



BECO STEEL LIMITED
WE STRENGTHEN YOUR DREAMS



ANNUAL REPORT 2024

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HR & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Miss. Afifa Shafique

COMPANY SECRETARY

Mr. Abdul Shakoor

EXTERNAL AUDITORS

M/s. Sheikh and Chaudhri Chartered Accountants

INTERNAL AUDITORS

Saleem Murawat

Bilal Khokher

SHARE REGISTRAR

Hameed Majeed Associates (Private) Limited

REGISTERED OFFICE

79 – Peco Road Badami Bagh Lahore Pakistan

COMPANY BANKERS

1. Soneri Bank Limited
2. JS Bank Limited
3. Habib Metropolitan Bank Limited
4. Meezan Bank Limited
5. Samba Bank Limited
6. Bank Alfalah Limited
7. Askari Bank Limited
8. The Bank of Punjab

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Beco Steel Limited (the Company) will be held on November 27, 2024 (Wednesday) at 12:00 (noon) at Executive Board Room, Royal Palm Golf and Country Club, 52 Canal Road, Mughalpura, Lahore to transact the following business:

1. To confirm minutes of Annual General Meeting held on December 30, 2023.
2. To receive and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2024, along with Directors and Auditors Reports thereon.
3. To appoint External Auditors of the Company for the financial year ending June 30, 2025, and to fix their remuneration. The shareholders are hereby notified that the Audit Committee and the Board of Directors have recommended the name of M/s Sheikh & Chaudhari & Co. Chartered Accountants for appointment as auditors of the Company for the financial year 2024-25.
4. To ratify and approve transactions carried out with associated Companies in the normal course of the business by passing the following ordinary resolutions:

5. **Special Business:**

To consider dissemination of annual audited financial statements through QR enabled code and weblink instead of transmitting the same in the form of CD/DVD/USB and approve the following resolution as a Special Resolution with or without modification: -

“**Resolved that** dissemination of information regarding annual audited financial statements to the shareholders through QR enabled code and weblink as notified by the Securities and Exchange Commission of Pakistan vide its SRO 389 (I)/2023 dated 21st March, 2023, be and is hereby approved while considering technological advancements and old technology becoming obsolete, the circulation of annual financial statements through CD/DVD/USB be discontinued.”

6. To ratify and approve arm's length transactions carried out with associated companies/ undertakings in the normal course of business, in accordance with Section 208 of the Companies Act 2017:
 - i. **RESOLVED** that the transactions carried out in normal course of business with associated Companies as disclosed in respective notes to the Audited Financial Statements for the year ended June 30, 2024, be and are hereby ratified and approved.
 - ii. **FURTHER RESOLVED** that the Chief Executive of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the year ended June 30, 2025, and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company.

7. To transact any other business with the permission of the Chair.

By Order of the Board

Company Secretary

Lahore: 22 October 2024


Notes:

1. The Share Transfer Books of the Company will remain closed from November 20, 2024, to November 27, 2024 (both days inclusive). Transfers received in order at the Office of our Share Registrar, Hameed Majeed Associates, up to the close of business hours on November 19, 2024, will be treated in time for the purposes of e for determination of entitlement to attend and vote at the meeting.

2. All members are entitled to attend and vote at the meeting. A member entitled to attend and vote at the meeting is also entitled to appoint another member of the Company as his/her proxy to attend, speak and vote for him/her. In the case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted to the Company. A proxy must be a member of the Company. A member shall not be entitled to appoint more than one proxy to attend anyone meeting. The proxy duly executed instrument should be lodged at the Registered Office of the Company not later than 48 hours before the time of the meeting. The form of proxy must be witnessed with the addresses and CNIC numbers of witnesses, certified copies of CNIC of members and the proxy member must be attached and the revenue stamp should be affixed and defaced on the form of proxy.
3. The members are advised to bring their ORIGINAL Computerized National Identity Card (CNIC) and those members who have deposited their shares in Central Depository System should also be cognizant of their CDC Participant ID and Account Number at the meeting venue. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.
4. The Securities & Exchange Commission of Pakistan (SECP) vide its Circular No. 4 of 2021 dated February 15, 2021, has directed all the listed companies to ensure participation of members in general meeting through electronic means (i.e., video-link, webinar, zooming etc.) as a regular feature from the date of this circular till further orders. In this regard, the interested shareholders can request by providing the following information to the Company Secretary at least 48 hours before the time of AGM at Email Address: secretary@becosteel.com
 - a) Name of the Shareholder
 - b) CNIC Number
 - c) Folio / CDC Participant ID Number
 - d) Cell Number
 - e) Email Address
5. The shareholders are also encouraged to send their comments and suggestions, related to the agenda items of the AGM on secretary@becosteel.com to be discussed in the meeting.

Transmission of Annual Report 2024:

- i. In terms of the approval of the members of the company in their Annual General Meeting held on November 27, 2024 and pursuant to the SECP's Notification No. SRO 389(1)/2023 dated March 21, 2023, the Annual Report for the financial year ended June 30, 2024 of the Company containing inter alia the audited financial statements, along with Auditors', directors' and Chairman's reports thereon may be reviewed and downloaded by the following QR Code and weblink as given under:

Link	QR Code
https://www.becosteel.com	

- ii. The Annual Report has also been emailed to those shareholders who have provided their valid email IDs' to the Company.
 - iii. The Shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary/Share Registrar, the Standard request Form provided in the Annual Report and available on the Company's website and the Company will supply hard copies of the aforesaid Annual Report to the shareholders on demand, free of cost, within one week of such demand.
6. Pursuant to section 132(2) of the Companies Act 2017, if Company receives consent form (form titled as "Consent for Video Conference" is available on Company's website) from the members holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference facility at least 7 days prior to the date of AGM.
 7. The members are requested to notify the Company or Shares Registrar of the Company of any change in their address.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017, SETS OUT THE MATERIAL FACTS CONCERNING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING OF THE COMPANY.

1. Agenda item No. 4(i) Ratification and Approval of the Related Party Transactions

All transactions conducted by the Company with related parties for the fiscal year ended June 30, 2024, are detailed in the related party note (Note # 34) of the Annual Financial Statement for the year ended June 30, 2024. The Company conducted transactions with related parties on an arm's length basis in accordance with the approved related party transactions policy, during the normal course of business, and was periodically reviewed by the Audit Committee in accordance with clause 15 of the Listed Companies (Code of Corporate Governance) regulations, 2019.

The Board approved the transactions with related parties in the Quarterly/Annual financial statements for the fiscal year 2023-2024; however, due to the interest/concerns of some of the directors due to common directorship, the Board decided to present the above-mentioned related party transactions to the shareholders in AGM for ratification and approval.

2. Agenda item No. 4(ii) Authorisation for the Board of Directors to approve related party transactions during the fiscal year ending June 30, 2025

During the fiscal year ending June 30, 2025, the Company will conduct transactions with all related parties in the ordinary course of business and at arm's length in accordance with its related party transaction policy. All transactions with linked parties must be approved by the Audit Committee of the Board. Such transactions will be considered for approval by the Board of Directors based on the Audit Committee's recommendations. To promote transparent business practices, shareholders are recommended to authorize the Company's Board of Directors to approve transactions with related parties for the fiscal year ending June 30, 2025, which transactions will be presumed approved by the shareholders.

These transactions will be presented to the shareholders in the next Annual General Meeting for formal ratification/approval.

The Directors are only interested in the decisions within the framework of their common directorship of such related parties.

سالانہ عام اجلاس کا نوٹس

اطلاع دی جاتی ہے کہ بیکو اسٹیل لمیٹڈ (کمپنی) کے شیئرز ہولڈرز کی سالانہ جنرل میٹنگ 27 نومبر 2024 (بدھ) کو دوپہر 12:00 بجے ایگزیکٹو بورڈ روم، رائٹ پام گالف اینڈ کنزرویٹو کلب، 52 کینال روڈ، مغل پورہ، لاہور درج ذیل کاروبار کے لیے منعقد ہوگی:

1. سالانہ جنرل میٹنگ کے منٹس کی توثیق کے لیے، جو 30 دسمبر 2023 کو منعقد ہوئی۔

2. 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ اکاؤنٹس کو حاصل کرنا اور اس پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ اپنانا۔

3. 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے کمپنی کے بیرونی آڈیٹرز کا تقرر کرنا، اور ان کے معاوضے کا تعین کرنا۔ شیئرز ہولڈرز کو مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے مالی سال 2024-25 کے لیے کمپنی کے آڈیٹرز کے طور پر تقرری کے لیے میسرز شیخ اینڈ چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کے نام کی سفارش کی ہے۔

4. درج ذیل عام قراردادوں کو پاس کر کے کاروبار کے معمول کے دوران متعلقہ کمپنیوں کے ساتھ کئے گئے لین دین کی توثیق اور منظوری دینا:

5. خصوصی کاروبار:

CD/DVD/USB کی شکل میں منتقل کرنے کے فعال کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ QR مالیاتی گوشواروں کو پھیلانے پر غور کرنا اور ترمیم کے ساتھ یا اس کے بغیر خصوصی قرارداد کے طور پر درج ذیل قرارداد کو منظور کرنا:

"حل کیا کہ QR فعال کوڈ اور ویب لنک کے ذریعے شیئرز ہولڈرز کو سالانہ آڈٹ شدہ مالیاتی گوشواروں سے متعلق معلومات کی ترسیل جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے SRO 389 (D)/2023 مورخہ 21 مارچ 2023 کے ذریعے مطلع کیا ہے، اور اس کی منظوری دی جاتی ہے۔ تکنیکی ترقی اور پرانی ٹیکنالوجی کے متروک ہونے پر غور کرتے ہوئے، CD/DVD/USB کے ذریعے سالانہ مالیاتی گوشواروں کی گردش بند کر دی جائے۔"

6. کمپنیز ایکٹ 2017 کے سیکشن 208 کے مطابق، کاروبار کے معمول کے دوران متعلقہ کمپنیوں/انڈر ٹیکنگز کے ساتھ کیے گئے بازو کی لمبائی کے لین دین کی توثیق اور منظوری کے لیے:

i.. حل کیا کہ 30 جون 2024 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں کے متعلقہ نوٹس میں ظاہر کردہ متعلقہ کمپنیوں کے ساتھ معمول کے کاروبار میں کیے گئے لین دین کی توثیق اور منظوری دی جاتی ہے۔

ii. مزید یہ فیصلہ کیا گیا کہ کمپنی کا چیف ایگزیکٹو 30 جون 2025 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ کئے گئے تمام لین دین کی منظوری دینے اور اس کے ساتھ کاروبار کے معمول کے مطابق کرنے کا مجاز ہے اور اس سلسلے میں چیف ایگزیکٹو آفیسر ہو گا اور اس کے ذریعہ کمپنی کی جانب سے اس سلسلے میں کوئی بھی اور تمام ضروری کارروائیاں کرنے اور کسی بھی اور ایسے تمام دستاویزات / انڈیکسز پر دستخط / عمل درآمد کرنے کا مجاز ہے۔

7. چیئر کی اجازت سے کوئی دوسرا کاروبار کرنا۔

بورڈ کے حکم سے

(عبدالغفور)

کمپنی سیکریٹری

لاہور: ۲۲ اکتوبر ۲۰۲۳

نوٹس:-

1. کمپنی کی حصص کی منتقلی کی کتابیں 20 نومبر 2024 سے 27 نومبر 2024 تک (دونوں دن سمیت) بند رہیں گی۔ ہمارے شیئر رجسٹرار، حمید مجید ایسوسی ایٹس کے دفتر میں 19 نومبر 2024 کو کاروباری اوقات کے اختتام تک موصول ہونے والی منتقلیوں کو مینٹگ میں شرکت اور ووٹ دینے کے حق کے تعین کے لیے بروقت سمجھا جائے گا۔

