شفاف مالیاتی رپورٹنگ، اور اسٹیک ہولڈرز کیساتھ مکمل مواصلاتی چینلز، اور تھیل کیلئے پر عزم ہے۔ قابل اطلاق قوانین اور قواعد و ضوابط کیساتھ۔ اس کے نتیجے میں، اچھے کارپوریٹ گورننس کے اصول کمپنی کے فیصلہ سازی اور آپریٹنگ سیٹ اپ کیساتھ ساتھ مانیٹرنگ کے عمل میں گہرائی سے جڑے ہوئے ہیں۔

کمپنی شیئر ہولڈرز، ملازمین، فنائرسز، قرضہ ہندگان، کاروباری شراکت داروں، مقامی کمیونٹیز اور دیگر سمیت ہر اس ایک ہولڈر کے حقوق کو تسلیم کرتی ہے اور ان کا احترام کرتی ہے۔ کمپنی کمپنی کی تمام جزل میٹنگز میں شیئر ہولڈرز کی فعال شرکت کی حوصلہ افزائی کرتی ہے اور بہتر گورننس اور آپریٹنگ نیٹ ورک کی طرف ان کے خیالات کی قدر کرتی ہے۔ کمپنی اپنے کاروباری شراکت داروں، مقامی کمیونٹیز اور دیگر اسٹیک ہولڈرز کی طرف اپنی قانونی اور اخلاقی ذمہ داریوں سے بھی آگاہ ہے۔ اور کمپنی سے وابستہ مفادات کے عملی نقطہ نظر کو مد نظر رکھنے کے بعد ان کی توقعات کا بروقت جواب دینے کیلئے مناسب اقدامات کرتا ہے۔

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان جاری کردہ نظر ثانی شدہ کوڈ آف کارپوریٹ گورننس (CCG) 2019 کے مطابق اس رپورٹ میں کمپنی کے بورڈ میں ہر ڈائریکٹر ان ایگزیکٹو یا آزاد کی حیثیت کا انکشاف کیا گیا ہے۔

کمپنی کے ڈائریکٹرز اور ملازمین کے لیے ضابطہ اخلاق کو بورڈ نے منظور کر لیا ہے اور نظر ثانی شدہ مذکورہ ضابطہ اخلاق (سی سی جی) پیشہ ورانہ کاروباری طرز عمل کے معیار کو تقویت دیتا ہے ڈائریکٹرز اور ملازمین سے توقع کی جاتی ہے اور انہیں اخلاقی، دینا مدار اور ذمہ دارانہ رویہ کا مظاہرہ کرنے کا پابند بناتا ہے۔ کوڈ کو تمام ڈائریکٹرز اور ملازمین کو ان کی معلومات کی تعمیل کیلئے پوری کمپنی میں تقسیم کیا گیا ہے۔

بورڈ آف ڈائریکٹرز کی ہر میٹنگ سے پہلے کمپنی کی طرف سے بندہ مت کا اعلان کیا جاتا ہے جس کے دوران کمپنی کے ڈائریکٹرز، سی ای او اور ایگزیکٹوز اور ان کے شریک حیات کو کسی بھی طریقے سے کمپنی کے حصص میں تجارت کرنے کی اجازت نہیں ہے۔ چاہے وہ براہ راست یا بل واسطہ ہو۔ بورڈ نے سی سی جی کی شق (XVI) کے لحاظ سے ایگزیکٹو کی حیثیت سے جائزہ لیا ہے اور انتظامی ملازمین کی حد مقرر کی ہے جس کے نتیجے میں حصص میں تجارت اور ان کے لین دین کو ظاہر کرنے کے لیے اضافی ریگولیٹری تقاضوں کے تابع ہیں۔

سال کے دوران، بورڈ فعال طور پر اپنے فرائض کی انجام دہی میں شامل رہا جس میں مختلف قوانین اور کمپنی کی ایسوسی ایشن کے ممبرانڈم اور آرٹیکلز کے تحت انجام دینے کی ضرورت ہے، جس کا حتمی مقصد شیئر ہولڈرز کے مفادات کی حفاظت، کمپنی کے منافع کو بڑھانا ہے، شیئر ہولڈرز کی دولت میں اضافہ اور مارکیٹ کے اعتماد کو فروغ دینا۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

۱۔ کمپنی کے مٹجٹ کی طرف سے تیار کردہ مالیاتی بیانات، اسکی صورتحال کو منصفانہ طور پر پیش کرتے ہیں، اسکی آپریشن کا نتیجہ، کیش فلو اور ایکویٹی میں تبدیلی۔

۲۔ کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔

۳۔ مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ پالیسیوں میں کوئی تبدیلی مالیاتی بیانات میں ظاہر کی گئی ہے۔ اکاؤنٹنگ تخمینے معقول اور سمجھدار فیصلے پر مبنی ہیں۔

۴۔ بین الاقوامی مالیاتی رپورٹنگ کے معیارات جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں عمل میں آیا ہے اور وہاں سے کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے اور وضاحت کی گئی ہے۔

۵۔ اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے نافذ اور نگرانی میں رکھا گیا ہے۔

۶۔ ایک تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔

۷۔ سالانہ رپورٹ میں گزشتہ چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا دیا گیا ہے۔

۸۔ اکاؤنٹس کو نوٹس میں بقایا ٹیکس، لیویز اور چارجز کے بارے میں معلومات دی گئی ہیں۔

۹۔ کارپوریٹ ریٹرننگ، کاروباری توسیع اور آپریشن بند کرنے کے حوالے سے اہم منصوبے اور فیصلے مستقبل کے امکانات، خطرات اور غیر یقینی صورتحال کے ساتھ رپورٹ کے متعلقہ حصوں میں ظاہر کیے گئے ہیں۔

ضابطہ اخلاق:

کمپنی نے ایک "کوڈ آف کنڈکٹ فار ڈائریکٹرز اور ملازمین" تیار کیا ہے اور اسے بورڈ نے منظور کیا ہے۔

طرز عمل کے ترجیحی معیارات:

۱۔ حفاظت: حفاظت کے بغیر کوئی پیداوار نہیں ہو سکتی۔

۲۔ معیار: مینوفیکچرنگ اور مارکیٹنگ کی مصنوعات کے ذریعے گاہکوں کا مکمل اطمینان حاصل کرنے کے لیے جو کسی بھی قیمت کے لیے اعلیٰ ترین معیار کی سطح حاصل کرتے ہیں۔ صارفین کو ان کے پیسوں کی بہترین قیمت فراہم کرتے ہیں۔ ہم اپنی مصنوعات کے تمام صارفین کے لیے کسٹمر کی افادیت کو زیادہ سے زیادہ کرنے کے لیے کھڑے ہیں تاکہ تمام متعلقہ سٹیل قوانین اور معیارات کی سختی سے تعمیل کی جاسکے، کسٹمر کی ضروریات کو بہتر بنانے کیلئے مصنوعات کی صفات کو اپنانے، بڑھانے اور انوویشن کرنے کے لیے، ہمارے کوالٹی مینجمنٹ سسٹم کو مسلسل بہتر بنا کر، اور اپنے اخراجات اور قیمتوں کو کنٹرول کر کے۔

۳۔ پیداواری صلاحیت: حفاظت اور معیار کے ساتھ ہم میں سے ہر ایک اپنی سرگرمیوں کے تمام شعبوں مثلاً پیداوار، سیلز اور مارکیٹنگ، پلاننگ اینڈ ڈویلپمنٹ، فنانس، ایمپورٹ، سپلائی چین مینجمنٹ، ہیومن ریسورس اینڈ ایڈمنسٹریشن وغیرہ میں کارکردگی کو بہتر بنانے کی کوشش کرے گا

حفاظت، صحت اور ماحولیات:

بکسٹیل لمیٹڈ (سابقہ: راوی ٹیکسٹائل ملز لمیٹڈ) اپنے کاروبار کو ذمہ داری کیساتھ چلاتا ہے اور اپنے ساتھیوں اور معاشرے کے ماحولیاتی پہلوؤں سے صحت، حفاظت اور تحفظ کو یقینی بناتا ہے۔ ہم ان پروگراموں کو نافذ اور برقرار رکھتے ہیں جو معقول یقین دہانی فراہم کرتے ہیں کہ کاروبار مندرجہ ذیل کام کریگا۔

