



**INTERIM FINANCIAL REPORT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

BECO STEEL LIMITED
WE STRENGTHEN YOUR DREAMS

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HR & REMUNERATION COMMITTEE

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

Directors' Review

Dear Valued Shareholders,

On behalf of the Board of Directors of Beco Steel Limited, we take this opportunity to place before you unaudited condensed interim financial statements of the company for the quarter ended 30 September 2022.

Financial performance

The summary of financial results of the Company for the quarter ended 30 September 2022:

	Quarter ended 30 September		
Particular	2022 Rupees	2021 Rupees	Percentage Change Increase/(decrease)
Sales-net	3,173,846,282	694,734,202	357%
Gross Profit	203,724,201	53,240,580	283%
Profit before taxation	175,159,641	46,204,105	279%
Provision for taxation	39,673,079	8,684,178	357%
Profit after tax	135,486,562	37,519,927	261%
EPS (in Rupees)	1.08	1.50	

Business, financial & operational review

During the period, political tensions, floods, current account deficit, depreciating currency, struggling foreign exchange reserves, rising inflation and significant increase in energy cost, impacted the overall performance of the Company. Amidst the prevailing adversities, the Company managed to maintain its topline. Resultantly, the Company posted profit for the period amounting to Rs. 135.486 million as compared to Rs. 37.519 million in corresponding period resulting in increase of 261%. Earnings per share (EPS) for the current period stood at Rs. 1.08 as compared to EPS of Rs. 1.50 in the corresponding period, the statement of financial position footing stood at Rs. 4,616 million as of September 30, 2022, compared to Rs. 4,548 million as of June 30, 2022. Breakup value per share increased to Rs. 27.98 as of September 30, 2022 from Rs. 26.89 as at June 30, 2022. Current ratio as at September 30, 2022 stood at 1.40:1 as compared to 1.25:1 as at June 30, 2022.

Future Outlook

It is expected that increase in construction activities; post floods will improve demand for long-rolled products. Further, the Company, will continue to maintain its topline operations and make efforts to further increase them.

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



Ali Shafique Chaudhary
Chief Executive Officer
Lahore: 29 October 2022



Afifa Shafique
Director/Chairperson

BECO STEEL LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30 SEPTEMBER 2022

EQUITY AND LIABILITIES	Notes	30-Sep-2022 Rupees	30-Jun-2022 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	6	1,249,625,100	1,249,625,100
Share Premium		1,999,250,200	1,999,250,200
Loan from directors		217,072,420	217,072,420
Revenue reserve		9,000,000	9,000,000
Accumulated losses		21,678,422	(113,808,140)
		3,496,626,142	3,361,139,580
Non current liabilities			
Deffered Liabilities		-	-
Current liabilities			
Trade and other payable		998,647,829	1,105,942,115
Accrued mark up		850,000	850,000
Unclaimed dividend		1,034,090	1,034,090
Provision for taxation		118,970,084	79,297,005
		1,119,502,003	1,187,123,210
Contingencies and commitments		-	-
		4,616,128,145	4,548,262,790
ASSETS			
Non current assets			
Property, plant and equipment	7	2,996,449,583	3,014,759,336
Long term deposits		450,000	450,000
Deferred tax asset		49,119,289	49,119,289
		49,569,289	49,569,289
		3,046,018,871	3,064,328,625
Current assets			
Stock in trade	8	432,838,291	458,151,183
Stores spares and loose tools		683,728	819,832
Trade debts		999,691,187	901,779,197
Income tax due from Government		91,729,274	86,587,437
Trade deposits and short term prepayments		160,000	160,000
Short term investment		1,103,997	1,103,997
Cash and bank balances		43,902,796	35,332,519
		1,570,109,273	1,483,934,165
		4,616,128,145	4,548,262,790

The annexed notes from 01 to 13 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
AS AT 30 SEPTEMBER 2022