2. تمام اراکین اجلاس میں شرکت اور ووٹ دینے کے حقدار ہیں۔ مینٹگ میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر کمپنی کے کسی دوسرے ممبر کو شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا پراکسی Proxy مقرر کرنے کا بھی حقدار ہے۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی نمونہ دستخط کے ساتھ کمپنی کو جمع کرایا جائے گا۔ ایک پراکسی کا کمپنی کارکن ہونا ضروری ہے۔ ایک رکن کسی بھی اجلاس میں شرکت کے لیے ایک سے زیادہ پراکسی مقرر کرنے کا حقدار نہیں ہو گا۔ پراکسی طریقے سے عمل میں لایا گیا آلہ مینٹگ کے وقت سے 48 گھنٹے پہلے کمپنی کے رجسٹرار آفس میں درج کیا جانا چاہئے۔ پراکسی فارم میں گواہوں کے پتے اور CNIC نمبر کے ساتھ گواہ ہونا ضروری ہے، ممبران کے CNIC کی تصدیق شدہ کاپیاں اور پراکسی ممبر کے ساتھ منسلک ہونا ضروری ہے اور پراکسی کے فارم پر ریونیو سٹیٹمنٹ چسپاں ہونا چاہیے۔

3. اراکین کو مشورہ دیا جاتا ہے کہ وہ اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) ساتھ لائیں اور وہ اراکین جنہوں نے سینٹرل ڈپازٹری سسٹم میں اپنے حصص جمع کرائے ہیں انہیں بھی مینٹگ کے مقام پر اپنے CDC شرکت کنندہ ID اور اکاؤنٹ نمبر کا علم ہونا چاہیے۔ کارپوریٹ ادارے کی صورت میں، مینٹگ کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی جس میں نامزد شخص کے دستخط ہوں گے۔

4. سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے سرکلر نمبر 4 آف 2021 مورخہ 15 فروری 2021 کے ذریعے تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ الیکٹرانک ذرائع (یعنی ویڈیو لنک، ویسٹنار،) کے ذریعے عام اجلاس میں اراکین کی شرکت کو یقینی بنائیں۔ زومنگ وغیرہ) اس سرکلر کی تاریخ سے اگلے احکامات تک ایک باقاعدہ خصوصیت کے طور پر۔ اس سلسلے میں، دلچسپی رکھنے والے حصص یافتگان مندرجہ ذیل معلومات کمپنی سیکرٹری کو AGM کے وقت سے کم از کم 48 گھنٹے قبل ای میل ایڈریس پر فراہم کر کے درخواست کر سکتے ہیں: secretary@becosteel.com

(e) ای میل ایڈرس

(c) فوئیو / CDC شرکت دار کا ID نمبر

(a) شیئر ہولڈر کا نام


(d) فون نمبر

(b) CNIC نمبر

5. شیئر ہولڈرز کو بھی حوصلہ افزائی کی جاتی ہے کہ وہ AGM کے secretary@becosteel.com کے ایجنڈا آئٹمز سے متعلق اپنے تبصرے اور تجاویز بھیجیں جو اجلاس میں زیر بحث آئیں گے۔

سالانہ رپورٹ 2024 کی ترسیل:

i. 27 نومبر 2024 کو منعقدہ اپنی سالانہ جنرل میٹنگ میں کمپنی کے ممبران کی منظوری کے لحاظ سے اور SECP کے نوٹیفیکیشن نمبر SRO 389(1)/2023 مورخہ 21 مارچ 2023 کے مطابق، مالی سال کی سالانہ رپورٹ 30 جون 2024 کو ختم ہونے والی کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ ساتھ آڈیٹرز، ڈائریکٹرز اور چیئرمین کی رپورٹس کا جائزہ درج ذیل QR کوڈ اور ویب لنک کے ذریعے ڈاؤن لوڈ کیا جاسکتا ہے جیسا کہ ذیل میں دیا گیا ہے:

لنک	QR Code
https://www.becosteel.com	

ii. سالانہ رپورٹ ان شیئر ہولڈرز کو بھی ای میل کر دی گئی ہے جنہوں نے کمپنی کو اپنی درست ای میل آئی ڈی فراہم کی ہیں۔
iii. جو شیئر ہولڈرز مذکورہ دستاویزات کی ہارڈ کاپی حاصل کرنا چاہتے ہیں وہ کمپنی سیکریٹری / شیئر رجسٹرار کو بھیج سکتے ہیں، سالانہ رپورٹ میں فراہم کردہ معیاری درخواست فارم اور کمپنی کی ویب سائٹ پر دستیاب ہے اور کمپنی مذکورہ سالانہ رپورٹ کی ہارڈ کاپیاں اس طرح کی مانگ کے ایک ہفتے کے اندر، حصص یافتگان کی ڈیمانڈ پر، مفت فراہم کرے گی۔

6. کمپنیز ایکٹ 2017 کے سیکشن 132(2) کے مطابق، اگر کمپنی کو جغرافیائی محل وقوع پر رہائش پذیر 10% یا اس سے زیادہ شیئر ہولڈنگ رکھنے والے ممبران سے رضامندی کا فارم ملتا ہے (جس کا عنوان "ویڈیو کانفرنس کے لیے رضامندی" کے عنوان سے فارم کمپنی کی ویب سائٹ پر دستیاب ہے) AGM کی تاریخ سے کم از کم 7 دن پہلے ویڈیو کانفرنس کی سہولت کے ذریعے میٹنگ میں شرکت کرنا۔

7. اراکین سے درخواست کی جاتی ہے کہ وہ اپنے پتے میں کسی تبدیلی کے بارے میں کمپنی یا کمپنی کے شیئر رجسٹرار کو مطلع کریں۔

کمپنیز ایکٹ، 2017 کے سیکشن 134(3) کے تحت بیان، کمپنی کی سالانہ جنرل میٹنگ میں لین دین کیے جانے والے خصوصی کاروبار سے متعلق
مادی حقائق کو بیان کرتا ہے

1. ایجنڈا آئٹم نمبر 4(i) متعلقہ فریق کے لین دین کی توثیق اور منظوری

30 جون 2024 کو ختم ہونے والے مالی سال کے لیے متعلقہ فریقوں کے ساتھ کمپنی کی طرف سے کیے گئے تمام لین دین، 30 جون 2024 کو ختم ہونے والے سال کے لیے متعلقہ فریق کے نوٹ _____ میں تفصیل سے موجود ہیں۔ کمپنی نے متعلقہ فریقوں کے ساتھ لین دین کیا بازو کی لمبائی کی بنیاد منظور شدہ متعلقہ پارٹی کی لین دین کی پالیسی کے مطابق، کاروبار کے معمول کے دوران، اور اس کا وقتاً فوقتاً آڈٹ کمیٹی کے ذریعہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) کے ضوابط، 2019 کی شق 15 کے مطابق جائزہ لیا جاتا ہے۔

بورڈ نے مالی سال 2023-2024 کے لیے سہ ماہی / سالانہ مالی بیانات میں متعلقہ فریقوں کے ساتھ لین دین کی منظوری دی۔ تاہم، مشترکہ ڈائریکٹرز کی وجہ سے کچھ ڈائریکٹرز کی دلچسپی / توثیق کی وجہ سے، بورڈ نے مذکورہ بالا متعلقہ فریق کے لین دین کی توثیق اور منظوری کے لیے AGM میں شیئر ہولڈرز کے سامنے پیش کرنے کا فیصلہ کیا۔

2. ایجنڈا آئٹم نمبر 304(ii) جون 2025 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریق کے لین دین کو منظور کرنے کے لیے بورڈ آف ڈائریکٹرز کے لیے اختیار

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران، کمپنی اپنی متعلقہ پارٹی کی لین دین کی پالیسی کے مطابق تمام متعلقہ فریقوں کے ساتھ کاروبار کے عام کورس اور بازو کی لمبائی میں لین دین کرے گی۔ منسلک جماعتوں کے ساتھ تمام لین دین کو بورڈ کی آڈٹ کمیٹی سے منظور ہونا ضروری ہے۔ اس طرح کے لین دین کو آڈٹ کمیٹی کی سفارشات کی بنیاد پر بورڈ آف ڈائریکٹرز کی منظوری کے لیے غور کیا جائے گا۔ شفاف کاروباری طریقوں کو فروغ دینے کے لیے، حصص یافتگان سے سفارش کی جاتی ہے کہ وہ کمپنی کے بورڈ آف ڈائریکٹرز کو 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے متعلقہ فریقوں کے ساتھ لین دین کی منظوری دینے کا اختیار دیں، جن کے لین دین کو حصص یافتگان کے ذریعے منظور شدہ تصور کیا جائے گا۔

یہ لین دین باضابطہ توثیق / منظوری کے لیے اگلی سالانہ جنرل میٹنگ میں شیئر ہولڈرز کے سامنے پیش کیے جائیں گے۔

ڈائریکٹرز صرف ان فیصلوں میں دلچسپی رکھتے ہیں جو اس طرح کے متعلقہ فریقوں کے مشترکہ ڈائریکٹرز کے فریم ورک میں ہوتے ہیں۔

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 present to you the annual audited financial results of the company for the year ended 30 June 2024.

Particular	2024 RS.	2023 RS.	Percentage Change
Sales	3,098,016,876	3,752,110,358	-17%
Cost of Sales	(2,874,655,970)	(3,772,137,440)	-24%
Gross Profit	223,360,906	(20,027,082)	-1215%
Administrative Expenses	(281,365,369)	(51,623,408)	445%
Distribution and Selling Expenses	(921,030)	(1,298,000)	-29%
Other Expenses	(7,197,271)	(9,348,524)	-23%
Operating Profit/(Loss)	(66,122,764)	(82,297,014)	-20%
Other Income	112,262,095	173,760	64508%
Profit from Operation	46,139,331	(82,123,254)	-156%
Finance Cost	(5,222,905)	(3,267,678)	60%
Profit before taxation	40,916,426	(85,390,931)	-148%
Provision for taxation	(133,460,320)	(118,734,499)	12%
Profit after tax	(92,543,894)	(204,125,431)	-55%
EPS (in Rupees)	(0.74)	(1.63)	213%
Gearing Ratio (%)	NIL	NIL	-

Board of Directors and Meetings

During the year under review, 06 meetings of the Board of Directors were held from July 2023 to June 2024. Attendance by each Director was as follows:

Sr. No.	Name of Directors	Designations	Meetings Attended
1	Mr. Muhammad Hashim Tareen	Independent Director	6
2	Mr. Mahmood Aslam	Independent Director	6
3	Mrs. Shabana Shafique	Non-Executive Director	6
4	Miss Eman Shafique	Non-Executive Director	6
5	Miss Afifa Shafique	Executive Director	6
6	Mr. Ali Shafique Chaudhary	Chief Executive Officer	6
7	Mr. Zain-ul-Afaq	Chairperson	3

Board Audit Committee

The Board of Directors has constituted an Audit Committee comprising of three members. The committee held four meetings during the year. Attendance by each member was as follows:

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

In compliance with the Code of Corporate Governance, the audit committee met with the external auditors without the Chief Financial Officer and the head of internal audit once during the year.