۱۔ تمام قابل اطلاق حکومتی اور اندرونی صحت، حفاظت اور ماحولیاتی ضروریات کی تعمیل کرنا۔

۲۔ سہولیات کو ڈیزائن کریں اور اس طرح آپریشن کریں جو انسانی صحت، حفاظت اور ماحول کو خطرے سے بچائے۔

کارپوریٹ گورننس کے ضابطے کی تعمیل:

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان سالانہ رپورٹ کیساتھ منسلک ہے۔

کارپوریٹ سماجی ذمہ داری:

بکسٹیل لمیٹڈ (سابقہ: راوی ٹیکسٹائل ملز لمیٹڈ) مقامی کمیونٹی کی طرف اپنی قانونی اور اخلاقی ذمہ داریوں سے آگاہ ہے جہاں یہ کام کرتی ہے۔ اس طرح بورڈ نے مینجمنٹ کو اختیار دیا ہے کہ وہ اپنے کارپوریٹ سماجی ذمہ داریوں کو استعمال کرے تاکہ مقامی کمیونٹی کو صحت، تعلیم اور ماحولیاتی ذمہ داریوں کے شعبوں میں موجودہ ماحولیاتی اور صحت کے قوانین کے مطابق خدمات انجام دے سکے۔

عملی ریٹائرمنٹ کے فوائد:

کمپنی ایک غیر فنڈڈ گریجویٹ اسکیم چلانے کا ارادہ رکھتی ہے جس میں ان تمام ملازمین کو شامل کیا جائے جن کی کمپنی کیساتھ خدمات کی مدت ایک سال سے زیادہ ہو۔

اعتراف:

ہم اپنے گاہکوں، سپلائرز اور بینکرز کی مسلسل مدد اور کمپنی کی ترقی کے لیے تعاون پر ان کا شکریہ ادا کرنے کے لیے اس موقع سے فائدہ اٹھانا چاہتے ہیں۔ ہم امید کرتے ہیں کہ یہ تعاون مستقبل میں بھی جاری رہے گا۔

ہم اپنی وقف اور باصلاحیت ایگزیکٹو، سٹاف اور ورکرز کی ٹیم کا بھی شکریہ ادا کرنا چاہیں گے جو اس مدت کے دوران کی گئی محنت کے لیے ہے۔ ہم اپنے ملازمین سے اگلے سال اور آخری میں مزید بہتر نتائج حاصل کرنیکی مسلسل کوششوں کی توقع کرتے ہیں، لیکن کم از کم ہمیں، انتظامیہ کمپنی کے وٹن اور مقصد کو عملی جامہ پہنانے میں بورڈ کی معمول کی مدد اور رہنمائی کے لیے شکر گزار ہے۔

منجانب بورڈ:

Ahfa Shafique

عفیفہ شفیق

ڈائریکٹر چیئر پرسن

علی شفیق چوہدری

چیف ایگزیکٹو آفیسر

CHAIRPERSONS' REPORT

Review Report by Chairman u/s 192 of The Companies Act, 2017

I am pleased to be part of the management. It will be my job to present the report on the overall performance of the board and effectiveness of its role in achieving the company's objectives as well as ensuring overall compliance of Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019. I would take this opportunity to invite you for the Annual General Meeting of the company.

The board members are aware of the high level of ethical and professional standards laid down in our Mission and Vision statements which are adopted by the company and fully support the same in attaining the objectives.

The composition of Board of Directors reflects mix of varied backgrounds and rich experiences in the fields of steel business, finance, banking and human resource. The new board has arranged director training program (DTP) and will be completed soon.

The board is responsible for management of the company, formulates all significant policies and strategies. The board acknowledges its responsibility for Corporate and Financial Reporting Framework and is committed to good Corporate Governance. The Board is aware of the importance of its role in achieving the objectives of the company and devoted and focused towards company's values, mission and vision.

During the financial year 2021-22, the company started its own production. These financial statements present the results of business of steel and allied products. Board is optimistic regarding financial performance in future on the basis of experience and expertise of over decades in steel sector.

On behalf of the Board, I would like to thank our valued customers for their continued confidence in the company, the financial institutions for their support and our most valuable employees and executives for their dedication and hard work and loyalty.



On behalf of the board

Afifa Shafique

Lahore: 06 October 2022

(Director/Chairperson)

چیرمین رپورٹ

جائزہ رپورٹ چیرمین انڈر سیکشن 192 کمپنیز ایکٹ، 2017

میں نئی انتظامیہ کا حصہ بن کر خوش ہوں۔ بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں اس کے کردار کی تاثیر کیساتھ ساتھ کمپنیز ایکٹ، 2017 اور سڈ کمپنیز کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کی مکمل تعمیل کو یقینی بنانے کے لیے رپورٹ پیش کرنا میرا کام ہوگا۔ میں اس موقع سے آپکو کمپنی کی سالانہ جزل میٹنگ کیلئے مدعو کرتا ہوں۔

بورڈ کے اراکین ہمارے میٹن اور وژن کے بیانات میں وضع کردہ اعلیٰ سطح کے اخلاقی اور پیشہ وارانہ معیارات سے واقف ہیں جو کہ کمپنی نے اختیار کیے ہیں اور مقاصد کے حصول میں اس کی مکمل حمایت کرتے ہیں بورڈ آف ڈائریکٹرز کی تشکیل مختلف پس منظر کوئیل برنس، فائننس اور ہیومن ریسورسز کے شعبوں میں بھرپور تجربات کے امتزاج کی عکاسی کرتی ہے نئے بورڈ نے ڈائریکٹر ٹریننگ پروگرام (ڈی ٹی پی) کا اہتمام کیا ہے اور یہ جلد مکمل ہو جائے گا بورڈ کمپنی کے انتظام کے لیے ذمہ دار ہے تمام اہم پالیساں اور حکمت عملی تشکیل دیتا ہے بورڈ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے لیے اپنی ذمہ داری کو تسلیم کرتا ہے اور اچھی کارپوریٹ گورننس کے لیے پرعزم ہے بورڈ کمپنی کے مقاصد کے حصول میں اپنے کردار کی اہمیت سے آگاہ ہے اور کمپنی کی اقدار مشن اور وژن کی طرف وقف اور توجہ مرکوز ہے۔ مالی سال 2020-2021 کے دوران مینجمنٹ اور پرنسپل لائن آف برنس کو ٹیکسٹائل سے سٹیل اور اس سے منسلک مصنوعات کی تیاری میں تبدیل کر دیا گیا ہے یہ مالیاتی گوشوارے کپاس سے متعلقہ کاروبار کے نتائج پیش کرتے ہیں جو سابقہ انتظامیہ کے ذریعے کیے گئے تھے نئی انتظامیہ نے سٹیل مصنوعات کی ٹول مینوفیکچرنگ شروع کر دی ہے اور ستمبر سہ ماہی کے مالی نتائج میں سٹیل کا کاروبار شامل ہوگا بورڈ سٹیل سیکٹر میں کئی دہائیوں کے تجربے اور مہارت کی بنیاد پر مستقبل میں مالی کارکردگی کے حوالے سے پر امید ہے بورڈ کی جانب سے میں اپنے قابل قدر گاہکوں کا شکریہ ادا کرنا چاہتا ہوں کہ انہوں نے کمپنی پر مسلسل اعتماد کیا مالی اداروں نے ان کی مدد کی اور ہمارے انتہائی قیمتی ملازمین اور ایگزیکٹو یوزر کو ان کی لگن اور محنت اور وفاداری پر مشکور ہوں۔