	Quarter ended 30-Sep-2022	Quarter ended 30-Sep-2021
Note	Rupees	Rupees
Sales	3,173,846,282	694,734,202
Cost of Sales	(2,970,122,081)	(641,493,622)
Gross profit	<u>203,724,201</u>	<u>53,240,580</u>
Distribution and selling expenses	7,252,017	-
Administrative and general expenses	20,434,150	5,803,701
Other expenses	788,996	1,230,525
	<u>28,475,163</u>	<u>7,034,226</u>
Operating profit /(loss)	<u>175,249,038</u>	<u>46,206,355</u>
Other income	-	-
Profit from operations	<u>175,249,038</u>	<u>46,206,355</u>
Finance cost	89,397	2,250
Profit before taxation	<u>175,159,641</u>	<u>46,204,105</u>
Taxation	39,673,079	8,684,178
Profit after taxation	<u>135,486,562</u>	<u>37,519,927</u>
Earning per share- basic and diluted	<u>1.08</u>	<u>1.50</u>

The annexed notes from 01 to 13 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
AS AT 30 SEPTEMBER 2022

		Quarter ended 30-Sep-2022 Rupees	Quarter ended 30-Sep-2021 Rupees
Note			
Profit for the period		135,486,562	37,519,927
Other comprehensive income:			
Item that will not be reclassified to statement of profit or loss:		-	-
Items that may be reclassified to statement of profit or loss:		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>135,486,562</u>	<u>37,519,927</u>

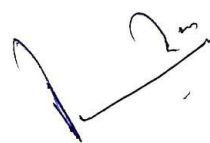
The annexed notes from 01 to 13 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
AS AT 30 SEPTEMBER 2022

(Rupees).....					
	Share capital	Share Premium	Loan from directors	Revenue reserve General reserve	Accumulated Loss / profit	Total equity
Balance as at 30 June 2021	250,000,000	-	40,742,220	9,000,000	(304,329,379)	(4,587,159)
Profit for the three months ended September 30, 2021	-	-	-	-	37,519,927	-
Balance as at 30 September 2021	250,000,000	-	40,742,220	9,000,000	(266,809,452)	32,932,768
Profit for the nine month ended June 30, 2022	-	-	-	-	153,001,312	153,001,312
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	250,000,000	-	40,742,220	9,000,000	(113,808,140)	185,934,080
Increase in share capital	999,625,100	-	-	-	-	999,625,100
Share premium on issuance of shares	-	1,999,250,200	-	-	-	1,999,250,200
Loan from director	-	-	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
Profit for the three months ended September 30, 2022	-	-	-	-	135,486,562	135,486,562
Balance as at 30 September 2022	1,249,625,100	1,999,250,200	217,072,420	9,000,000	21,678,422	3,496,626,142

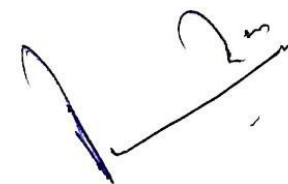
The annexed notes from 01 to 13 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
AS AT 30 SEPTEMBER 2022

	Note	Quarter ended 30-Sep-2022 Rupees	Quarter ended 30-Sep-2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before taxation		175,159,641	46,204,105
Adjustments for following items:			
Depreciation		18,309,753	-
Provision for worker's profit participation fund		-	2,310,205
Provision for worker's welfare fund		-	924,082
Finance cost		89,397	2,250
		<u>18,399,150</u>	<u>3,236,537</u>
Operating profit before working capital changes		193,558,791	49,440,642
(Increase) / decrease in current assets			
Stock-in-trade		25,312,892	(10,225,110)
Stores spares and loose tools		136,104	-
Trade debts		(97,911,990)	(84,009,591)
Trade deposits and short term prepayments		-	(23,727)
		(72,462,994)	(94,258,428)
Increase / (decrease) in current liabilities			
Trade and other payables		(107,294,286)	43,756,713
		<u>13,801,511</u>	<u>(1,052,073)</u>
Cash generated from operations		13,801,511	(1,052,073)
Finance cost paid		(89,397)	(2,250)
Income tax paid		(5,141,837)	-
		<u>(5,231,234)</u>	<u>(2,250)</u>
Net cash used in operating activities		8,570,277	(1,054,323)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		-	-
Sale of property, plant and equipment		-	-
Net cash (used in) / generating from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from director		-	-
Net cash flows generated from / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		8,570,277	(1,054,323)
Cash and cash equivalents at the beginning of the period		35,332,519	1,374,715
Cash and cash equivalents at the end of the period		43,902,796	320,392