Human Resource & Remuneration Committee

The Board has reconstituted the Human Resource & Remuneration Committee comprising of four members. One meeting was held during the year under review. Attendance by each member was as follows:

Sr. No.	Name of Directors	Designations	Meetings Attended
1	Mr. Muhammad Hashim Tareen	Chairman/Member	1
2	Mrs. Shabana Shafique	Member	1
3	Miss Eman Shafique	Member	1
4	Mr. Ali Shafique Chaudhary	CEO/Member	1

External Auditors

The current external auditors, M/s. Sheikh & Chaudhary, Chartered Accountants, will retire and, being eligible, have offered themselves for reappointment. The Audit Committee and the Board of Directors recommend the reappointment of M/s. Sheikh & Chaudhary for the year ending June 30, 2025, or the appointment of any other external auditor deemed suitable by the shareholders.

Internal Audit & Control

The company maintains an independent internal audit function, which is reviewed quarterly by the Board Audit Committee. The internal audit function reports to the Audit Committee, the Chief Executive Officer, and the relevant divisional management. The internal audit assesses financial, operational, and compliance controls and makes necessary recommendations.

Corporate Governance

The Board prioritizes good corporate governance practices. It is committed to promoting transparency, ethical business practices, and compliance with all

applicable laws and regulations. The company actively encourages shareholder participation in meetings, respects the rights of all stakeholders, and adheres to sound corporate governance principles. The company also complies with the Code of Corporate Governance (CCG) as set forth by the Securities and Exchange Commission of Pakistan (SECP).

Corporate and Financial Reporting Framework

The Board confirms that:

- The financial statements fairly present the state of affairs, results of operations, cash flows, and changes in equity.
- Proper books of accounts are maintained.
- International Financial Reporting Standards (IFRS) have been followed, with any deviations adequately disclosed.
- The internal control system is designed and implemented effectively.
- There are no significant doubts regarding the company's ability to continue as a going concern.

Corporate Social Responsibility

Beco Steel Limited is committed to fulfilling its corporate social responsibilities towards the local community in areas such as health, education, and environmental protection. The company continues to comply with applicable health and safety regulations while supporting local communities and contributing positively to society.

Staff Retirement Benefits

The company operates an unfunded gratuity scheme covering employees with over one year of service.

Acknowledgement

We extend our gratitude to our customers, suppliers, and bankers for their continued support and cooperation. We also express our appreciation to our dedicated team of executives, staff, and workers for their hard work during the year. We look forward to their continued efforts in achieving even better results in the coming year.

Lastly, we thank the Board for its unwavering support and guidance in executing the company's vision and objectives.

On Behalf of the Board



Muhammad Ali Shafique Ch
(Chief Executive Officer)

06 November 2024



Zain-ul-Afaq
(Chairman)

ڈائریکٹرز کی رپورٹ برائے حصص داران

بورڈ آف ڈائریکٹرز کی جانب سے ہمیں یہ موقع مل رہا ہے کہ ہم آپ کے سامنے کمپنی کے سالانہ آڈٹ شدہ مالی نتائج برائے سال جو 30 جون 2024 کو اختتام پذیر ہوا، پیش کریں۔

تفصیلات	2023 (روپے)	2024 (روپے)	فیصد تبدیلی میں اضافہ / (کمی)
فروخت	3,752,110,358	3,098,016,876	-17%
فروخت کیفیت	(3,772,137,440)	(2,874,655,970)	-24%
کل منافع	(20,027,082)	223,360,906	-1215%
انتظامی اخراجات	(51,623,408)	(281,365,369)	445%
تقسیم اور فروخت کے اخراجات	(1,298,000)	(921,030)	-29%
دوسرے اخراجات	(9,348,524)	(7,197,271)	-23%
آپریٹنگ منافع / (نقصان)	(82,297,014)	(66,122,764)	-20%
دوسری آمدنی	173,760	112,262,095	64508%
آپریٹنگ سے منافع	(82,123,254)	46,139,331	-156%
مالیاتی لاگت	(3,267,678)	(5,222,905)	60%
ٹیکس سے پہلے منافع	(85,390,931)	40,916,426	-148%
ٹیکس لگانے کا انتظام	(118,734,499)	(133,460,320)	12%
ٹیکس کے بعد منافع	(204,125,431)	(92,543,894)	-55%
فی حصص آمدنی	(1.63)	(0.74)	

بورڈ آف ڈائریکٹرز اور اجلاس

جائزہ سال کے دوران، جولائی 2023 سے جون 2024 تک بورڈ آف ڈائریکٹرز کے 06 اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری کی تفصیلات درج ذیل ہیں:

سیریل نمبر	ڈائریکٹر کے نام	عہدہ	مینگ میں شرکت
1	جناب محمد ہاشم ترین	آزاد ڈائریکٹر	6
2	جناب محمود اسلم	آزاد ڈائریکٹر	6
3	مس شبانہ شفیق	نان ایگزیکٹو ڈائریکٹر	6
4	مس ایمان شفیق	نان ایگزیکٹو ڈائریکٹر	6
5	مس عقیفہ شفیق	ایگزیکٹو ڈائریکٹر	6
6	جناب علی شفیق چوہدری	چیف ایگزیکٹو آفیسر	6
8	جناب زین العنق	چیئر پرسن	3

بورڈ آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے تین اراکین پر مشتمل ایک آڈٹ کمیٹی تشکیل دی ہے۔ کمیٹی نے سال کے دوران چار اجلاس منعقد کیے۔ ہر رکن کی حاضری کی تفصیلات درج ذیل ہیں:

سیریل نمبر	ڈائریکٹر کے نام	عہدہ	مینگ میں شرکت
1	جناب محمد ہاشم ترین	چیئر پرسن / ممبر	3
2	مس شبانہ شفیق	ممبر	3
3	مس ایمان شفیق	ممبر	3

کارپوریٹ گورننس کے کوڈ کی تعمیل میں، آڈٹ کمیٹی نے سال کے دوران ایک بار بیرونی آڈیٹرز کے ساتھ ملاقات کی، جس میں چیف فنانس آفیسر اور داخلی آڈٹ کے سربراہ موجود نہیں تھے۔

ہیومن ریسورس اینڈ ریویژن کمیٹی

بورڈ نے ہیومن ریسورس اینڈ ریویژن کمیٹی کو دوبارہ چار اکین پر مشتمل تشکیل دیا ہے۔ جائزہ سال کے دوران ایک اجلاس منعقد ہوا۔ ہر رکن کی حاضری کی تفصیلات درج ذیل ہیں:

سیریل نمبر	ڈائریکٹر کے نام	عہدہ	میٹنگ میں شرکت
1	جناب محمد ہاشم ترین	چیئر پرسن / ممبر	1
2	مس شبانہ شفیق	ممبر	1
3	مس ایمان شفیق	ممبر	1
4	جناب علی شفیق چوہدری	چیف ایگزیکٹو آفیسر / ممبر	1

بیرونی آڈیٹرز

موجودہ بیرونی آڈیٹرز، ایم/ایس شیخ اینڈ چوہدری، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو جائیں گے اور اہل ہونے کے ناطے دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز ایم/ایس شیخ اینڈ چوہدری کی دوبارہ تقرری کی سفارش کرتے ہیں برائے سال جو 30 جون 2025 کو اختتام پذیر ہوگا، یا کسی اور بیرونی آڈیٹر کی تقرری جو شیئر ہولڈرز کے نزدیک موزوں ہو۔

اندرونی آڈٹ اور کنٹرول

کمپنی ایک آزاد اندرونی آڈٹ کا نظام برقرار رکھتی ہے، جس کا جائزہ سہ ماہی بنیادوں پر بورڈ آڈٹ کمیٹی لیتی ہے۔ اندرونی آڈٹ کا نظام آڈٹ کمیٹی، چیف ایگزیکٹو آفیسر، اور متعلقہ ڈویژنل مینجمنٹ کو رپورٹ کرتا ہے۔ اندرونی آڈٹ مالیاتی، آپریشنل، اور کمپلائنس کنٹرولز کا جائزہ لیتا ہے اور ضروری سفارشات پیش کرتا ہے۔

کارپوریٹ گورننس

بورڈ اچھی کارپوریٹ گورننس کے اصولوں کو اولین ترجیح دیتا ہے۔ یہ شفافیت، اخلاقی کاروباری اصول، اور تمام قابل اطلاق قوانین اور ضوابط کی تعمیل کے فروغ کے لیے پرعزم ہے۔ کمپنی شیئر ہولڈرز کو میٹنگز میں فعال شرکت کی حوصلہ افزائی کرتی ہے، تمام اسٹیک ہولڈرز کے حقوق کا احترام کرتی ہے، اور ٹھوس کارپوریٹ گورننس اصولوں کی پیروی کرتی ہے۔ کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے مقرر کردہ کارپوریٹ گورننس کوڈ (CCG) کی بھی تعمیل کرتی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

بورڈ کی تصدیق کرتی ہے کہ:

- مالیاتی بیانات کمپنی کے حالات، آپریشنز کے نتائج، کیش فلو، اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔

- مناسب اکاؤنٹس کی کتابیں برقرار رکھی جاتی ہیں۔
- بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز (IFRS) کی پیروی کی گئی ہے، اور کوئی بھی انحراف واضح طور پر بیان کیا گیا ہے۔
- اندرونی کنٹرول کا نظام مؤثر طور پر ڈیزائن اور نافذ کیا گیا ہے۔
- کمپنی کے جاری رہنے کی صلاحیت کے بارے میں کوئی اہم شبہات نہیں ہیں۔

کارپوریٹ سماجی ذمہ داری

بیکو اسٹیل لمیٹڈ صحت، تعلیم، اور ماحولیات کے تحفظ کے شعبوں میں مقامی کمیونٹی کے تئیں اپنی سماجی ذمہ داریوں کو پورا کرنے کے لیے پرعزم ہے۔ کمپنی صحت اور حفاظت کے قابل اطلاق ضوابط کی تعمیل جاری رکھے ہوئے ہے اور مقامی کمیونٹیز کی مدد کرتے ہوئے معاشرے میں مثبت کردار ادا کر رہی ہے۔

عملے کے ریٹائرمنٹ فوائد

کمپنی ایک غیر فنڈڈ گریجویٹ اسکیم چلاتی ہے جو ایک سال سے زیادہ سروس والے ملازمین کا احاطہ کرتی ہے۔

تشکر

ہم اپنے صارفین، سپلائرز، اور بینکوں کا ان کے مسلسل تعاون اور حمایت کے لیے شکریہ ادا کرتے ہیں۔ ہم اپنے عزم کے ساتھ کام کرنے والے ایگزیکٹوز، اسٹاف، اور مزدوروں کے محنت کی بھی قدر دانی کرتے ہیں جو انہوں نے سال بھر انجام دی۔ ہمیں امید ہے کہ آئندہ سال بھی بہترین نتائج کے حصول کے لیے ان کی مستقل کوششیں جاری رہیں گی۔

آخر میں، ہم بورڈ کا شکریہ ادا کرتے ہیں کہ انہوں نے کمپنی کے وژن اور مقاصد کو پورا کرنے میں غیر متزلزل حمایت اور رہنمائی فراہم کی۔

بورڈ کی جانب سے

Im
Afaq

محمد زین العفاق
ڈائریکٹر/چیرمین

علی شفیق چوہدری

چیف ایگزیکٹو آفیسر

CHAIRMANS' REPORT

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

It is a privilege to contribute to our management team and to present this comprehensive report on the board's performance. My role encompasses evaluating the board's effectiveness in guiding the company towards its strategic objectives, while ensuring strict compliance with the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019. I also take this opportunity to warmly invite you to join us at the upcoming Annual General Meeting.