منجانب

Ahfa Shafiq

عفیہ شفیق

ڈائریکٹر ایگزیکٹو پرسن

لاہور: 06 اکتوبر 2022

Six Years at a Glance

	2022	2021	2020	2019	2018	2017
						Rs in "000"
Sales	6,310,320	230,770	-	-	-	-
Cost of sale	6,014,357	226,742	-	-	-	-
Gross Profit/(Loss)	295,962	4,028	-	-	-	-
Administrative General Expenses	(43,874)	(15,274)	(7,659)	(12,101)	(24,694)	(32,556)
Distributing and Selling Expenses	(15,775)	(1,844)	-	-	-	-
Other Expenses	(16,302)	(2,644)	(2,393)	(6,856)	-	(443)
Finance Cost	(145)	(296)	(1,035)	(734)	(11,729)	(7,705)
Other Income	94	22,311	41,710	113,309	718	3,493
Profit/ (Loss) before taxation	219,959	6,281	30,623	93,618	(35,705)	(37,211)
Provision for taxation	(29,438)	(3,957)	(426)	8,338	925	810
Profit/ (Loss) after taxation	190,521	2,323	30,197	101,956	(34,780)	(36,401)
Statement of Financial Position						
Share Capital	1,249,625	250,000	250,000	250,000	250,000	250,000
Loan from Directors	217,072	40,742	66,586	-	-	-
Reserves	9,000	9,000	9,000	9,000	9,000	9,000
Accumulated Loss	(113,808)	(304,329)	(306,653)	(336,850)	(586,760)	(554,964)
Surplus on revaluation of Assets	-	-	-	-	147,403	149,492
Shareholders' Equity	3,361,139	(4,587)	18,933	(77,850)	(180,357)	(146,472)
Non-current Liabilities	-	-	3,742	3,232	16,842	59,894
Current Liability and Provision	1,187,123	9,193	132,096	231,668	364,622	298,680
Total	4,548,262	4,606	154,771	157,050	201,107	212,102
Fixed Assets – Tangible	3,014,759	-	-	-	-	206,822
Long Term Security Deposits	450	-	1,115	115	266	270
Deferred Tax Asset	49,119	-	-	-	-	-
Current Assets	1,483,934	4,606	153,656	156,935	5,854	5,280
Non-current assets held for Sale	-	-	-	-	194,987	-
Total	4,548,262	4,606	154,771	157,050	201,107	212,102

STATEMENT OF ETHICS AND BUSINESS PRACTICES

The entire organization of Beco Steel Limited will be guided by the following principles in all activities to achieve the company's objectives:

Directors:

- Commit themselves to all the necessary and appropriate resources;
- Create a conducive environment through healthy and responsive policies;
- Maintain organizational effectiveness for the achievement of the company goals;
- Encourage and support compliance of legal and industry requirements;
- Protect the interest and assets of the company;

Executives and Managers:

- Ensure the profitability of operations;
- Provide the direction and leadership for the organization;
- Ensure total customer satisfaction through excellent product and service;
- Promote a culture of excellence, conversation, and continual improvement;
- Cultivate work ethics and harmony among colleagues and associates;
- Encourage initiative and self-realization in employees through meaningful empowerment;
- Ensure an equitable way of working and reward system;
- Institute commitment of environmental, health and safety performance

Employees and Staff Will:

- Devote their time and efforts to productive activities;
- Observe company policies and regulations;
- Promote and protect the interest of the company;
- Exercise prudence in using company resources;
- Observe cost effective practice in daily activities;
- Strive for excellence and quality;
- Avoid making personal gain (other than authorized salary and benefits) at the Company's expenses, participating in or assisting activities which complete with work of any customer or supplier of Beco Steel Limited (formerly Ravi Textile Mills Limited) and to hold any interest in a customer, supplier, agent or competitor.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

Code of Corporate Governance Regulations, 2019 as on, 30 June 2022

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are Seven (7) as per the following:

a.	Male	Five
b.	Female	Two

2. The composition of Board of Directors is as follows:

Category	Numbers	Names
Independent Directors	2	Mr. Muhammad Hashim Tareen Mr. Mahmood Aslam
Non-Executive Directors	3	Mr. Asim Raza Miss Eman Shafique Miss Afifa Shafique
Executive Directors	2	Mr Ali Shafique Ch Mr Waheed Akbar
Female Directors	2	Miss Eman Shafique Miss Afifa Shafique

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall Corporate Strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these regulations.
7. The meetings of the Board were presided over by the Chairman and, in absence, by a director elected by the board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board have a formal policy and transparent procedures for remunerations of directors in accordance with the Act and these Regulations.
9. Majority of the Board has attained Directors Training Program; however, one Independent Director will undergo training in due course of time.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer and Chief Financial Officer duly endorsed the Financial Statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a) Audit Committee:

Name	Designation
Mr. Muhammad Hashim Tareen	Chairman
Mr. Muhammad Asim Raza	Member
Miss Eman Shafique	Member

b) HR and Remuneration Committee:

Name	Designation
Mr. Muhammad Hashim Tareen	Chairman
Mr. Muhammad Asim Raza	Member
Miss Eman Shafique	Member
Mr. Ali Shafique Ch	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following:

Meeting	Frequency
Audit Committee	Four meetings of Audit Committee were held during the financial year ended 30 June 2022.
HR and Remuneration Committee	One meeting of H&R Committee was held during the financial year ended 30 June 2022.

15. The Board has set up an effective Internal Audit Function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

On Behalf of the board



Muhammad Ali Shafique Ch

Chief Executive Officer

Lahore: 06 October 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Beco Steel Limited ("the Company") for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any noncompliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

Lahore

Date: October 06, 2022

UDIN: CR202210055UXBjxtgoy



**Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants**

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of BECO STEEL LIMITED (the Company), which comprise the statement of financial position as at June 30, 2022 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit, its comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matter:

Sr No.	Key Audit Matters	How the matter was addressed in our audit
1	Revenue recognition The Company's revenue comprises mainly of local sales which is earned from various customer segments with significant volume of revenue transactions. The recognition of revenue depends on the nature of contractual arrangements with the customers. We identified revenue recognition and it's reporting in the financial statements as a key audit matter primarily due to significant increase in revenue from last year, significant volume of transactions, and the amount of audit efforts in relation to this area. (Refer to note 24 and 6.12 for accounting policy and relevant disclosures respectively in respect of revenue).	Our audit procedures included the following: -We performed a range of audit procedures in relation to revenue including review of the terms and conditions of distinct sale transactions with different customer segments and assessed the appropriateness of revenue recognition policies and practices followed by the Company. -We tested controls over revenue recognition and reporting process including key IT application controls, IT dependent manual controls and IT general controls for the relevant IT systems used for revenue transaction processing by the Company. -We performed analytical review procedures and other test of details over various revenue streams including the cut-off procedures to check that revenue has been recognized in the appropriate accounting period. -We assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements.

2	Recoverability and recognition of deferred tax asset
<p>As disclosed in note 10.02 to the accompanying financial statements, the Company has recognized deferred tax asset on unused business losses and unabsorbed depreciation amounting to Rs. 49.119 million. In order to ascertain that sufficient future taxable profit will be available, the management has prepared future projections of taxable profit by taking into account various assumptions mainly comprising of future steel bar prices, average inflation and exchange rates, growth rate and timing of reversals. The analysis of the recognition and recoverability of the deferred tax asset was significant to our audit because of the significant value of deferred tax asset and the assessment of future taxable income involves significant management judgement about future business and economic factors.</p>	<p>Our audit procedures among others included obtaining an understanding of the process and controls in this area relevant to our audit.</p> <p>-We evaluated the appropriateness of the components on which the Company has recognized deferred tax asset in light of the requirements of the Income Tax Ordinance, 2001, considering the factors including age and the expiry of the deferred tax asset and tax rates enacted.</p> <p>-We evaluated the Company's assumptions and estimates in relation to the likelihood of generating future taxable income, principally by performing sensitivity analysis and testing the key assumptions used by the management.</p> <p>-We have also assessed the adequacy of the Company's disclosures in accordance with relevant laws as applicable in Pakistan.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for

the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Suhr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Shahid Mehmood.

Lahore
Date: October 06, 2022
UDIN: CR202210055UXBjxtgoy



Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

EQUITY AND LIABILITIES	Note	2022 Rupees	2021 Rupees
Share capital and reserves			
Authorized share capital: 150,000,000 (2021: 150,000,000) ordinary of Rs. 10/- each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up capital	7	1,249,625,100	250,000,000
Share Premium		1,999,250,200	-
Loan from directors	8	217,072,420	40,742,220
Revenue reserve	9	9,000,000	9,000,000
Accumulated losses		(113,808,140)	(304,329,379)
		3,361,139,580	(4,587,159)
Non current liabilities			
Deferred Liabilities	10	-	-
Current liabilities			
Trade and other payable	11	1,105,942,115	3,429,436
Accrued mark up	12	850,000	850,000
Unclaimed dividend		1,034,090	1,034,090
Provision for taxation	13	79,297,005	3,879,557
		1,187,123,210	9,193,083
Contingencies and commitments	14	-	-
		4,548,262,790	4,605,924
ASSETS			
Non current assets			
Property, plant and equipment	16	3,014,759,336	-
Long term deposits		450,000	-
Deferred tax asset	10.02	49,119,289	-
		49,569,289	-
		3,064,328,625	-
Current assets			
Stock in trade		458,151,183	-
Stores spares and loose tools		819,832	-
Trade debts	17	901,779,197	-
Loan and advances	18	-	-
Income tax due from Government	19	86,587,437	2,161,876
Trade deposits and short term prepayments	20	160,000	-
Other receivables	21	-	60,245
Short term investment	22	1,103,997	1,009,088
Cash and bank balances	23	35,332,519	1,374,715
		1,483,934,165	4,605,924
		4,548,262,790	4,605,924

The annexed notes from 01 to 45 form an integral part of these financial statements.