The annexed notes from 01 to 13 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSIENSS UNITS

The registered office of the company is situated at Florets Luxury apartments G-7, Ground Floor, 127-Ahmad Block, Garden Town Lahore, Pakistan

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.01 BASIS OF PREPARATION

a) Statement of compliance

These condensed interim financial statements comprise the condensed interim statement of financial position of the company as at September 30, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with notes forming part thereof.

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

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
- Provisions of and directives issued under Companies Act, 2017
- Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the companies Act, 2017 have been followed.

These condensed interim financial statements does not include all of the information required for full annual financial statements and should be read in conjunction with the published annual financial statements for the year ended June 30, 2022.

b) Accounting convention

These condensed interim financial statements have been prepared using the going concern basis of accounting and in conformity with approved Accounting Standards as disclosed in audited annual published financial statement of the company for the year ended 30 June 2022.

4 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

BECO STEEL LIMITED

	Note	Un-audited 30-Sep-2022 Rupees	Audited 30-Jun-2022 Rupees
6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
25,000,000 (30 June 2021: 25,000,000) ordinary shares of Rs. 10/- each fully paid in cash		250,000,000	250,000,000
99,962,510 ordinary shares of Rs. 10/- each issued against consideration other than cash		999,625,100	999,625,100
		<u>1,249,625,100</u>	<u>1,249,625,100</u>
7 PROPERTY, PLANT AND EQUIPMENT			
Opening book value		3,014,759,336	-
Add: Additions during the period		-	3,027,165,401
		<u>3,014,759,336</u>	<u>3,027,165,401</u>
Less: Depreciation charged during the period		18,309,753	12,406,065
Book value		<u>2,996,449,583</u>	<u>3,014,759,336</u>
Less: Disposal during the year (WDV)		-	-
Closing book value		<u>2,996,449,583</u>	<u>3,014,759,336</u>
8 STOCK IN TRADE			
Raw material		256,784,256	270,358,487
Work in process		18,653,359	25,648,415
Finished goods		157,400,676	162,044,281
		<u>432,838,291</u>	<u>458,051,183</u>
9 CONTINGENCIES AND COMMITMENTS			
There is no change in the status of contingencies and commitments from the date of preceding annual published financial statements of the company for the year ended 30 June 2022.			
10 EARNING PER SHARE		30-Sep-2022 Rupees	30-Sep-2021 Rupees
Basic earning per share:			
Profit after taxation	<i>Rupees</i>	<u>135,486,562</u>	<u>37,519,927</u>
Weighted average number of ordinary shares	<i>Number</i>	<u>124,962,510</u>	<u>25,000,000</u>
Earnings per share - basic and diluted	<i>Number</i>	<u>1.08</u>	<u>1.50</u>
10.1 There has been no effect of dilution on earning per share during the period as the company had no such commitments.			
11 FINANCIAL RISK MANAGEMENT			
The company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2022.			
12 DATE OF AUTHORIZATION FOR ISSUE			
These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 29 October 2022.			