Our board members are steadfast in upholding the high ethical and professional standards outlined in our Mission and Vision statements, which serve as the foundation for our company's direction and objectives. Their deep commitment to these values is reflected in their diverse expertise, spanning the steel industry, finance, banking, and human resources. This diversity of experience is a powerful asset in shaping our strategic decisions.

The board is entrusted with the critical responsibility of steering the company and developing key policies and strategies. Fully cognizant of its role within the Corporate and Financial Reporting Framework, the board remains committed to upholding strong Corporate Governance practices. By staying aligned with the company's mission and values, the board continues to focus on achieving our long-term objectives.

In the financial year 2023-24, the company officially commenced production, and these financial statements reflect our performance in the steel and allied products sector. Backed by decades of industry experience, the board is optimistic about the company's future financial performance.

On behalf of the Board, I would like to extend sincere appreciation to our loyal customers for their continued trust, to our financial partners for their unwavering support, and to our dedicated employees and executives for their hard work, loyalty, and commitment to the company's success.

On behalf of the board



Muhammad Zain-ul-Afaq

(Director/Chairman)

Lahore: 06 November 2024

چیمبر میں رپورٹ

چیمبر میں کا جائزہ رپورٹ برائے سیکشن 192 کمپنیز ایکٹ 2017 کے تحت

یہ ہماری انتظامی ٹیم میں حصہ لینے اور بورڈ کی کارکردگی پر مبنی یہ جامع رپورٹ پیش کرنے کا اعزاز ہے۔ میرے فرائض میں کمپنی کو اس کے اسٹریٹیجک اہداف کی طرف رہنمائی دینے میں بورڈ کی موثریت کا جائزہ لینا اور کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کارپوریٹ گورننس کوڈ) ریگولیشنز 2019 کی مکمل تعمیل کو یقینی بنانا شامل ہے۔ میں اس موقع پر آپ کو آئندہ سالانہ جنرل میٹنگ میں شمولیت کی دعوت بھی دینا چاہتا ہوں۔

ہمارے بورڈ کے اراکین ہمارے مشن اور وژن بیانات میں بیان کردہ اعلیٰ اخلاقی اور پیشہ ورانہ معیارات کی پاسداری میں ثابت قدم ہیں، جو کمپنی کے مقاصد اور سمت کے لیے بنیاد فراہم کرتے ہیں۔ ان کا ان اقدار سے گہرا تعلق ان کی مختلف مہارتوں میں عیاں ہے، جو اسٹیل انڈسٹری، فنانس، بیکننگ، اور ہیومن ریسورسز میں مہارت رکھتی ہے۔ تجربات کے اس تنوع نے ہمارے اسٹریٹیجک فیصلوں کو تقویت بخشی ہے۔

بورڈ کو کمپنی کی رہنمائی کرنے اور اہم پالیسیوں اور حکمت عملیوں کو تیار کرنے کی اہم ذمہ داری سونپی گئی ہے۔ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک میں اپنے کردار سے بخوبی آگاہ، بورڈ مضبوط کارپوریٹ گورننس طریقوں کو برقرار رکھنے کے لیے پرعزم ہے۔ کمپنی کے مشن اور اقدار کے ساتھ ہم آہنگ رہتے ہوئے، بورڈ طویل مدتی اہداف کے حصول پر مرکوز ہے۔

مالی سال 2023-24 میں، کمپنی نے باضابطہ طور پر پیداوار کا آغاز کیا، اور یہ مالیاتی بیانات اسٹیل اور ملحقہ مصنوعات کے شعبے میں ہماری کارکردگی کی عکاسی کرتے ہیں۔ انڈسٹری میں دہائیوں کے تجربے کے باعث، بورڈ کمپنی کی مستقبل کی مالی کارکردگی کے حوالے سے پُر امید ہے۔

بورڈ کی جانب سے، میں اپنے وفادار صارفین کا ان کے مسلسل اعتماد کے لیے، اپنے مالی شراکت داروں کا ان کی غیر متزلزل حمایت کے لیے، اور اپنے محنتی ملازمین اور ایگزیکٹوز کا کمپنی کی کامیابی کے لیے ان کی محنت، وفاداری اور عزم پر تہہ دل سے شکریہ ادا کرنا چاہتا ہوں۔

منجانب

Fain Afqar

محمد زین العفاق

ڈائریکٹر / چیمبر میں

لاہور: 06 نومبر 2024

SIX YEARS AT GLANCE

	Rs. In "000"					
	2024	2023	2022	2021	2020	2019
Sales	3,098,017	3,752,110	6,310,320	230,770	-	-
Cost of Sales	(2,874,656)	(3,772,137)	(6,014,357)	(226,742)	-	-
Gross Profit/(Loss)	223,361	(20,027)	295,963	4,028	-	-
Administrative General Expenses	(281,365)	(51,623)	(43,874)	(15,274)	(7,659)	(12,101)
Distribution and Selling Expenses	(921)	(1,298)	(15,775)	(1,844)	(2,393)	(6,856)
Other Expenses	(7,197)	(9,348)	(16,302)	(2,644)	(1,035)	8,338
Finance Cost	(5,223)	(3,267)	(145)	(296)	41,710	113,309
Other Income	112,262	173	94	22,311	30,623	102,690
Profit/(Loss) before Levies and income tax	40,916	(85,390)	219,961	6,281	30,623	102,690
Levies & Taxation	(133,460)	(118,734)	(29,438)	(3,957)	(426)	8,338
Profit for the year	(92,544)	(204,124)	190,523	2,324	30,197	111,028
Statement of Financial Position						
Share Capital	3,248,875	3,248,875	3,248,875	250,000	250,000	250,000
Loan from Directors	254,672	254,672	217,072	40,742	66,586	-
Reserves	(418,500)	(325,956)	(113,808)	(304,329)	9,000	9,000
Accumulated Loss					(306,653)	(336,850)
Surplus on revaluation of Assets						
Shareholder's Equity	3,085,047	3,177,591	3,361,139	(4,587)	18,933	(77,850)
Non-Current Liabilities	-	-	-	-	3,742	3,232
Current Liability and Provision	4,083,550	2,676,482	1,187,123	9,193	132,096	231,668
Total Equity and Liabilities	7,168,597	5,854,073	4,548,262	4,606	154,771	157,050
Fixed Assets- Tangible	3,762,871	3,833,278	3,014,759	-	-	-
Long Term Security Deposits	450	450	450	-	1,115	115
Deferred Tax Asset	-	-	49,119	-	-	-
Current Asset	3,405,276	2,020,345	1,483,934	4,606	153,656	156,935
Non- Current assets for Sale						
Total Assets	7,168,597	5,854,073	4,548,262	4,606	154,771	157,050

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 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 2024

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	Four
b.	Female	Three

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. Muhammad Zain-ul-Afaq Miss Shabana Shafique Miss Eman Shafique
Executive Directors	2	Mr. Muhammad Ali Shafique Ch Miss Afifa Shafique
Female Directors	3	Miss Shabana Shafique Miss Eman Shafique Miss Afifa Shafique

3. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including Beco Steel Limited.
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 the regulations.
7. The meetings of the Board were presided over by the Chairman and, in his 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 the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
9. The following Directors were certified under the SECP approved Directors' Training Program as of June 30, 2024.
 - Mr. Muhammad Ali Shafique Ch
 - Miss Afifa Shafique
 - Miss Eman Shafique
10. The Director's Training Program for the remaining appointed directors will be arranged in due course.
11. The board has approved the 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.
12. Chief Executive Officer and Chief Financial Officer duly endorsed the Financial Statements before approval of the Board.

13. The Board has formed committees comprising of members given below:

a) Audit Committee:

Name	Designation
Mr. Muhammad Hashim Tareen	Chairman
Miss Shabana Shafique	Member
Miss Eman Shafique	Member
Mr. Abdul Shakoor	Secretary

b) HR and Remuneration Committee:

Name	Designation
Mr. Muhammad Hashim Tareen	Chairman
Miss Shabana Shafique	Member
Miss Eman Shafique	Member
Mr. Muhammad Ali Shafique Ch	Member
Mr. Abdul Shakoor	Secretary

14. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.

15. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following:

Committees	Frequency of Meeting
Audit Committee	At least quarterly/required basis.
HR and Remuneration Committee	At least once a year/ required basis

16. The Board has set up an effective Internal Audit Function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.

17. 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.
18. 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.
19. We confirm that all other requirements of the Regulations have been complied with; and
20. Explanations pertaining to Regulations other than 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr #	Requirements	Numbers	Regulation No.
1	Constitution of Nomination Committee	The responsibilities as prescribed for the Nomination Committee are being taken care of at the Board level as and when needed. Therefore, a separate committee is not currently considered to be necessary	29
2	Constitution of Risk Management Committee	The functions of the Risk Management Committee are currently performed by the Audit Committee and are included in its TORs. Hence a separate Risk Management Committee is currently not needed	30

Mr. Muhammad Zain ul Afaq
Chairman



Lahore: 06 November 2024

Mr. Muhammad Ali Shafique Ch
Chief Executive Officer



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF BECO STEEL LIMITED

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 for the year ended June 30, 2024 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 non-compliance 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, 2024.



SHEIKH & CHAUDHRI
Chartered Accountants
Lahore, Pakistan

Dated: November 5, 2024
UDIN: CR202410306Nhj7bm0Ho

Independent Auditor's Report

To the Members of BECO STEEL LIMITED

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, 2024 the statement of profit or loss and other 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 material 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, the statement of profit or loss and other 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 30 June 2024 and of the profit and other 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 (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw attention to Note 4 in the annexed financial statements, which indicates that the Company incurred a net loss of Rs. 92.543 million during the year ended June 30, 2024, and as of that date, the Company's current liabilities exceed its current assets by Rs. 678.274 million. As stated in note 4 to the financial statements, these events and conditions, indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of stock-in-trade	
As at June 30, 2024, the Company held stock in trade amounting to Rs. 2,137.822 million which constitutes 29.82% of total assets of the Company. This comprises of raw materials, stores spares and loose tools.	Our audit procedures, amongst others, included the following: <ul style="list-style-type: none">Assessed the design, implementation and operating effectiveness of the relevant key controls over valuation of stock in trade;

<p>As described in note 5.5 to the financial statements, stock in trade is measured at lower of cost and net realizable value. Cost of work in process and finished goods is determined at average manufacturing cost including the proportion of production overheads. There is an element of judgement involved in determining an appropriate costing basis, assessing its valuation including assessment of provision of slow moving and obsolete stock in trade.</p> <p>We considered existence and valuation of stock-in-trade as key audit matter due to the significance of stock in trade to the Company's total assets and level of judgments and estimates involved.</p>	<ul style="list-style-type: none"> • Assessing the appropriateness of the Company's accounting policy for valuation of stock in trade and compliance of the policy with International Accounting Standard (IAS-2) "Inventories"; • Observed physical inventory counts for raw material, finished goods, and stores spares and loose tools performed by the Company and assessed the reasonableness of the management's process of measurement of raw materials, finished goods, and stores spares and loose tools and involved an external expert to perform physical inspection of raw material held at Company's premises; • Tested the valuation of specific items of raw materials, finished goods, and stores, spares and loose tools at year end; • Assessed net realizable value (NRV) by comparing management's estimation of future selling prices for the products with the selling prices achieved subsequent to the reporting period; • Assessed the adequacy of the obsolescence provision and the management judgement used; • Assessed the appropriateness of the disclosures made in financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.
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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 auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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 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, actions taken to eliminate threats or safeguards applied.

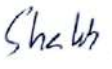

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and other 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Saad Ali Rana, FCA.