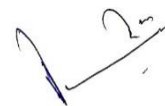
Chief Executive Officer



Director



Chief Financial Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
Sales	24	7,383,074,534	252,173,181
Less: Sales tax		(1,072,754,429)	(21,402,991)
Net sales		6,310,320,105	230,770,190
Cost of Sales	25	(6,014,357,200)	(226,741,864)
Gross profit / (loss)		295,962,905	4,028,326
Operating expenses:			
Administrative expenses	26	(43,874,558)	(15,273,926)
Distribution and selling expenses	27	(15,775,800)	(1,844,454)
Other expenses	28	(16,302,077)	(2,644,306)
		(75,952,435)	(19,762,686)
Operating profit		220,010,470	(15,734,360)
Other income	29	94,909	22,311,482
Profit from operations		220,105,379	6,577,122
Finance cost	30	(145,473)	(296,308)
Profit before taxation		219,959,906	6,280,814
Taxation	31	(29,438,667)	(3,957,423)
Profit after tax for the year		190,521,239	2,323,391
Earnings per share - basic and diluted	32	4.45	0.09

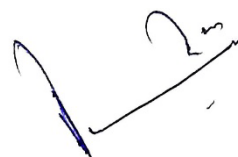
The annexed notes from 01 to 45 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
Profit for the year		190,521,239	2,323,391
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		190,521,239	2,323,391

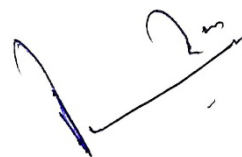
The annexed notes from 01 to 45 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

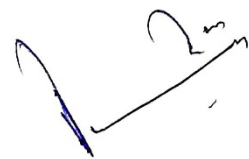
	(Rupees)				
	Share capital	Share Premium	Loan from directors	Revenue reserve General reserve	Accumulated loss / profit Total equity
Balance as at 30 June 2020	250,000,000		66,586,220	9,000,000	(306,652,770) 18,933,450
Profit for the year ended 30 June 2021	-		-	-	2,323,391 2,323,391
Other comprehensive income for the year	-		-	-	- -
Loan from directors repaid	-		(35,175,000)	-	- (35,175,000)
Loan from directors	-		9,331,000	-	- 9,331,000
Balance as at 30 June 2021	250,000,000	-	40,742,220	9,000,000	(304,329,379) (4,587,159)
Profit for the year ended 30 June 2022	-		-	-	190,521,239 190,521,239
Other comprehensive income for the year	-		-	-	- -
Increase in share capital	999,625,100		-		
Share premium on issuance of shares		1,999,250,200			
Loan from directors repaid	-		-	-	- -
Loan from directors	-		176,330,200	-	- 176,330,200
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

The annexed notes from 01 to 45 form an integral part of these financial statements.



Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES	Note	Rupees	Rupees
Profit for the year before taxation		219,959,906	6,280,814
Adjustments for following items:			
Loss on sale of fixed assets		-	609,503
Depreciation		12,406,065	387,797
Provision for workers' profit participation fund		11,813,099	351,764
Provision for workers' welfare fund		4,488,978	128,180
Allowance for expected credit loss		-	1,376,324
Advances to suppliers written off		-	178,533
Staff retirement benefits		-	254,986
Finance cost	30	145,473	296,308
		<u>28,853,615</u>	<u>3,583,395</u>
Operating profit before working capital changes		248,813,521	9,864,209
(Increase) / decrease in current assets:			
Stock in trade		(458,151,183)	-
Stores, spares and loose tools		(819,832)	-
Trade debts - unsecured but considered good		(901,779,197)	(1,376,324)
Loan and advances		-	(178,533)
Due from Government		-	1,636,935
Trade deposits and short term prepayments		(160,000)	2,870
Other receivables		60,245	767,373
Short term investment		(94,909)	(59,774)
		<u>(1,360,944,876)</u>	<u>792,547</u>
Increase / (decrease) in current liabilities:			
Trade and other payables		1,086,166,631	(112,241,917)
		<u>1,086,166,631</u>	<u>(112,241,917)</u>
Cash generated from operations		(25,964,723)	(101,585,161)
Finance cost paid		(101,502)	(21,778)
Staff retirement benefits paid		-	(3,996,873)
WPPF Paid		-	(9,353,464)
WWF Paid		-	(735,806)
Income tax paid		(87,566,069)	(5,283,786)
		<u>(87,667,571)</u>	<u>(19,391,707)</u>
Net cash used in operating activities		(113,632,295)	(120,976,868)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		-	2,899,500
Capital expenditure on property, plant and equipment		(28,290,101)	(3,896,800)
Security deposit		(450,000)	1,115,000
Net cash (used in) / generating from investing activities		(28,740,101)	117,700
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received / (paid) to directors		176,330,200	(25,844,000)
Net cash flows generated from / (used in) financing activities		176,330,200	(25,844,000)
Net increase / (decrease) in cash and cash equivalents		33,957,804	(146,703,168)
Cash and cash equivalents at the beginning of the year		1,374,715	148,077,883
Cash and cash equivalents at the end of the year		35,332,519	1,374,715

The annexed notes from 01 to 45 form an integral part of these financial statements.

Chief Executive Officer



Director



Chief Financial Officer



Notes to the Financial Statements for the year ended 30 June 2022:

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.01** M/s Beco Steel Limited ("the Company") is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing of steel and allied products along with ancillary activities thereto.
- 1.02 ISSUANCE OF SHARES BY WAY OF OTHER THAN RIGHT OFFER, AND FOR CONSIDERATION OTHER THAN CASH AGAINST ACQUISITION OF NON-CASH ASSETS INCLUDING LAND, BUILDING, PLANT AND MACHINERY**

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, for total value 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.

The process of transfer of non-cash assets including land and building, and plant & machinery has been completed. Further, title of land has also been transferred in the name of company. Ordinary Shares numbering 99,962,510 @ Rs. 10 per Share with premium Rs. 20 per Share against consideration other than cash (i.e land, building, and plant & machinery) have been issued on 27 April 2022, and the process stands completed in all respects.

During the reporting period, the company operated on its own manufacturing facility to produce steel and allied products for approximately two months.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

3 BASIS OF PREPARATION

3.01 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

3.02 New Standards, Amendments, Improvements To Approved Accounting Standards And The Framework For Financial Reporting

Amendments to approved accounting standards and the framework for financial reporting that became effective during the current year

Amendment of Framework

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Amendments)

IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of above amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Company's financial statements.

3.03 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Standard or Interpretation		Effective date (Annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	1 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	1 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	1 January 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	1 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	1 January 2023
IAS 8	Definition of Accounting Estimates (Amendments)	1 January 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	1 January 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	1 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	1 January 2022
IFRS 16	Leases: Lease incentives	1 January 2022

The above standards and amendments and improvements are not expected to have any material impact on the Company's financial statements in the period of

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the

Standard or Interpretation		Effective date (Annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting	1 January 2004
IFRS 17	Insurance Contracts	1 January 2023

4 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Company are measured using the functional currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation

5 BASIS OF MEASUREMENT

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

6 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. 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:

6.01 Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of operating fixed assets, with a corresponding effect on the depreciation charge and impairment.

6.02 Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

6.03 Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

6.04 Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

6.05 Tangible fixed assets and depreciation

a) Cost

These are initially stated at cost. Subsequently, these are stated at cost less accumulated depreciation and accumulated impairment loss, if any, except for freehold land which is stated at cost less impairment, if any. Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates disclosed in note 16 to the financial statements. Depreciation is charged from the month in which an asset is available for use, upto the date of disposal.

