



# ANNUAL REPORT

2023

**BECO STEEL LIMITED**

WE STRENGTHEN YOUR DREAMS



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## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

- |                                       |                                    |
|---------------------------------------|------------------------------------|
| 1. Mr. Muhammad Zain-ul-Afaq          | ChairPerson/Non-Executive Director |
| 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

Abdul Moiz

## **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

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of BECO STEEL LIMITED will be held on Saturday December 30, 2023, at 11:30 A.M. at Executive Board Room-A, Royal Palm Golf and Country Club, 52 Canal Road, Lahore to transact the following business.

1. To confirm minutes of Extraordinary General Meeting held on July 10, 2023.
2. To receive and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2023, along with Directors and Auditors Reports thereon.
3. To appoint External Auditors of the Company for the year ending June 30, 2024, 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 next year 2024.
4. To ratify and approve transactions carried out with associated Companies in the normal course of the business by passing the following ordinary resolutions:

**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, 2023, be and are hereby ratified and approved.

**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, 2024 and in this connection the Chief Executive 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.

5. Any other business with the permission of the Chair.

By Order of the Board  
Company Secretary

Lahore: 08 December 2023

## Notes:

1. The Share Transfer Books of the Company will remain closed from 23 December 2023 to 30 December 2023 (both days inclusive).
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote for him/her. Proxies in order to be effective, must be received at the Registered Office of the Company not later than 48 hours before the time of holding the meeting and must be duly stamped, signed and witnessed.
3. Members are requested to notify changes immediately to our Share Registrar, if any, in their registered addresses.
4. CDC Account Holders will have to follow the below mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

**STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 THIS STATEMENT SETS OUT THE MATERIAL FACTS CONCERNING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON DECEMBER 30, 2023.**

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## AGENDA NO. 5:

Transactions conducted with all related parties must be approved by the Board of Directors duly recommended by the Audit Committee on a quarterly basis pursuant to Clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered with related parties require the approval of the Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Audit Committee, such transactions are placed before the board of directors for approval.

The Company shall be conducting transactions with its related parties during the year ending June 30, 2023 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the subsidiary / associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case-to-case basis for the year ending June 30, 2023-2024, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

## سالانہ عام اجلاس کا نوٹس

اطلاع دی جاتی ہے کہ کے بیکوا سٹیل لمیٹڈ کے شیئر ہولڈرز کا سالانہ جنرل اجلاس 30 دسمبر 2023 بروز ہفتہ صبح 11:30 بجے ایگزیکٹو بورڈ روم - اے، رائل پام گالف اینڈ کنزی کلب، 52 کینال روڈ، لاہور میں درج ذیل کاروبار کے لیے منعقد ہوگا۔

1-10 جولائی 2023 کو ہونے والی غیر معمولی جنرل میٹنگ کے منٹس کی تصدیق کرنا۔

2-30 جون 2023 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 منظوری دینا۔

3-30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے بیرونی آڈیٹرز کا تقرر کرنا، اور ان کے معاوضے کا تعین کرنا۔ شیئر ہولڈرز کو مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے اگلے سال 2024 کے لیے کمپنی کے آڈیٹرز کے طور پر تقرری کے لیے میسر 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 مطابق متعلقہ کمپنیوں کے ساتھ کیے گئے لین دین کی توثیق اور منظوری دینا:

قرارداد 30 جون 2023 کو ختم ہونے والے سال کے دوران منسلک کمپنیوں سے کئے گئے لین دین جن کو مالیاتی گوشواروں میں منکشف کیا گیا ہے کی توثیق کرتا اور منظوری دیتا

قرارداد 30 جون 2024 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ کئے گئے تمام لین دین کو منظور کرنے اور کاروبار کے معمول کے مطابق انجام دینے کا مجاز ہے اور اس سلسلے میں چیف ایگزیکٹو کسی بھی اور تمام ضروری اقدامات کرنے کا مجاز ہے اور اس کے ساتھ کمپنی کی جانب سے اس سلسلے میں درکار کسی بھی اور اس طرح کے تمام دستاویزات / انڈینچرز پر دستخط / عمل درآمد کریں

5- صاحب صدر کی اجازت سے کسی دیگر امر پر کاروائی ہوگی۔

حساب الحکم بورڈ

کمپنی سیکرٹری

08 دسمبر، 2023



## نوٹس:

- 1- کمپنی کی حصص کی منتقلی کی کتابیں 23 دسمبر 2023 سے 30 دسمبر 2023 تک (دونوں دن سمیت) بند رہیں گی۔
- 2- اس میٹنگ میں شرکت کرنے اور ووٹ دینے کا حقدار رکن دوسرے ممبر کو شرکت کرنے اور اسے ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے۔ مؤثر ہونے کے لیے پراکسی کو میٹنگ کے انعقاد کے وقت سے 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں موصول ہونا چاہیے اور ان پر باقاعدہ مہر، دستخط اور گواہ ہونا چاہیے۔
- 3- اراکین سے درخواست ہے کہ وہ اپنے رجسٹرڈ پتے پر ہمارے شیئر رجسٹرار کو، اگر کوئی ہو تو، فوری طور پر تبدیلیوں کی اطلاع دیں۔
- 4- سی ڈی سی اکاؤنٹ ہولڈرز کو مندرجہ ذیل ہدایات پر عمل کرنا ہو گا جیسا کہ 26 جنوری 2000 کو پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن کے جاری کردہ سرکلر 1 میں بیان کیا گیا ہے۔