SHEIKH & CHAUDHRI
Chartered Accountants
Lahore, Pakistan
DATE: November 05, 2024
UDIN: AR202410306NictzTW5o

BECO STEEL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	2024 Rupees	2023 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	8	3,762,870,968	3,833,278,224
Long term deposits and prepayments		450,000	450,000
Total non-current assets		3,763,320,968	3,833,728,224
Current assets			
Stock in trade	9	2,137,557,970	1,115,998,773
Stores, spares and loose tools		264,500	-
Trade debtors	10	938,018,505	691,297,266
Advances, deposits and prepayments	11	166,162,695	139,874,550
Income tax due from Government	12	144,639,891	41,820,625
Cash and bank balances	13	18,632,810	31,354,447
Total current assets		3,405,276,371	2,020,345,661
Total assets		7,168,597,339	5,854,073,885
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
150,000,000 ordinary shares of Rs. 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up share capital	14	1,249,625,100	1,249,625,100
Capital reserves			
Share premium		1,999,250,200	1,999,250,200
Accumulated losses		(418,500,625)	(325,956,731)
Loan from sponsors	14.3	254,672,420	254,672,420
Total equity		3,085,047,095	3,177,590,989
Liabilities			
Current liabilities			
Trade and other payables	15	3,960,771,737	2,648,439,498
Deferred taxation	16	117,866,944	23,131,835
Unclaimed dividend		4,911,563	4,911,563
Total current liabilities		4,083,550,244	2,676,482,896
Contingencies and commitments	17	-	-
Total liabilities		4,083,550,244	2,676,482,896
Total equity and liabilities		7,168,597,339	5,854,073,885

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

BECO STEEL LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 Rupees	2023 Rupees
Revenue	18	3,098,016,876	3,752,110,358
Cost of sales	19	(2,874,655,970)	(3,772,137,440)
Gross profit / (loss)		223,360,906	(20,027,082)
Administrative expenses	20	(281,365,369)	(51,623,408)
Distribution and selling expenses	21	(921,030)	(1,298,000)
Loss from operating activities		(58,925,493)	(72,948,490)
Other income	22	112,262,095	173,760
Finance costs	23	(5,222,905)	(3,267,678)
Other operating expenses	24	(7,197,271)	(9,348,524)
Profit / (loss) before levies and income tax		40,916,426	(85,390,932)
Levies	25	(38,725,211)	(46,901,379)
Profit / (loss) before income tax		2,191,215	(132,292,311)
Income tax expense	26	(94,735,109)	(71,833,120)
Loss for the year		(92,543,894)	(204,125,431)
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(92,543,894)	(204,125,431)

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

BECO STEEL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Share capital Issued, subscribed and paid up share capital Rupees	Capital reserves		Loan from sponsors Rupees	Revenue reserve Rupees	Accumulated losses Rupees	Total Rupees
		Share premium Rupees					
Balance at 1 July 2022	1,249,625,100	1,999,250,200	217,072,420	9,000,000	(113,808,140)	3,361,139,580	
Total comprehensive loss for the year	-	-	-	-	(204,125,431)	(204,125,431)	
Loan from sponsors repaid	-	-	(18,000,000)	-	-	(18,000,000)	
Loan from sponsors	-	-	55,600,000	-	-	55,600,000	
Dividend paid	-	-	-	-	(17,023,160)	(17,023,160)	
Reserves	-	-	-	(9,000,000)	9,000,000	-	
Balance at 30 June 2023	1,249,625,100	1,999,250,200	254,672,420	-	(325,956,731)	3,177,590,989	
Balance at 1 July 2023	1,249,625,100	1,999,250,200	254,672,420	-	(325,956,731)	3,177,590,989	
Total comprehensive loss for the year	-	-	-	-	(92,543,894)	(92,543,894)	
Balance at 30 June 2024	1,249,625,100	1,999,250,200	254,672,420	-	(418,500,625)	3,085,047,095	

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

BECO STEEL LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 Rupees	2023 Rupees
Cash flows from operating activities			
Profit / (loss) before levies and income tax		40,916,426	(85,390,932)
Adjustments for following items:			
Depreciation	8	88,460,353	73,352,362
Finance cost	23	5,222,905	3,267,678
Provision for workers profit participation fund		2,045,821	-
		<u>95,729,079</u>	<u>76,620,040</u>
Operating profit / (loss) before working capital changes		136,645,505	(8,770,892)
(Increase) / decrease in current assets:			
Stock in trade	9	(1,021,559,197)	(657,847,590)
Stores, spares and loose tools		(264,500)	819,832
Trade debtors	10	(246,721,239)	210,481,931
Advances, deposits and prepayments	11	(26,288,145)	(139,714,550)
Short term investment		-	1,103,997
Trade and other payables	15	1,306,277,953	1,542,497,383
Accrued markup		-	(850,000)
Unclaimed dividend		-	3,877,473
Adjustments for Contingencies and commitments		-	-
Total adjustments to reconcile profit / (loss)		11,444,872	960,368,476
Net cash flows from operations		148,090,377	951,597,584
Finance cost paid		(1,214,441)	(3,267,678)
Income taxes paid		(141,544,477)	(81,013,568)
Net cash flows from operating activities		5,331,460	867,316,339
Cash flows from in investing activities			
Purchase of property, plant and equipment		(18,053,097)	(891,871,250)
Net cash flows used in investing activities		(18,053,097)	(891,871,250)
Cash flows from financing activities			
Loan from sponsors / directors		-	55,600,000
Repayment of loan to sponsors and directors		-	(18,000,000)
Dividend paid		-	(17,023,160)
Net cash flows from financing activities		-	20,576,840
Net decrease in cash and cash equivalents		(12,721,638)	(3,978,071)
Cash and cash equivalents at beginning of the year		31,354,448	35,332,519
Cash and cash equivalents at end of the year		18,632,810	31,354,448

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

1. General information

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.

The Company is incorporated as a Public Company and domiciled in Pakistan. The address of its registered office is situated at 79 Peco Road, Badami Bagh, Lahore, 54900-Pakistan. The plants of the Company are located at Khoker Road Badami Bagh Lahore Pakistan and Moza Bela Basti Raam, Noor Road Badami Bagh Lahore Pakistan.

2. 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 (IFRS Standards) 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 IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Issuance of shares by way 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 and machinery.

The process of transfer of non- cash assets including land, building and plant and machinery has been completed. Further, title of land has also been transferred in the name of the 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 and machinery) have been issued on 27 April 2022, and the process stands completed in all respects.

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

4. Going concern

The Company has incurred a net loss amounting to Rs. 92.544 million which increased the accumulated losses to Rs. 418.501 million (2023: Rs.325.956 million), Company's current liabilities exceed its current assets by Rs. 678.274 million, thereby eroding the equity by an amount of Rs. 3,085.047 million (2023: Rs. 3,177.591 million). These conditions indicate the existence of material uncertainty regarding the future operations of the Company which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on the undertaking of its sponsors to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

5. Basis of preparation and material accounting policy information

The financial statements of BECO STEEL LIMITED have been prepared in accordance with International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017. The financial statements have been prepared under the historical cost convention.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

5.1 Foreign currency translation

Functional and presentation currencies

The financial statements have been presented in Pakistan Rupee.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains – net'.

5.2 Property, plant and equipment

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent measurement - Cost model

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure incurred on items of property, plant and equipment is only capitalised to the extent that such expenditure enhances the value or previous capacity of those assets. Repairs and maintenance not deemed to enhance the economic benefit or service potential of items of property, plant and equipment are expensed as incurred.

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Depreciation

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The 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 and is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciation on addition of property, plant and equipment is charged from the date when asset is acquired or capitalized till the date when asset is disposed off.

Basis of preparation and material accounting policy information continued...

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Asset class	Measurement base	Useful life / depreciation rate	Depreciation method
Freehold land	Cost model	0%	Reducing balance methods
Factory Building	Cost model	5%	Reducing balance methods
Plant and machinery	Cost model	10%	Reducing balance methods
Office and other equipments	Cost model	10%	Reducing balance methods
Furniture and fixtures	Cost model	10%	Reducing balance methods
Motor vehicles	Cost model	20%	Reducing balance methods
Computer and allied equipments	Cost model	30%	Reducing balance methods

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on the face of the statement of profit or loss and other comprehensive income.

5.3 Financial instruments

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Loans to (from) associated companies

This can include loans between holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Basis of preparation and material accounting policy information continued...

The loan to associated company is classified as a financial asset at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

The loan from associated companies is classified as a financial liabilities at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

Loan to (from) director, manager or employee

The loan to directors is classified as a financial asset at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

The loan from director, manager or employee is classified as a financial liabilities at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less allowance for expected credit losses. For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

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.

Trade and other payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

5.4 Prepayments

Advances, deposits and prepayments consist of various payments that have been made in advance for goods and services to be received in future. Advances, deposits and prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

5.5 Inventories

Recognition

Inventories are recognised as an asset when

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the inventories can be measured reliably.

Measurement

Inventories are measured at the lower of cost and net realisable value using weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use.

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

Basis of preparation and material accounting policy information continued...

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects are assigned by using specific identification of their individual costs.

Recognition as an expense

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised, and the inventory is derecognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and the write-down or reversal is recognised against the expense as indicated above.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial year-end. Movements in this provision are included in the expense recognised as indicated above.

5.6 Taxation

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantively enacted by the end of the reporting period and is based on current rates of taxation being applied on the taxable income for the year, after taking into account tax credits and rebates available, if any, and taxes paid under the Final Tax Regime.

Basis of preparation and material accounting policy information continued...

Minimum tax

The Company has elected to designate the amount calculated on taxable income using the enacted tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, will then be recognized as a levy falling under the scope of IFRIC 21 / IAS 37.

Final tax

As computation of final taxes under provisions of ITO, 2001 is not based on taxable income, therefore, final taxes fall under levy within the scope of IFRIC 21/IAS 37 and not income tax in the statement of profit or loss.

The numerical reconciliation is not provided as the tax charge of the Company mainly comprise of minimum and final tax under the relevant sections of Income Tax Ordinance, 2001.

Deferred tax

Deferred tax is provided using the statement of financial position liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted at the statement of financial position date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Tax expense (income)

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through profit or loss.

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

- in other comprehensive income, will be recognised in other comprehensive income;
- directly in equity, will be recognised directly in equity.

5.7 Capital work-in-progress (CWIP)

These are stated at cost less identified accumulated impairment losses, if any. All expenditure connected with specific assets incurred and advances made during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are made available for use.

5.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and is included in 'other income'.

Dividend income is recognised when the Company's right to receive payment has been established and is shown as 'finance income'.

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

5.9 Related parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
 - has control or joint control of the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - Both entities are joint ventures of the same third party;
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - The entity is controlled or jointly controlled by a person identified as a related party;
 - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

6. Critical accounting estimates and judgements

Estimates and judgements 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.

No significant estimates and adjustments have been applied in the preparation of these financial statements.

7. Application guide on accounting for minimum and final taxes

The Institute of Chartered Accountants of Pakistan ('ICAP') has issued application guidance on accounting of minimum and final taxes vide its circular No. 07/2024 dated May 15, 2024 ('the Guidance'). According to the Guidance, the minimum taxes in excess of normal tax liability and tax deducted at source other than from dividends from subsidiaries, joint ventures and associates under final tax regime, are out of scope of IAS 12 'Income Taxes' and fall in the ambit of IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Accordingly, the Company has changed its accounting policy to recognize such taxes as 'levies' which were previously being recognized as 'income tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". There has been no effect on the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and earnings per share as a result of this change.

Application guide on accounting for minimum and final taxes continued...