Cost of operating fixed assets signifies historical cost, revalued amount, directly attributable costs of bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management and borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's gross 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 the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of operating fixed assets are recognized, net of tax, in other comprehensive income and accumulated in surplus on revaluation of operating fixed assets in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss.

Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from surplus on revaluation of operating fixed assets to retained earnings.

b) Depreciation

Depreciation is charged to profit or loss on the reducing balance method so as to write off the cost of an asset over its estimated useful life at the given rates. The residual value, useful life of an asset and depreciation method are reviewed at each financial year end and adjusted if impact on depreciation is significant. Depreciation on additions is charged from the month in which the assets are available for use and on deletions up to the month in which the assets are deleted.

c) De-recognition

An item of operating fixed assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the profit or loss in the period the asset is de-recognized.

6.06 Impairment of non-financial assets

The carrying amount of assets is reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. Recoverable amount is the higher of fair value less costs to sell and value in use. The resulting impairment loss is taken to the statement of profit or loss except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

6.07 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing cost, if any, are capitalized as part of the cost of that asset.

6.08 Inventories

Inventories except for stock in transit and waste stock are stated at lower of cost and net realizable value.

6.09 Stores, spare parts and loose tools

Useable stores and spares are valued at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice values plus other charges paid thereon.

6.10 Stock-in-trade

Cost of raw material, work-in-process and finished goods are determined as follows:

For raw materials	- at average cost
For work-in-process and finished goods	- at average manufacturing cost including portion of production overheads.

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

6.11 Taxation

a) Current

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. 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.

b) Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from difference between the carrying amounts of the assets and liabilities in the financial statements and corresponding tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

6.12 Revenue from Contracts with Customers

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price.

This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalized as an asset and amortized over the contract period.

Key areas in accounting policies resulting from application of IFRS 15 are as follows:

a) Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

b) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

c) Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

d) Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

e) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

f) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

g) Refund liabilities

Refund liabilities are recognized where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

6.13 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 obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

6.14 Staff retirement benefits

The Company has an unfunded gratuity scheme for all of its employees who have completed the qualifying period as defined under the scheme. As per gratuity scheme, employees of the Company are entitled to gratuity equivalent to last drawn salary multiplied by the numbers of year of service up to the date of leaving the Company. The liability recognized in the statement of financial position in respect of defined benefit obligation is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets, if any. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to the statement of profit or loss. Re measurement of the net defined benefit liability, including actuarial gains and losses are recognized immediately in statement of comprehensive income. Past-service costs are recognized immediately in income.

6.15 Share capital

Ordinary shares are classified as equity.

6.16 IFRS 9 "Financial instruments"

The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt instrument shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an 'expected credit loss' ('ECL') model to recognize an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

i) Recognition of financial instruments

The Company initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair Value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses).

Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income/ (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv) De-recognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company during the year ended 30 June 2022.

6.17 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

6.18 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

6.19 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

6.20 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

6.21 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

6.22 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

6.23 Related party transactions and transfer pricing

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party of the Company are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company not to do so.

Related parties

- a) Directors and key management personnel
- b) Chaudhary Steel Re-rolling Mills Limited.
- c) Ali Enterprises

6.24 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

6.25 Dividend and other appropriations

Dividend to the shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

7	ISSUED, SUBSCRIBED AND PAID UP CAPITAL	Note	2022 Rupees	2021 Rupees
	25,000,000 (2021: 25,000,000) ordinary shares of Rs. 10/- each fully paid in cash	7.01	250,000,000	250,000,000
	99,962,510 ordinary shares of Rs. 10/- each issued against consideration other than cash	7.02	999,625,100	-
			<u>1,249,625,100</u>	<u>250,000,000</u>

7.01 Fully paid ordinary shares, which have a par value Rs. 10/-, carry one vote per share and carry right to dividends.

7.02 SECP vide its letter No. EMD/CI/80/2009/58 dated January 31, 2022 approved the issuance of 99,962,510 ordinary shares of the company having par value of Rs. 10 per share, at a premium of Rs. 20 per share in aggregate amounting to equivalent of Rs. 2,998,875,300/- (i.e. par value of shares Rs. 999,625,100 and value of share premium Rs. 1,999,250,200) by the way of other than right offer against consideration of non cash assets, including land, building and plant and machinery. The process of issuance of shares has been completed during the year, and non cash assets, including land, building and plant and machinery has been transferred to the company.

8	LOAN FROM DIRECTORS	Note	2022 Rupees	2021 Rupees
	Loan from directors	8.01	<u>217,072,420</u>	<u>40,742,220</u>
	8.01 Opening balance		40,742,220	66,586,220
	Loan obtained during the year		176,330,200	9,331,000
	Loan repaid during the year		-	(35,175,000)
	Closing balance		<u>217,072,420</u>	<u>40,742,220</u>

8.02 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.

9	REVENUE RESERVE	Note	2022 Rupees	2021 Rupees
	Revenue reserve- general reserve		<u>9,000,000</u>	<u>9,000,000</u>

10 DEFERRED LIABILITIES

Staff retirement benefits	10.01	-	-
Deferred taxation	10.02	-	-
		<u>-</u>	<u>-</u>

10.01 STAFF RETIREMENT BENEFITS

Details of the staff retirement benefit-obligation are as follows:

Amounts recognized in the statement of	2022 Rupees	2021 Rupees
Present value of defined benefit obligation	-	-
	-	-
Movement in net liability		
Net liability at the beginning of the year	-	3,741,887
Charge for the year	-	254,986
Benefits paid during the year	-	(3,996,873)
Closing balance	-	-
Changes in the present value of defined benefit obligation		
Defined benefit obligation at the beginning of the year	-	3,741,887
Current service cost	-	254,986
Interest cost on defined benefit obligation	-	-
	-	3,996,873
Benefits paid during the year	-	(3,996,873)
	-	-

During the year under report, no employee completed the qualifying period as defined under the scheme, therefore, there was no staff retirement benefits obligation as at year end.

10.02 DEFERRED TAXATION	Note	2022 Rupees	2021 Rupees
Deferred taxation comprises of the following:			
Deferred tax liability on taxable temporary differences		13,113,373	-
Deferred tax asset on deductible temporary differences:			
Provision for doubtful debts		-	462,141
Provision for doubtful debts other receivables		-	3,285,990
Provision for advances		-	51,662
Tax losses		62,232,662	67,548,415
		62,232,662	71,348,208
Net deferred tax liability/(asset)		(49,119,289)	(71,348,208)
Deferred tax liability / (asset) not recognized		-	71,348,208
Deferred tax liability / (asset) - recognized		(49,119,289)	-

10.03 Deferred tax has been calculated using tax rates applicable on tax year 2023 under the provisions of Income Tax Ordinance, 2001 to the extent of income of the company chargeable under normal tax regime.

11 TRADE AND OTHER PAYABLES	Note	2022 Rupees	2021 Rupees
Trade creditors		1,010,825,382	-
Due to related parties		650,217	-
Workers' profit participation fund	11.01	12,208,834	351,764
Workers' welfare fund	11.02	4,488,978	128,180
Accrued liabilities		77,768,704	2,949,492
		1,105,942,115	3,429,436

	Note	2022 Rupees	2021 Rupees
11.01 Workers' profit participation fund			
Opening balance		351,764	9,078,934
Provision for the year		11,813,099	351,764
Mark up on W.P.P.F.		43,971	274,530
		<u>12,208,834</u>	<u>9,705,228</u>
Payment /adjustment during the year		-	(9,353,464)
		<u>12,208,834</u>	<u>351,764</u>
11.02 Workers' welfare fund			
Opening balance		128,180	735,806
Provision for the year		4,488,978	128,180
		<u>4,617,158</u>	<u>863,986</u>
Payment/reversal during the year		(128,180)	(735,806)
		<u>4,488,978</u>	<u>128,180</u>
12 ACCRUED MARKUP			
Bank Alfalah Limited		850,000	850,000
		<u>850,000</u>	<u>850,000</u>
13 PROVISION FOR TAXATION			
Opening balance		3,879,557	5,205,920
Add: taxation - current		78,879,001	3,461,553
		<u>82,758,558</u>	<u>8,667,473</u>
Less: tax payments / adjustments during the year		(3,461,553)	(4,787,916)
		<u>79,297,005</u>	<u>3,879,557</u>
14 CONTINGENCIES AND COMMITMENTS			
14.01 Contingencies			
There were no contingencies as at the year end.			
14.02 Commitments			
There were no commitments as at the year end (2021: Nil).			
15 LONG TERM DEPOSITS			
Security deposits		450,000	-
		<u>450,000</u>	<u>-</u>
16 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - owned	16.01	3,014,759,336	-
		<u>3,014,759,336</u>	<u>-</u>
16.02 Depreciation charge for the year has been allocated as un-			
Cost of sales	25	12,070,975	-
Administrative Expenses	26	335,090	-
		<u>12,406,065</u>	<u>-</u>