13 GENERAL

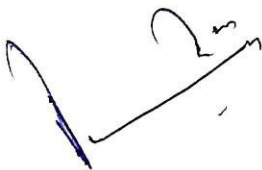
Figures have been rounded off to nearest of Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ڈائریکٹرز کا جائزہ

محترم شیئر ہولڈرز

بیکو اسٹیل لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم اس موقع کو آپ کے سامنے 30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی بیانات پیش کرنے کا موقع لیتے ہیں۔

مالیاتی کارکردگی

ستمبر 30، 2022 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے مالیاتی نتائج کا خلاصہ

تفصیلات	ستمبر 30 کو ختم ہونے والا سہ ماہ		تبدیلی (فیصد میں)
	2022 (روپے)	2021 (روپے)	
فروخت	3,173,846,282	694,734,202	357%
کل منافع	203,724,201	53,240,580	283%
نیکس سے پہلے منافع	175,159,641	46,204,105	279%
نیکس	39,673,079	8,684,178	357%
نیکس کے بعد منافع	135,486,562	37,519,927	261%
فی حصص آمدنی (روپے میں)	1.08	1.50	

کاروبار، مالیاتی اور آپریشنل جائزہ

اس عرصے کے دوران، سیاسی تناؤ، سیلاب، کرنٹ اکاؤنٹ خسارہ، کرنسی کی قدر میں کمی، غیر ملکی زرمبادلہ کے ذخائر کی جدوجہد، بڑھتی ہوئی افراط زر اور توانائی کی قیمت میں نمایاں اضافے نے کمپنی کی مجموعی کارکردگی کو متاثر کیا۔ موجودہ مشکلات کے درمیان، کمپنی اپنی ٹاپ لائن کو برقرار رکھنے میں کامیاب رہی۔

اس عرصے کے دوران، سیاسی تناؤ، سیلاب، کرنٹ اکاؤنٹ خسارہ، کرنسی کی قدر میں کمی، غیر ملکی زرمبادلہ کے ذخائر کی جدوجہد، بڑھتی ہوئی افراط زر اور توانائی کی قیمت میں نمایاں اضافے نے کمپنی کی مجموعی کارکردگی کو متاثر کیا۔ موجودہ مشکلات کے درمیان، کمپنی اپنی ٹاپ لائن کو برقرار رکھنے میں کامیاب رہی۔ نتیجتاً، کمپنی نے اس مدت کے لیے پچھلے سال کے 37.519 ملین روپے کے منافع کے مقابلے میں 135.486 ملین روپے کا منافع پوسٹ کیا جس کے نتیجے میں 261% کا اضافہ ہوا۔

مستقبل کا آؤٹ لک

توقع ہے کہ تعمیراتی سرگرمیوں میں اضافہ؛ سیلاب کے بعد لانگ رولڈ مصنوعات کی مانگ میں بہتری آئے گی۔ اس کے علاوہ، کمپنی اپنے ٹاپ لائن آپریشنز کو برقرار رکھے گی اور ان میں مزید اضافہ کرنے کی کوششیں کرے گی۔

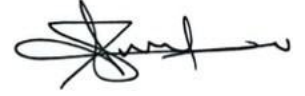
اعتراف

ہم اس موقع سے اپنے کٹمر، پلانرز اور بینکرز کا کمپنی کی ترقی کے لیے مسلسل حمایت اور تعاون شکریہ ادا کرنا چاہیں گے کہ - ہم امید کرتے ہیں کہ یہ تعاون مستقبل میں بھی جاری رہے گا۔

ہم ایگزیکٹو، عملے اور کارکنوں کی اپنی سرشار اور باصلاحیت ٹیم کا بھی شکریہ ادا کرنا چاہیں گے کہ اس عرصے کے دوران سخت محنت کی گئی۔ ہم اپنے ملازمین سے اگلے سال میں اور بھی بہتر نتائج حاصل کرنے کے لیے مسلسل کوششوں کی توقع رکھتے ہیں اور آخر میں

انتظامیہ کمپنی کے وزن اور مقصد کو عملی جامہ پہنانے میں حب معمول تعاون اور رہنمائی کے لیے بورڈ کی شکریہ ادا کرتے ہیں۔

بورڈ کی جانب سے



علی شفیق چوہدری

چیف ایگزیکٹو آفیسر



حفیضہ شفیق

ڈائریکٹر ایگزیکٹو

لاہور: 29 اکتوبر 2022

BECO STEEL LIMITED