The effects of change in accounting policy are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Effects on statement of profit or loss			
For the year ended 30 June 2024			
Minimum tax		38,725,211	38,725,211
Profit before income tax	40,916,426	(38,725,211)	2,191,215
Income tax	(133,460,320)	38,725,211	(94,735,109)
For the year ended 30 June 2023			
Minimum tax		46,901,379	46,901,379
Loss before income tax	(85,390,932)	(46,901,379)	(132,292,311)
Income tax	(118,734,499)	46,901,379	(71,833,120)

This change in accounting policy does not impact the earnings per share or diluted earnings per share of the Company.

Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

7.1 Standards, amendments to published standards and interpretations that are effective in the current year

Certain standards, amendments and interpretations to IFRS are effective for accounting period beginning on July 01, 2023 but are considered not to be relevant to the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except for the following:

a) Narrow scope amendments to International Accounting Standard (IAS) 1 Practice Statement 2 and International Accounting Standard (IAS) 8

The IASB amended IAS 1 to require entities to disclose their 'material' rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 'Making Materiality Judgements' to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from July 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in note 4 to the financial statements.

7.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

(a) Amendment to International Accounting Standard (IAS) 1 – Non-current liabilities with covenants (effective for annual period beginning on January 1, 2024)

The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. Covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

The amendments also introduce additional disclosure requirements. When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants based on its circumstances at the end of the reporting period.

These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

(b) International Financial Reporting Standard (IFRS) S1, 'General requirements for disclosure of sustainability-related financial information and International Financial Reporting Standard (IFRS) S2, 'Climate-related disclosures' (effective for annual period beginning on or after January 1, 2024)

The International Sustainability Standards Board (ISSB) issued its first two sustainability reporting standards on June 26, 2023, applicable on reporting periods beginning on or after January 01, 2024, subject to endorsement of the standards by local jurisdictions. These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas (GHG) emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The aforementioned standards have not been notified locally or declared exempt, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2024.

(c) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual period beginning on January 01, 2026)

On May 30, 2024, the IASB issued targeted amendments to IFRS 9, 'Financial Instruments', and IFRS 7, 'Financial Instruments: Disclosures'. The amendments respond to recent questions arising in practice, and include new requirements not only for financial institutions but also for corporate entities. These new requirements serve the following purposes:

Application guide on accounting for minimum and final taxes continued...

- clarification of the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarification and addition of further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- addition of new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and

The Company is yet to assess the impact of these amendments on its financial statements.

(d) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual period beginning on January 01, 2027)

The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. IFRS 18 will replace IAS 1 'Presentation of financial statements', introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

IFRS 18 will apply for reporting periods beginning on or after January 01, 2027 and also applies to comparative information. However, the standard has not yet been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2024

The Company is yet to assess the impact of this standard on its financial statements.

BECO STEEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

8. Property, plant and equipment

8.1 Balances at year end and movements for the year

	Freehold land Rupees	Factory building Rupees	Plant and machinery Rupees	Motor vehicles Rupees	Furniture and fixtures Rupees	Office and other equipments Rupees	Computer and allied equipments Rupees	Capital work in progress Rupees	Total Rupees
Reconciliation for the year ended 30 June 2024									
Balance at 1 July 2023	2,192,552,451	202,680,300	620,395,000	9,516,000	875,850	1,345,750	1,275,050	890,396,250	3,919,036,651
At cost	-	(11,738,568)	(71,324,637)	(2,012,597)	(100,723)	(154,761)	(427,141)	-	(85,758,427)
Accumulated depreciation	-	(9,547,086)	(76,862,012)	(1,500,681)	(95,055)	(120,509)	(335,010)	-	(88,460,353)
Carrying amount	2,192,552,451	190,941,732	549,070,363	7,503,403	775,127	1,190,989	847,909	890,396,250	3,833,278,224
Movements for the year ended 30 June 2024									
At cost	-	-	890,396,250	-	305,888	121,100	570,913	17,055,196	908,449,347
Additions during the year	-	(9,547,086)	(76,862,012)	(1,500,681)	(95,055)	(120,509)	(335,010)	-	(88,460,353)
Depreciation	-	-	-	-	-	-	-	(890,396,250)	(890,396,250)
Transfers	-	-	-	-	-	-	-	17,055,196	17,055,196
Closing balance at 30 June 2024	2,192,552,451	181,394,646	1,362,604,601	6,002,722	985,960	1,191,580	1,083,812	17,055,196	3,762,870,968
At cost	2,192,552,451	202,680,300	1,510,791,250	9,516,000	1,181,738	1,466,850	1,845,963	17,055,196	3,937,089,748
Accumulated depreciation	-	(21,285,654)	(148,186,649)	(3,513,278)	(195,778)	(275,270)	(762,151)	-	(174,218,780)
Carrying amount	2,192,552,451	181,394,646	1,362,604,601	6,002,722	985,960	1,191,580	1,083,812	17,055,196	3,762,870,968

BECO STEEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Property, plant and equipment continued...

8.1.1

Reconciliation for the year ended 30 June 2023

	Freehold land Rupees	Factory building Rupees	Plant and machinery Rupees	Motor vehicles Rupees	Furniture and fixtures Rupees	Office and other equipments Rupees	Computer and allied equipments Rupees	Capital work in progress Rupees	Total Rupees
Balance at 1 July 2022	2,192,552,451	202,680,300	619,895,000	8,541,000	875,850	1,345,750	1,275,050	-	3,027,165,401
At cost	-	(1,689,003)	(10,331,583)	(284,700)	(14,598)	(22,429)	(63,752)	-	(12,406,065)
Accumulated depreciation	-	(1,689,003)	(10,331,583)	(284,700)	(14,598)	(22,429)	(63,752)	-	(12,406,065)
Carrying amount	2,192,552,451	200,991,297	609,563,417	8,256,300	861,252	1,323,321	1,211,298	-	3,014,759,336

Movements for the year ended 30 June 2023

Additions during the year	-	-	500,000	975,000	-	-	-	890,396,250	891,871,250
Depreciation	-	(10,049,565)	(60,993,054)	(1,727,897)	(86,125)	(132,332)	(363,389)	-	(73,352,362)
	2,192,552,451	190,941,732	549,070,363	7,503,403	775,127	1,190,989	847,909	890,396,250	3,833,278,224

Closing balance at 30 June 2023

At cost	2,192,552,451	202,680,300	620,395,000	9,516,000	875,850	1,345,750	1,275,050	890,396,250	3,919,036,651
Accumulated depreciation	-	(11,738,568)	(71,324,637)	(2,012,597)	(100,723)	(154,761)	(427,141)	-	(85,758,427)
Carrying amount	2,192,552,451	190,941,732	549,070,363	7,503,403	775,127	1,190,989	847,909	890,396,250	3,833,278,224

BECO STEEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Property, plant and equipment continued...

8.2 Depreciation charge for the year has been allocated as follows:

	Note	2024	2023
Cost of sales	19.	86,409,099	71,042,619
Administrative Expenses	20.	2,051,254	2,309,743
		<u>88,460,353</u>	<u>73,352,362</u>

9. Stock in trade

Stock in trade comprise:

Raw materials	872,086,550	1,115,998,773
Finished goods	1,265,471,420	-
	<u>2,137,557,970</u>	<u>1,115,998,773</u>

In 2024 inventories of Rs.2,459 million (2023: Rs.2,815 million) were recognized as an expense during the year and included in "cost of sales".

During the year there was no written-down to the net realizeable value .

10. Trade debtors

10.1 Trade debtors comprise:

Trade debtors - unsecured and considered good	10.3	<u>938,018,505</u>	<u>691,297,266</u>
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10.2 The ageing analysis of trade debtors is as follows:

Not yet due	937,949,726	345,648,633
Past due 0 - 90 days	68,779	207,389,180
Past due 91 - 180 days	-	138,259,453
	<u>938,018,505</u>	<u>691,297,266</u>

10.3 This amount includes a related party balance amounting to Rs. 927.904 million (2023: Nil) from Ali Enterprises Re-rolling Mills. Maximum aggregate balance during the year is Rs. 716,686,718 in the month of June.

11. Advances, deposits and prepayments

Advances, deposits and prepayments comprise the following balances:

Sales tax receivables	161,104,068	139,715,923
Advance to employees	4,900,000	-
Other receivables	158,627	158,627
	<u>166,162,695</u>	<u>139,874,550</u>

		2024 Rupees	2023 Rupees
12. Income tax due from Government			
12.1 Income tax due from Government comprise:			
Advance income tax		183,365,102	87,769,119
Provision for taxation	12.2	(38,725,211)	(45,948,494)
		144,639,891	41,820,625
12.2 Provision for taxation			
Opening balance		45,948,494	79,297,005
Add: taxation - current		38,725,211	46,483,375
		84,673,705	125,780,380
Less: tax payments / adjustments during the year		(45,948,494)	(79,831,886)
		38,725,211	45,948,494
13. Cash and bank balances			
13.1 Cash and bank balances included:			
Cash in hand		6,518,377	20,031,372
Cash at banks			
Current account		7,815,397	7,804,137
Saving account	13.2	4,299,036	3,518,938
		12,114,433	11,323,075
		18,632,810	31,354,447
13.2 These carry profit ranging from 10.50% to 17.50% (2023: 7.50% to 11.50%) per annum.			
14. Issued, subscribed and paid up share capital			
14.1 Issued, subscribed and paid up share capital comprise:			
		Number of shares	
Ordinary share capital		124,962,510	124,962,510
		Rupees	
Ordinary shares of Rs. 10 each fully paid in cash		1,249,625,100	1,249,625,100
Share premium		1,999,250,200	1,999,250,200
		3,248,875,300	3,248,875,300
14.2 Each ordinary share carries equal voting rights at the company's general meetings.			
14.3 Loan from sponsor			
This interest-free loan, provided by the sponsor of the company, is structured in a way that it does not meet the criteria for classification as a liability. Consequently, it is recognized as equity on the company's financial records at its face value. It is important to note that there will be no subsequent re-measurement of this equity. In accordance with TR-32 'Accounting for Directors' Loan' issued by the Institute of Chartered Accountants of Pakistan, any future decision by the company to settle the sponsor's loan by delivering cash or any other financial asset would result in a direct debit to equity. This underscores the understanding that the repayment is treated as an adjustment to the equity section rather than a liability.			

		2024 Rupees	2023 Rupees
15. Trade and other payables			
15.1 Trade and other payables comprise:			
Trade creditors		2,699,160,101	2,066,656,279
Accrued liabilities		4,195,997	15,792,957
Due to related parties		-	7,700,403
Electricity bill payable		570,021,915	380,074,899
Sales tax payable		-	110,079,475
Workers profit participation fund	15.2	20,735,989	15,355,051
Provincial workers' welfare fund	15.3	5,162,325	4,488,978
Other payables		375,083,972	48,291,456
Contract liabilities		38,138,303	-
Provision against litigation	15.4	224,174,403	-
Import tax payable		24,068,732	-
Penalty payable		30,000	-
		3,960,771,737	2,648,439,498

15.2 Workers profit participation fund

Balance at beginning of the year		15,355,051	12,208,834
Mark-up on funds utilized in the Company's business		3,335,117	3,146,217
		<u>18,690,168</u>	<u>15,355,051</u>
Payments during the year		-	-
		<u>18,690,168</u>	<u>15,355,051</u>
Allocation for the year		2,045,821	-
Balance at the end of the year		20,735,989	15,355,051

Interest on workers' profit participation fund has been provided at the rate 1 year KIBOR + 2.5%.