Description	LAND	BUILDING	PLANT AND MACHINERY	OFFICE FURNITURE AND FIXTURES	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	OWNED VEHICLES	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
NET CARRYING VALUE BASIS								
Year Ended June 30, 2022								
Opening net book value	-	-	-	-	-	-	-	-
Additions	2,192,552,451	202,680,300	619,895,000	875,850	1,275,050	1,345,750	8,541,000	3,027,165,401
Disposals	-	-	-	-	-	-	-	-
Depreciation charge for the year (Note no. 5.1.2)	-	1,689,003	10,331,583	14,598	63,753	22,429	284,700	12,406,065
Closing net book value	2,192,552,451	200,991,298	609,563,417	861,253	1,211,298	1,323,321	8,256,300	3,014,759,336
Gross Carrying Value Basis								
Year Ended June 30, 2022								
Cost / revalued amount	2,192,552,451	202,680,300	619,895,000	875,850	1,275,050	1,345,750	8,541,000	3,027,165,401
Accumulated depreciation	-	1,689,003	10,331,583	14,598	63,753	22,429	284,700	12,406,065
Net book value	2,192,552,451	200,991,298	609,563,417	861,253	1,211,298	1,323,321	8,256,300	3,014,759,336
NET CARRYING VALUE BASIS								
Year Ended June 30, 2021								
Opening net book value	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	245,800	3,651,000	3,896,800
Derecognitions:								
Cost	-	-	-	-	-	245,800	3,651,000	3,896,800
Accumulated depreciation	-	-	-	-	-	(22,967)	(365,100)	(387,787)
Depreciation charge for the year (Note no. 5.1.2)	-	-	-	-	-	(222,833)	(3,285,900)	(3,509,013)
Revaluation surplus for the year	-	-	-	-	-	-	-	-
Closing net book value	-	-	-	-	-	22,967	365,100	387,787
Gross Carrying Value Basis								
Year Ended June 30, 2021								
Cost / revalued amount	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-	-
Annual rates (%) of depreciation	-	5.00	10.00	10.00	30.00	10.00	20.00	

	Note	2022 Rupees	2021 Rupees
17 TRADE DEBTS			
Considered good:			
Unsecured		901,779,197	-
Considered doubtful:			
Others - unsecured		-	1,593,591
Less: Allowance for expected credit losses	17.01	-	(1,593,591)
		-	-
		901,779,197	-
17.01 Allowance for expected credit loss			
Opening balance		1,593,591	217,267
Allowance for expected credit loss provided during the year		-	1,376,324
Closing balance		1,593,591	1,593,591
Balances written off		(1,593,591)	-
		-	1,593,591
18 LOAN AND ADVANCES			
Considered good, unsecured:		-	-
Considered doubtful:			
Advances to suppliers		-	178,145
Less: provision for doubtful advances		-	(178,145)
		-	-
18.01 Allowance for expected credit loss			
Opening balance		178,145	178,145
Allowance for expected credit loss provided during the year		-	-
Closing balance		178,145	178,145
Balances written off		(178,145)	-
		-	178,145
19 INCOME TAX DUE FROM GOVERNMENT			
Advance income tax		86,587,437	2,161,876
		86,587,437	2,161,876
20 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Prepayments		160,000	-
		160,000	-
21 OTHER RECEIVABLE			
Considered good, unsecured:			
Accrued profit on saving bank account		-	60,245
Considered doubtful		-	11,330,999
Less: allowance for expected credit losses		-	(11,330,999)
		-	-
Closing balance		-	60,245
21.01 Allowance for expected credit loss			
Opening balance		11,330,999	11,330,999
Allowance for expected credit loss provided during the year		-	-
Closing balance		11,330,999	11,330,999
Balances written off		(11,330,999)	-
		-	11,330,999

	Note	2022 Rupees	2021 Rupees
22 SHORT TERM INVESTMENT			
Term deposit receipt		925,942	925,942
Add: profit accrued during the year		178,055	83,146
		<u>1,103,997</u>	<u>1,009,088</u>

22.01 This term deposit receipt issued by banking company has maturity period of one year and carries profit at the rate 10.25% per annum.

	Note	2022 Rupees	2021 Rupees
23 CASH AND BANK BALANCES			
Cash in hand		19,138,672	62,568
Cash at banks:			
- In current accounts		15,147,593	265,893
- In saving accounts	23.01	<u>1,046,254</u>	<u>1,046,254</u>
		<u>35,332,519</u>	<u>1,374,715</u>

23.01 These carry profit ranging from 7.50% to 11.50% (2021: 7.50% to 10.50%) per annum

	Note	2022 Rupees	2021 Rupees
24 SALES - NET			
Sales		7,383,074,534	252,173,181
Less: Sales tax		<u>(1,072,754,429)</u>	<u>(21,402,991)</u>
Net Sales		<u>6,310,320,105</u>	<u>230,770,190</u>

25 COST OF SALES			
Raw material consumed	25.01	5,445,490,611	215,978,005
Salaries, wages and others benefits		298,902,389	2,524,541
Stores and spares		18,471,541	1,272,764
Fuel and power		405,742,374	856,222
Repair and maintenance		16,843,218	2,273,069
Depreciation		12,070,975	
Other factory overheads		4,528,788	3,837,263
		<u>6,202,049,896</u>	<u>226,741,864</u>
Work in process			
Opening inventory		-	-
Closing inventory		<u>(25,648,415)</u>	<u>-</u>
		<u>(25,648,415)</u>	<u>-</u>
Cost of goods manufactured		<u>6,176,401,481</u>	<u>226,741,864</u>
Finished goods			
Opening inventory		-	-
Closing inventory		<u>(162,044,281)</u>	<u>-</u>
		<u>(162,044,281)</u>	<u>-</u>
Cost of sales		<u>6,014,357,200</u>	<u>226,741,864</u>

25.01 Raw Material Consumed

Opening	-	-
Purchases	5,715,949,098	-
	<u>5,715,949,098</u>	<u>-</u>
Closing	<u>(270,458,487)</u>	<u>-</u>
	<u>5,445,490,611</u>	<u>-</u>

	Note	2022 Rupees	2021 Rupees
26 ADMINISTRATIVE EXPENSES			
Salaries and other benefits		15,465,398	3,194,586
Rent, rates and taxes		4,217,500	776,630
Postage and telephone		368,987	176,027
Electricity, gas and water		913,488	250,278
Printing and stationery		504,223	559,040
Repair and maintenance		37,000	68,135
Travelling and conveyance		3,748,123	149,608
Legal and professional		11,040,651	795,842
Auditors' remuneration	26.01	1,630,000	1,005,098
Fee and subscription		4,854,654	7,706,750
Entertainment		562,488	132,638
Depreciation	7.02	335,090	387,797
Miscellaneous		196,956	71,497
		<u>43,874,558</u>	<u>15,273,926</u>
26.01 Auditors' remuneration			
Audit fee		1,200,000	700,000
Review of interim financial information		250,000	124,598
Other certifications		100,000	50,000
Out of pocket expenses		30,000	20,000
Free float CDC share certificate		50,000	110,500
		<u>1,630,000</u>	<u>1,005,098</u>
	Note	2022 Rupees	2021 Rupees
27 SELLING AND DISTRIBUTION			
Salaries and other benefits		2,341,514	1,844,454
Carriage and transport		13,434,286	-
		<u>15,775,800</u>	<u>1,844,454</u>
28 OTHER EXPENSES			
Loss on sale of fixed assets		-	609,505
Provision for workers' profit participation fund	11.01	11,813,099	351,764
Provision for workers' welfare fund	11.02	4,488,978	128,180
Allowance for expected credit loss		-	1,376,324
Advances to suppliers written off		-	178,533
		<u>16,302,077</u>	<u>2,644,306</u>
29 OTHER INCOME			
Income from financial assets			
- Profit on saving bank account		94,909	22,311,482
		<u>94,909</u>	<u>22,311,482</u>
30 FINANCE COST			
Interest on workers' profit participation fund		43,971	274,530
Bank charges		101,502	21,778
		<u>145,473</u>	<u>296,308</u>

	Note	2022 Rupees	2021 Rupees
31 TAXATION			
- Current year	31.01	78,879,001	3,461,553
- Prior years		(321,045)	495,870
		78,557,956	3,957,423
Deferred tax	10.03	(49,119,289)	-
		<u>29,438,667</u>	<u>3,957,423</u>

31.01 Provision for current income tax is made under the relevant provisions of the Income Tax Ordinance, 2001. Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented being impracticable.

	Note	2022 Rupees	2021 Rupees
32 EARNINGS PER SHARE			
Basic Earnings per share:			
Profit after taxation	Rupees	<u>190,521,239</u>	<u>2,323,391</u>
Weighted average number of ordinary shares	Number	<u>42,801,543</u>	<u>25,000,000</u>
Profit per share – basic and diluted	Rupees	<u>4.45</u>	<u>0.09</u>

32.01 There has been no effect of dilution on earnings per share during the year as the Company had no such commitments.

33 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Details of the transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Loan from directors	Nature of transaction	2022 Rupees	2021 Rupees
Ch. Muhammad Shafique	Directors' loan received	176,330,200	9,331,000
Ali Enterprises	Purchases	43,648,106	-
Chaudhary Steel Re- Rolling Mills Limited	Purchases	1,009,962,111	-

34 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:

	Note	2022 Rupees	2021 Rupees
Managerial remuneration		1,300,000	595,000
Allowances:			
Reimbursement - Travelling		-	-
Utilities		-	-
		<u>1,300,000</u>	<u>595,000</u>
Number of persons		<u>1</u>	<u>1</u>

34.1 No remuneration was paid to non-executive directors of the Company.

34.2 No employee of the Company falls under the definition of executive given in Forth Schedule of the Companies Act, 2017.

35	NUMBER OF EMPLOYEES	2022 Number	2021 Number
	Average number of employees during the year	150	6
	Number of employees as at year end	160	6

36	FINANCIAL INSTRUMENTS BY CATEGORY	Note	2022 Rupees	2021 Rupees
	Financial assets as per statement of financial position			
	Long term deposits		450,000	-
	Trade debts		901,779,197	-
	Loans and advances		-	-
	Short term investment		1,103,997	1,009,088
	Trade deposits		160,000	-
	Other receivables		-	60,245
	Cash and bank balances		35,332,519	1,374,715
			938,825,713	2,444,048
	Financial liabilities as per statement of financial position			
	Trade and other payables		1,089,244,303	2,949,492
	Accrued interest/mark-up		850,000	850,000
	Unclaimed dividend		1,034,090	1,034,090
			1,091,128,393	4,833,582

Fair values of financial assets and liabilities

- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirements to curtail materially the scale of its operation or to undertake a transaction on adverse terms.
- The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

36.01 Financial Instruments measured at fair value

36.01.01 Recurring fair value measurements

There are no recurring fair value measurements as at the reporting date.

36.01.02 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

36.02 Financial Instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value at the end of each reporting period to approximate their fair values as at the reporting date.

36.03 Assets and liabilities other than financial instruments

36.03.01 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how their fair values are determined are as follows:

The Company does not hold any instrument which could be included in Level 1, Level 2 and Level 3.

36.03.02 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

37 FINANCIAL RISK MANAGEMENT

37.01 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of non derivative financial instruments and investment of excess liquidity.

(a) Market risk

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 future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk as almost all of its transactions are in local currency and no foreign currency receivables and payables exist at the reporting date.

Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity and commodity price risks.

Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	Note	2022 Rupees	2021 Rupees
Floating rate instruments			
Financial assets			
Bank balance - saving account		1,046,254	1,046,254
Fixed rate instruments			
Short term investment		1,103,997	1,009,088

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs. 10,463 (2021: Rs. 10,463) higher / lower, mainly as a result of higher / lower interest income on floating rate financial assets. This analysis is prepared assuming the amounts of assets and liabilities outstanding at the reporting dates were outstanding for the whole year.

Fair value analysis for fixed rate instruments

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

(b) Credit risk

Credit risk represents the risk that one party to the financial instruments will cause a financial loss for the other party by failing to discharge an obligation. The carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Note	2021 Rupees	2021 Rupees
Deposits	450,000	-
Other receivable	-	60,245
Short term investment	1,103,997	1,009,088
Cash and bank balances	35,332,519	1,374,715
	<u>36,886,516</u>	<u>2,444,048</u>

The credit quality of 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	Agency	Rating	
		Short term	Long term
Bank Alfalah Limited	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Soneri Bank Limited	PACRA	A1+	AA-
JS Bank Limited	PACRA	A1+	AA-
Meezan Bank Limited	JCR-VIS	A-1+	AAA
Habib Bank Limited	JCR-VIS	A1+	AAA
Short term investment			
Bank Alfalah Limited	PACRA	A1+	AA+

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

At 30 June 2022, the Company has Rupees 16.193 million (2021: Rupees 1.31 million) bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2022.

30-Jun-22	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Rupees						
Non-derivative financial liabilities:						
Trade and other payables	1,089,244,303	1,089,244,303	1,089,244,303	-	-	-
Accrued mark-up	850,000	850,000	850,000	-	-	-
Unclaimed dividend	1,034,090	1,034,090	1,034,090	-	-	-
	1,091,128,393	1,091,128,393	1,091,128,393	-	-	-

Contractual maturities of financial liabilities as at 30 June 2021.

30-Jun-21	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Rupees						
Non-derivative financial liabilities:						
Trade and other payables	2,949,492	2,949,492	2,949,492	-	-	-
Accrued mark-up	850,000	850,000	850,000	-	-	-
Unclaimed dividend	1,034,090	1,034,090	1,034,090	-	-	-
	4,833,582	4,833,582	4,833,582	-	-	-

38 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

39 SHARIAH SCREENING DISCLOSURE

	2022		2021	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	(Rupees in '000')			
Bank Balances	1,046,254	15,147,593	1,046,254	265,893
Profit on bank deposits	94,909	-	22,311,482	-

40 GEARING RATIO

	2022 (Rupees in '000')	2021 (Rupees in '000')
Cash and bank balance	35,332,519	1,374,715
Debt	-	-
Total Equity	3,361,139,580	(4,587,159)
Total capital employed	3,361,139,580	(4,587,159)
Gearing Ratio (%)	Nil	Nil

41 PLANT CAPACITY AND ACTUAL PRODUCTION

	2022 Metric Tons	2021 Metric Tons
Plant Capacity		
Melting	86,450	-
Re-rolling	84,000	-
Installed capacity:		
Melting	33,210	-
Re-rolling	31,190	-

42 PROPOSED AND DECLARED DIVIDEND

The board of directors in its meeting held on October 06, 2022, proposed a final cash dividend Rs. 01 per share i.e. 10% (2021: Nil) to minority shareholders only except sponsor shareholders, subject to approval of the members at forthcoming Annual General Meeting to be held on October 28, 2022.

43 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 06 October 2022 by the Board of Directors of the Company.

44 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of better presentation and comparison.