15.3 Provincial workers' welfare fund

Balance at the beginning of the year		4,488,978	4,488,978
Allocation for the year		-	-
Mark-up on funds utilized in the Company's business		673,347	-
		<u>5,162,325</u>	<u>4,488,978</u>
Payment made during the year		-	-
Balance at the end of the year		5,162,325	4,488,978

Interest on workers' welfare fund has been provided at the rate 15%.

15.4 Provision against litigation

There is an ongoing case pending against Beco Steel Limited concerning a tax demand raised by Federal Board of Revenue (FBR). The demand under sections 161/205 of the Income Tax Ordinance and Section 48 of the Sales Tax Act, 1990, amounts to PKR 224,174,403/-. The notice received outlines potential recovery actions. (2023: Nil).

	2024 Rupees	2023 Rupees
16. Deferred taxation		
Deferred taxation comprise:		
Opening balance	23,131,835	-
Deferred tax liability on taxable temporary differences	94,735,109	23,131,835
Deferred tax liability on deductible temporary differences arising in respect of:		
Tax losses	-	-
Net deferred tax liability	94,735,109	23,131,835
	117,866,944	23,131,835

Deferred tax has been calculated using tax rates applicable on tax year 2024 under the provisions of Income Tax Ordinance, 2001 to the extent of income of the company chargeable under normal tax regime.

17. Contingencies and commitments

17.1 Contingencies

There were no contingencies as at the year end (2023: Nil).

17.2 Commitments

There were no commitments as at the year end (2023: Nil).

18. Revenue

Revenue comprises:

Sale of goods	3,655,659,645	4,400,676,325
Sales tax	(557,642,769)	(648,565,967)
	3,098,016,876	3,752,110,358

19. Cost of sales

19.1 Cost of sales comprise:

Raw material consumed	19.2	2,459,120,746	2,815,845,482
Stores and spares consumed		33,757,806	12,392,404
Salaries, wages and other benefits		157,393,613	154,461,806
Import charges		1,209,006	-
Fuel and power		1,251,107,219	715,160,353
Repair and maintenance		1,681,780	97,300
Inadmissible sales tax		97,991,070	-
Unclaimed sales tax		51,275,695	-
Other factory overheads		181,356	3,137,476
Depreciation	8.2	86,409,099	71,042,619
		4,140,127,390	3,772,137,440

		2024 Rupees	2023 Rupees
Cost of sales continued...			
Changes in inventories of finished goods:			
Opening stock		-	-
Closing stock		(1,265,471,420)	-
		(1,265,471,420)	-
Cost of sales		2,874,655,970	3,772,137,440
19.2 Raw material consumed			
Opening stock		1,115,998,773	458,151,183
Purchase of raw material		2,215,208,523	4,353,589,322
Available for consumption		3,331,207,296	4,811,740,505
Closing stock		(872,086,550)	(1,115,998,773)
Self consumption		-	(879,896,250)
		2,459,120,746	2,815,845,482
20. Administrative expenses			
20.1 Administrative expenses comprise:			
Advertisement		156,034	1,992,862
Auditors remuneration - fees	20.2	1,490,000	1,490,000
Director's remuneration		2,400,000	1,950,000
Donations	20.3	1,546,398	-
Electricity and water		1,309,715	913,361
Entertainment		1,362,875	1,328,334
Legal and professional charges		601,842	3,906,450
Postage and telegram		29,730	81,140
Printing and stationery		401,576	453,035
Rent, rates and taxes		5,491,034	5,192,834
Repairs and maintenance		1,721,713	466,665
Salaries, wages and other benefits		24,576,091	15,013,500
Subscriptions		949,525	2,030,000
Travelling and conveyance		13,075,711	13,175,084
Depreciation	8.2	2,051,254	2,309,743
Miscellaneous		27,468	1,320,400
Provision against litigation	15	224,174,403	-
		281,365,369	51,623,408
20.2 Auditors' remuneration			
Audit fee		1,200,000	1,200,000
Review of interim financial information		250,000	250,000
Out of pocket expenses		40,000	40,000
		1,490,000	1,490,000

Administrative expenses continued...

20.3 Donations

No director has any interest in the donees.

21. Distribution and selling expenses

Distribution and selling expenses comprise:

Salaries, wages and other benefits	-	1,298,000
Carriage and transport	921,030	-
	<u>921,030</u>	<u>1,298,000</u>

22. Other income

Other income comprises:

Profit on saving bank account	918,559	173,760
Liabilities written back	110,079,475	-
Exchange gain	1,264,061	-
	<u>112,262,095</u>	<u>173,760</u>

23. Finance costs

Finance costs included in profit or loss:

Bank charges and commission	1,214,441	121,461
Interest on workers profit participation fund	3,335,117	3,146,217
Interest on workers welfare fund	673,347	-
	<u>5,222,905</u>	<u>3,267,678</u>

24. Other operating expenses

Other operating expenses included in profit or loss:

Exchange loss	166,931	-
Workers' profit participation fund	2,045,821	-
Other operating expense	4,984,519	9,348,524
	<u>7,197,271</u>	<u>9,348,524</u>

25. Levies

25.1 Levies comprise:

Minimum Tax	<u>38,725,211</u>	<u>46,901,379</u>
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25.2 This represents minimum tax under section 113 of Income Tax Ordinance 2001, representing levies in terms of requirements of IFRIC 21/ IAS 37.

26. Income tax expense

Income tax recognised in profit or loss:

Current tax

Current year		-	-
Prior year adjustment		-	(418,004)
		<u>-</u>	<u>(418,004)</u>

Deferred tax	16	94,735,109	72,251,124
Total income tax expense		<u>94,735,109</u>	<u>71,833,120</u>

The tax charge reconciliation has not been made as the Company falls under minimum tax regime.

27. Financial instruments and related disclosures

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

27.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

Risk management

To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

Financial instruments and related disclosures continued...

Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2024	2023
Long term deposit		450,000	450,000
Trade debts	10	938,018,505	691,297,266
Advances, deposits and prepayments	11	5,058,627	158,627
Bank balances	13	12,114,433	11,323,075
		<u>955,641,565</u>	<u>703,228,968</u>

The Company does not take into consideration the value of collateral while testing financial assets for impairment. The Company considers the credit worthiness of counterparties as part of its risk management.

Trade debtors

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. Majority of the Company's sales are made against receipts in advance from customers. The Company has no major concentration of credit risk with any single customer. The majority of the trade customers have been transacting with the Company for several years. The Company establishes an allowance for impairment where it considers recoveries are not probable.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 or 1 July 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

	2024	2023
Not yet due	937,949,726	345,648,633
Past due 0 - 90 days	68,779	207,389,180
Past due 91 - 180 days	-	138,259,453
	<u>938,018,505</u>	<u>691,297,266</u>

Management believes that the unimpaired balances that are past due are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies.

Following are the credit ratings of banks with which balances are held or credit lines available:

Financial instruments and related disclosures continued...

	Rating		
	Short term	Long term	Agency
JS Bank Limited	A1+	AA	PACRA
Habib Metropolitan Bank Limited	A1+	AA+	PACRA
Soneri Bank Limited	A1+	AA-	PACRA
Meezan Bank Limited	AAA	A-1+	VIS
Alfalah Bank Limited	AAA	AAA	PACRA
Habib Metro Bank Limited	A1+	AA+	PACRA
Habib Metro Bank Limited	A1+	AA+	PACRA
Meezan Bank Limited	AAA	A-1+	VIS
Habib Metro Bank Limited	A1+	AA+	PACRA
Alfalah Bank Limited	AAA	AAA	PACRA
Askari Bank Limited	A1+	AA+	PACRA
Bank of punjab	A1+	AA+	PACRA
Alfalah Bank Limited	AAA	AAA	PACRA
Alfalah Bank Limited	AAA	AAA	PACRA

Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at the reporting date.

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or there is difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Gross carrying value			
	2024			
	Carrying amount	Contractual cash flows	Not later than 1 year	Later than 1 year
	Rupees			
Trade and other payables	3,960,771,737	3,960,771,737	3,960,771,737	-
Undaimed dividend	4,911,563	4,911,563	4,911,563	-
	3,965,683,300	3,965,683,300	3,965,683,300	-

Financial instruments and related disclosures continued...

	Gross carrying value			
	2023			
	Carrying amount	Contractual cash flows	Not later than 1 year	Later than 1 year
	Rupees			
Trade and other payables	2,648,439,498	2,648,439,498	2,648,439,498	-
Undaunted dividend	4,911,563	4,911,563	4,911,563	-
	2,653,351,061	2,653,351,061	2,653,351,061	-

27.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

27.3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

(a) Fixed rate financial instruments

Fair value sensitivity analysis for fixed rate instruments

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

(b) Variable rate financial instruments

Cash flow sensitivity analysis for variable rate instruments

The Company does not account for any variable rate financial assets and liabilities at fair value through profit and loss as the Company is in litigation with the financial institutions and not charging any mark-up on these borrowings.

27.3.2 Price risk management

The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

27.3.3 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 and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to be paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, lease fro related parties and short term borrowings obtained by the Company. Total capital employed includes 'total equity' as shown in the statement of financial position.

28. Recognized fair value measurements - financial instruments

Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level is as follows:

28.1 Level 1:

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

28.2 Level 2:

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

28.3 Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

29. Financial assets

Carrying amount of financial assets by category

	Note	At amortised cost Rupees	Total Rupees
Year ended 30 June 2024			
Trade debtors	10	938,018,505	938,018,505
Cash and bank balances	13	18,632,810	18,632,810
		18,632,810	18,632,810
Year ended 30 June 2023			
Trade debtors	10	691,297,266	691,297,266
Cash and bank balances	13	31,354,447	31,354,447
		722,651,713	722,651,713

30. Financial liabilities

Carrying amount of financial liabilities by category

	Note	At amortised cost Rupees	Total Rupees
Year ended 30 June 2024			
Trade and other payables	15	3,960,771,737	3,960,771,737
Unclaimed dividend		4,911,563	4,911,563
		3,965,683,300	3,965,683,300
Year ended 30 June 2023			
Trade and other payables	15	2,648,439,498	2,648,439,498
Unclaimed dividend		4,911,563	4,911,563
		2,653,351,061	2,653,351,061

31. Related parties

Related parties comprise subsidiary, Associated company, companies where directors also hold directorship, retirement benefits fund and key management personnel. Significant transactions with related parties during the year are as under:

Name of related party	Description / nature of transaction	Nature of relationship	2024 Rupees	2023 Rupees
Ali Enterprises	Opening balance		7,700,403	650,217
	Purchases during the year	Associated company	650,000	11,350,186
	Payments during the year		(8,350,403)	(4,300,000)
	Closing balance		-	7,700,403
Maximum balance in the month of July 2024 (2023: July)			7,950,403	12,000,403
Ali Enterprises Re-rolling Mills Limited	Opening balance		179,244,695	3,235,389
	Purchases during the year	Associated company	187,589,489	180,244,695
	Payments during the year		(366,834,184)	(4,235,389)
	Closing balance		-	179,244,695
Maximum balance in the month of September 2024 (2023: November)			339,317,092	180,244,695
Chudhary Steel Mills Limited	Opening balance		170,000,000	(17,000,000)
	Purchases during the year	Associated company	16,412,000	187,000,000
	Payments during the year		(186,412,000)	-
	Closing balance		-	170,000,000
Maximum balance in the month of July 2024 (2023: June)			151,500,000	170,000,000
Chaudhry Muhammad Shafique	Opening balance		254,672,420	217,072,420
	Received during the year	Shareholder	-	55,600,000
	Payments during the year		-	(18,000,000)
	Closing balance		254,672,420	254,672,420
Maximum balance in the month of July 2024 (2023: July)			254,672,420	272,672,420
The related party is the shareholder of the Company and the company has obtained loan from shareholder.				
Beco Steel Re-Rolling Mills	Opening balance		586,521,696	-
	Purchases during the year	Associated company	101,350,000	-
	Payments during the year		(381,765,000)	-
	Closing balance		306,106,696	-
Maximum balance in the month of 2024: July (2023: Nill)			608,671,696	-

Related parties continued...

	Opening balance		-	-
Beco Steel Ferrous and non-Ferrous Metal	Purchases during the year	Associated company	1,374,190,397	-
	Payments during the year		(426,886,337)	-
	Closing balance		947,304,060	-
Maximum balance at any time during the year.			97,482,118	-

	Opening balance		50,159,408	-
Ali Enterprises Re-rolling Mills Limited	Sales during the year	Associated company	928,114,181	239,884,373
	Receipts during the year		(50,369,408)	(189,724,965)
	Closing balance		927,904,181	50,159,408
Maximum balance at any time during the year.			716,686,718	160,184,373

32. Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the full time working directors and executives of the Company is as follows:

	2024		
	Chief Executive	Directors	Executives
	Rupees		
Managerial remuneration	1,200,000	600,000	600,000
Bonus / allowances	-	-	-
	1,200,000	600,000	600,000
Number of persons	1	1	1
	2023		
	Chief Executive	Directors	Executives
	Rupees		
Managerial remuneration	1,250,000	350,000	350,000
Bonus / allowances	-	-	-
	1,250,000	350,000	350,000
Number of persons	1	1	1

33. Number of employees

	Number	
Number of employees as at June 30th	46	34
Average number of employees during the year	40	34

	2024 Rupees	2023 Rupees
34. Plant capacity and actual production		
	2024	2023
Plant Capacity		
Melting (Metric Tons)	86,420	86,420
Re-rolling (Metric Tons)	187,200	187,200
Installed capacity		
Melting (Metric Tons)	86,420	86,420
Re-rolling (Metric Tons)	187,200	187,200

35. Events after the balance sheet date

There are no reportable events after balance sheet date.

36. Date of authorisation for issue

These financial statements were authorized for issue on November 05, 2024 by the Board of Directors of the Company.

37. General

Figures in these financial statements have been rounded off to the nearest of rupee.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

**PATTERN OF SHAREHOLDINGS
AS ON JUNE 30, 2024**

Number of ShareHolders	Shareholdings		Total Number of Share Held	Percentage of Total Capital
	From	To		
257	1 -	100	11,389	0.01
319	101 -	500	129,706	0.10
140	501 -	1000	130,308	0.10
270	1001 -	5000	777,615	0.62
100	5001 -	10000	804,628	0.64
37	10001 -	15000	473,884	0.38
24	15001 -	20000	429,843	0.34
14	20001 -	25000	338,000	0.27
3	25001 -	30000	82,500	0.07
5	30001 -	35000	159,191	0.13
4	35001 -	40000	154,000	0.12
2	40001 -	45000	85,506	0.07
11	45001 -	50000	537,500	0.43
4	50001 -	55000	208,000	0.17
2	55001 -	60000	119,420	0.10
2	60001 -	65000	124,370	0.10
2	65001 -	70000	137,500	0.11
4	70001 -	75000	296,072	0.24
1	75001 -	80000	76,500	0.06
2	80001 -	85000	168,000	0.13
1	85001 -	90000	90,000	0.07
7	95001 -	100000	693,002	0.55
1	110001 -	115000	114,000	0.09
1	130001 -	135000	135,000	0.11
1	145001 -	150000	149,000	0.12
3	155001 -	160000	476,000	0.38
1	165001 -	170000	168,000	0.13
1	170001 -	175000	171,000	0.14
1	175001 -	180000	178,000	0.14
1	180001 -	185000	184,000	0.15
2	195001 -	200000	400,000	0.32
1	210001 -	215000	212,000	0.17
1	240001 -	245000	240,500	0.19
1	295001 -	300000	300,000	0.24
1	505001 -	510000	507,500	0.41
1	560001 -	565000	560,097	0.45
1	875001 -	880000	880,000	0.70
1	1460001 -	1465000	1,463,158	1.17
1	1485001 -	1490000	1,486,000	1.19
5	2170001 -	2175000	10,866,666	8.70
1	3160001 -	3165000	3,160,671	2.53
1	3240001 -	3245000	3,241,500	2.59
1	13035001 -	13040000	13,040,000	10.44
1	27415001 -	27420000	27,419,177	21.94
1	53580001 -	53585000	53,583,307	42.88
1,241			124,962,510	100.00

**CATEGORIES OF SHAREHOLDINGS
AS ON JUNE 30, 2024**

Sr. #	Categories	Nos.	Shares Held	Percentage
1	Individuals	1,216	28,532,270	22.8327
2	Directors/Sponsors etc.	8	66,632,307	53.3218
3	Associated Undertakings/Compa	1	27,419,177	21.9419
4	Joint Stock Companies	4	103,601	0.0829
5	Financial Institutions	7	2,125,052	1.7006
6	Modarabas	1	300	0.0002
7	Insurance Companies	1	114,000	0.0912
8	Investment Companies	1	3,000	0.0024
9	Funds	2	32,803	0.0263
	TOTAL:	1,241	124,962,510	100.0000

DETAILED CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2024

	Shares Held	Percentage
General Public.	28,532,270	22.8327
Directors/Sponsors etc.		
1 CH MUHAMMAD SHAFIQUE	53,583,307	42.8795
2 WAHEED AKBAR	2,500	0.0020
3 MUHAMMAD HASHIM TAREEN	2,500	0.0020
4 SARWAR SULTANA	13,040,000	10.4351
5 MAHMOOD ASLAM	2,500	0.0020
6 EMAN SHAFIQUE	500	0.0004
7 AFIFA SHAFIQUE	500	0.0004
8 MUHAMMAD ASIM RAZA	500	0.0004
Running Total:	66,632,307	53.3218
Associated Undertakings/Companies		
1 CHAUDHRY STEEL RE-ROLLING MILLS (PVT) LTD	27,419,177	21.9419
Running Total:	27,419,177	21.9419
Joint Stock Companies		
1 MAPLE LEAF CAPITAL LIMITED	1	0.0000
2 D.S.CORPORATION (PVT) LIMITED	3,400	0.0027
3 Y.S. SECURITIES & SERVICES (PVT) LTD.	1,200	0.0010
4 M/S RANG COMMODITIES (PVT) LTD	99,000	0.0792
Running Total:	103,601	0.0829
Financial Institutions		
1 SAYA SECURITIES (PRIVATE) LIMITED	96,502	0.0772
2 BANK ALFALAH LIMITED - LAHORE STOCK EXCHANGE BRANC	560,097	0.4482
3 NATIONAL BANK OF PAKISTAN	195	0.0002
4 SALIM SOZER SECURITIES (PRIVATE) LIMITED	1,463,158	1.1709
5 CRESCENT INVESTMENT BANK LTD	2,100	0.0017
6 GRAYS AND CAMBRIDGE (PAKISTAN) LTD	200	0.0002
7 INVESTMENT CORPORATION OF PAKISTAN	2,800	0.0022
Running Total:	2,125,052	1.7006
Modarabas		
1 MODARABA AL-MALI CORPORATION LTD	300	0.0002
Running Total:	300	0.0002
Insurance Companies		
1 STATE LIFE INSURANCE CORP. OF PAKISTAN	114,000	0.0912
Running Total:	114,000	0.0912
Investment Companies		
1 PAKISTAN KUWAIT INVESTMENT CO.(PVT) LTD	3,000	0.0024
Running Total:	3,000	0.0024
Funds		
1 TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSIO	31,691	0.0254
2 TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT F	1,112	0.0009
Running Total:	32,803	0.0263
Grand Total:	124,962,510	100.0000

BECO STEEL IMITED

PROXY FORM

Ledger Folio / CDC A/C No.

Shares Held

I/We _____ of _____ being a member of
of Beco Steel Limited and holders) of _____ ordinary shares as per Shares Register
Folio No. _____

For beneficial owners as per CDC list	
CDC Participant ID No. _____	Sub Account No. _____
CNIC No. <input type="text"/>	Passport No. _____

hereby appoint Mr. / Mrs. / Miss _____ of _____ another
member of the Company or failing him / her Mr. Mrs. Miss _____
of _____ another member of the Company as my / our proxy to attend and
vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on
Wednesday November 27, 2024 at 12:00 (noon) and/or at any adjournment thereof, if any.

As witness my/our hand(s) this _____ day of _____ 2024
signed by _____
in the presence of _____

Signature should agree with the Specimen
Signature registered with the Company

Signed this ____ day of November 27, 2024

Signature of shareholder _____

Signature of Proxy _____

Witness: 1 Name _____ Address _____ _____ CNIC # <input type="text"/>	Witness: 2 Name _____ Address _____ _____ CNIC # <input type="text"/>
--	--

Notes

A member entitled to attend and vote at this meeting may appoint a proxy. Proxies, in order to be effective, must be received at Registered Office of the Company not less than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

For CDC Account Holders/Corporate Entities

In addition to the above, the following requirements be met:

- (i) Attested copies of NIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- (ii) In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company

The proxy shall produce his original NIC or original passport at the time of attending the meeting.

پراکسی فارم (مختار نامہ)

حصہ دار (شیئر ہولڈنگ)	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	سب اکاؤنٹ (ذیلی کھاتہ) نمبر	سی ڈی سی شرکت آئی ڈی نمبر

میں/ہم _____ صاحب / صاحبہ / مس کو اپنا پراکسی مقرر کر رہا ہوں / کرتے ہیں، جو کمپنی کے ایک اور رکن ہیں، اور اگر وہ دستیاب نہ ہوں تو صاحب / صاحبہ / مس کو کمپنی کے ایک اور رکن کے طور پر میٹنگ میں شرکت اور میری / ہماری جاب سے ووٹ دینے کا اختیار دیتے ہیں۔ یہ پراکسی بیکو اسٹیل لمیٹڈ کے سالانہ جنرل اجلاس میں، جو بدھ 27 نومبر 2024 کو دوپہر 12 بجے منعقد ہوگی یا کسی موخر شدہ اجلاس میں، میری / ہماری نمائندگی کرے گا۔ میرے / ہمارے دستخط اس _____ دن _____ 2024 کو کیے گئے۔

گواہان

50/- روپے کار سیدی 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:		_____

نوٹس

میٹنگ میں شرکت اور ووٹ دینے کے اہل رکن پراکسی مقرر کر سکتے ہیں۔ پراکسی فارم میٹنگ کے انعقاد کے وقت سے کم از کم اڑھائی گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرانا ضروری ہے اور اسے مکمل طور پر مہربند، دستخط شدہ، اور گواہ شدہ ہونا چاہیے۔

سی ڈی سی اکاؤنٹ ہولڈرز / کارپورس اداروں کے لیے

مندرجہ ذیل شرائط بھی پوری کی جائیں:

- I. سیسیفیسل اونرز اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ فراہم کی جائیں۔
- II. کارپوریٹ ادارے کے معاملے میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اماری اور نمونہ دستخط (اگر پہلے فراہم نہیں کیے گئے) پراکسی فارم کے ساتھ کمپنی میں جمع کرائے جائیں۔

پراکسی میٹنگ میں شرکت کے وقت اپنا اصل شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔

To:

**The Company Secretary
BECO STEEL LIMITED
79-Peco Road, Badami Bagh,
Lahore**

**AFFIX
CORRECT
POSTAGE**