45 GENERAL

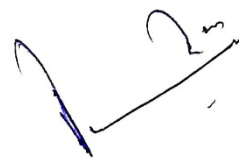
Figures have been rounded off to nearest of Rupee.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOLDING AS AT 30 JUNE 2022

Number of Shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total
	From	To		
184	1	100	10,746	0.0086%
314	101	500	129,069	0.1033%
131	501	1000	124,865	0.0999%
208	1001	5000	539,650	0.4318%
73	5001	10000	587,652	0.4703%
28	10001	15000	363,300	0.2907%
17	15001	20000	325,500	0.2605%
14	20001	25000	329,180	0.2634%
5	25001	30000	142,000	0.1136%
7	30001	35000	227,691	0.1822%
2	35001	40000	74,500	0.0596%
5	40001	45000	209,500	0.1677%
5	45001	50000	250,000	0.2001%
3	50001	55000	153,000	0.1224%
4	60001	65000	250,370	0.2004%
2	65001	70000	140,000	0.1120%
2	70001	75000	148,500	0.1188%
2	85001	90000	177,000	0.1416%
1	90001	95000	93,000	0.0744%
7	95001	100000	689,502	0.5518%
1	100001	105000	100,500	0.0804%
1	105001	110000	105,500	0.0844%
1	110001	115000	114,000	0.0912%
1	120001	125000	125,000	0.1000%
1	160001	165000	161,500	0.1292%
1	180001	185000	184,000	0.1472%
2	195001	200000	400,000	0.3201%
1	200001	205000	201,000	0.1608%
1	210001	215000	212,000	0.1697%
1	250001	230000	226,500	0.1813%
1	230001	235000	235,000	0.1881%
1	505001	510000	507,500	0.4061%
2	560001	565000	1,122,729	0.8985%
1	875001	880000	880,000	0.7042%
1	1160001	1165000	1,162,500	0.9303%
1	1395001	1400000	1,400,000	1.1203%
1	2065001	2070000	2,067,500	1.6545%
5	2170001	2175000	10,866,666	8.6959%
1	4535001	4540000	4,536,606	3.6304%
1	6290001	6295000	6,293,140	5.0360%
1	13035001	13040000	13,040,000	10.4351%
1	27415001	27420000	27,419,177	21.9419%
1	48635001	48640000	48,636,667	38.9210%
1,043			124,962,510	100%

CATEGORIES OF SHAREHOLDING AS AT 30 JUNE 2022

Sr. #	Categories	No. of Shareholders	Shares Held	Percentage
1	Individuals	1008	17,303,630	13.85%
2	Directors/Sponsors etc.	14	78,850,473	63.10%
3	Financial Institutions	5	565,392	0.45%
4	Modarabas	1	300	0.00%
5	Insurance Companies	1	114,000	0.09%
6	Investment Companies	1	3,000	0.00%
7	Funds	2	32,803	0.03%
8	Associated company / undertakings	1	27,419,177	21.94%
9	Others	10	673,735	0.54%
	TOTAL:	1043	124,962,510	100

DETAILED CATEGORIES OF SHAREHOLDERS AS ON 30 JUNE 2022

Directors/Sponsors	Shares Held	Percentage
1. Ch. Muhammad Shafique	54,929,807	43.9570
2. Mr. Muhammad Asim Raza	500	0.0004
3. Miss Eman Shafique	500	0.0004
4. Miss Afifa Shafique	500	0.0004
5. Mr. Muhammad Hashim Tareen	2,500	0.0020
6. Mr. Mahmood Aslam	2,500	0.0020
7. Mr. Waheed Akbar	2,500	0.0020
8. Mrs. Sarwar Sultana	13,042,500	10.4371
9. Mr. Ali Shafique	2,500	0.0020
10. Ch Muhammad Zafar	2,173,334	1.7392
11. Uma E Salma	2,173,333	1.7392
12. Uzma Zafar	2,173,333	1.7392
13. Najma Aziz	2,173,333	1.7392
14. Shabana Shafique	2,173,333	1.7392
Associated companies, undertakings and related parties	27,419,177	21.9419
Financial Institutions		
1. National Bank Of Pakistan	195	0.0002
2. Bank Alfalah Limited - Lahore Stock Exchange Branch	560,097	0.4482
3. Investment Corporation Of Pakistan	2,800	0.0022
4. Crescent Investment Bank Ltd	2,100	0.0017
5. Grays And Cambridge (Pakistan) Ltd	200	0.0002
Modarabas		
1. Modaraba Al-Mali Corporation Ltd	300	0.0002
Insurance Companies		
1. State Life Insurance Corp. Of Pakistan	114,000	0.0912
Investment Companies		
1. Pakistan Kuwait Investment Co.(Pvt) Ltd	3,000	0.0024

Funds

1. Trustee National Bank Of Pakistan Emp Benevolent Fund	1,112	0.0009
2. Trustee National Bank Of Pakistan Employees Pension Fund	31,691	0.0254

Others

1. Imgc Global (Pvt.) Limited	10,000	0.0080
2. Maple Leaf Capital Limited	1	0.0000
3. Y.S. Securities & Services (Pvt) Ltd.	1,200	0.0010
4. D.S. Corporation (Pvt) Limited	3,400	0.0027
5. Saya Securities (Private) Limited.	96,502	0.0772
6. Salim Sozer Securities (Pvt.) Ltd.	562,632	0.4502

Individuals	17,303,630	14
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Grand Total	124,962,510	100
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Shareholders Holding 5% Or More Voting Rights:

1. Ch. Muhammad Shafique	54,929,807	44
2. Mrs. Sarwar Sultana	13,042,500	10
3. Chaudhry Steel Re-Rolling Mills Limited	27,419,177	22

All Trade In The Shares Of The Listed Company, Carried Out By Its Directors, Executives And Their Spouses And Minor Children Shall Also Disclosed.

Sr. No.		Sale	Purchased
1. Ch. Muhammad Shafique	SPONSOR	8,060,606	-
2. Ali Shafique	CEO	-	2,500

Form of Proxy

36th Annual General Meeting

I/We _____
of _____ being a member of
BECO STEEL LIMITED and a holder of _____ ordinary shares
as per Share Register Folio No. _____
For beneficial owners as per CDC List

CDC Participant I.D. No. _____ Sub-Account No. _____

CNIC No.

				-						-	
--	--	--	--	---	--	--	--	--	--	---	--

 hereby appoint _____

of _____
 another member of the company as per Register Folio No. _____
 or (failing him/her) _____ of _____
 another member of the company as per Register Folio No. _____

as my/our proxy to attend and vote for me/our behalf at 36th Annual General Meeting of the Company to be held on Friday 28th October, 2022 at 03:00 p.m at the Florets Luxury Apartments, Ground Floor, G-7, 127-Ahmad Block, Garden Town, Lahore and at any adjournment thereof.

Please affix rupees fifty
revenue stamp

(Signature should agree with
the specimen signature
registered in the Company)

Signature of Shareholder

Dated this _____ day of _____ 2022

Signature of Proxy

For beneficial owners as per CDC list

1. WITNESS

Signature: _____ Signature: _____

Name: _____ Name: _____

Address: _____ Address: _____

CNIC No.	-	CNIC No.	-
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2. WITNESS

Signature: _____

Name: _____

Address: _____

CNIC No.

			-							-	
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NOTES: -

- This proxy form, duly completed and signed, must be received at the Registered Office of the company not later than 48 hours before the time of holding the Meeting.
- Attested copies of the CNIC or the passport of beneficial owners, proxy holder and witnesses shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished along with proxy form to the Company.

پراکسی فارم (مختار نامہ)

سی ڈی سی شرکت آئی ڈی نمبر	سب اکاؤنٹ (ذیلی کھاتہ) نمبر	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	حصہ دار (شیئر ہولڈنگ)
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میں/ہم
ساکن
بحیثیت رکن بیکو اسٹیل لمیٹڈ (سابقہ راوی ٹیکسٹائل ملز لمیٹڈ) محترم/محترمہ
اس کی غیر موجودگی میں

(بحیثیت کمپنی کے رکن) کو اپنے/ہمارے ایما پر مورخہ 28 اکتوبر 2022 بروز جمعہ 03:00 بجے بمقام فلرٹس لگژری اپارٹمنٹس، گراؤنڈ فلور، جی-7، 127-احمد بلاک، گارڈن ٹاؤن، لاہور پر منعقد ہونے والے بیکو اسٹیل لمیٹڈ (سابقہ راوی ٹیکسٹائل ملز لمیٹڈ) کے 35 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔
آج بروز _____ بتاریخ _____ 2022ء کو میرے/ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان

50/- روپے کارسیدی ٹکٹ یہاں چسپاں کریں

دستخط رکن
کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں۔

1:
دستخط:
نام:
پتہ:
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:
2:
دستخط:
نام:
پتہ:
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

نوٹ: 1- یہ مختار نامہ مکمل اور دستخط شدہ، ہمراہ شناختی کارڈ کی تصدیق شدہ کاپیوں، کمپنی کے رجسٹرڈ آفس کے پتے پر اجلاس کے شروع ہونے سے 48 گھنٹے پہلے پہنچ جانا چاہیئے۔

2- کوئی بھی فرد مختار نامہ اس وقت تک استعمال نہیں کر سکتا جب تک وہ کمپنی کا حصص دار نا ہو۔ علاوہ اس کے کہ کوئی ایک کمپنی کسی فرد کو نمائندہ مقرر کرے جو کمپنی کا حصص دار نا ہو۔