## کمپنیز ایکٹ، 2017 کے سیکشن 134(3) کے تحت خصوصی کاروبار سے متعلق مادی حقائق کو بیان کرتا ہے جو کہ سالانہ جنرل میٹنگ 30 دسمبر، 2023 کے اجلاس میں لین دین کیا جائے گا۔

### ایجنڈا نمبر 5:

تمام متعلقہ فریقوں کے ساتھ کئے جانے والے لین دین کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق 15 کے مطابق سہ ماہی بنیادوں پر آڈٹ کمیٹی کے ذریعہ تجویز کردہ بورڈ آف ڈائریکٹرز کے ذریعہ منظور کیا جانا چاہئے۔ کمپنی اپنے متعلقہ فریقوں کے ساتھ کاروبار کے معمول کے دوران متعلقہ فریقوں کے ساتھ لین دین کے حوالے سے منظور شدہ پالیسی کے مطابق بازو کی لمبائی کی بنیاد پر لین دین کرتی ہے۔ متعلقہ فریقوں کے ساتھ داخل ہونے والے تمام لین دین کے لیے کمپنی کی آڈٹ کمیٹی کی منظوری درکار ہوتی ہے، جس کی صدارت کمپنی کے ایک آزاد ڈائریکٹر کرتے ہیں۔ آڈٹ کمیٹی کی سفارش پر، اس طرح کے لین دین کو بورڈ آف ڈائریکٹرز کے سامنے منظوری کے لیے رکھا جاتا ہے۔ کمپنی 30 جون 2023 کو ختم ہونے والے سال کے دوران اپنی متعلقہ پارٹیوں کے ساتھ لین دین کرے گی۔ ڈائریکٹرز کی اکثریت ان لین دین میں دلچسپی رکھتی ہے کیونکہ ان کی ذیلی کمپنی/وابستہ کمپنیوں میں مشترکہ ڈائریکٹر شپ ہوتی ہے۔ شفاف کاروباری طریقوں کو فروغ دینے کے لیے، شیئر ہولڈرز بورڈ آف ڈائریکٹرز کو متعلقہ فریقوں کے ساتھ 30 جون 2023-2024 کو ختم ہونے والے سال کے لیے کیس ٹو کیس کی بنیاد پر وقتاً فوقتاً لین دین کی منظوری دینے کا اختیار دینا چاہتے ہیں، جو لین دین شیئر میں شیئر ہولڈرز کے AGM ہولڈرز کے ذریعہ منظور شدہ سمجھا جائے گا۔ اس طرح کے متعلقہ فریق لین دین کی نوعیت اور دائرہ کار اوپر بیان کیا گیا ہے۔ ان ٹرانزیکشنز کو اگلی باضابطہ منظوری/توثیق کے لیے رکھا جائے گا۔

## VISION AND MISSION STATEMENT, CORE VALUES AND GOALS

### VISION

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

### MISSION

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

### CORE VALUES

- Merit
- Integrity
- Team Work
- Safety
- Dedication

### GOALS

#### Financial

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

#### Learning and Growth

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

#### Internal Processes

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

## **DIRECTORS' REPORT TO SHAREHOLDERS**

On behalf of the Board of Directors, we take this opportunity to place before you annual audited financial results of the company for the year ended 30 June 2023.

### **Financial performance**

The summary of financial results of the Company for the year ended 30 June 2023:

<b>Particular</b>	<b>2023 RS.</b>	<b>2022 RS.</b>	<b>Percentage Change</b>
Sales	3,752,110,358	6,310,320,105	-41%
Cost of Sales	(3,772,137,440)	(6,014,357,200)	-37%
Gross Profit	(20,027,082)	295,962,905	-107%
Administrative Expenses	(51,623,408)	(43,874,558)	18%
Distribution and Selling Expenses	(1,298,000)	(15,775,800)	-92%
Other Expenses	(9,348,524)	(16,302,077)	-43%
Operating Profit/(Loss)	(82,297,014)	220,010,470	-137%
Other Income	173,760	94,909	83%
Profit from Operation	(82,123,254)	220,105,379	-137%
Finance Cost	(3,267,678)	(145,473)	2146%
Profit before taxation	(85,390,931)	219,959,906	-139%
Provision for taxation	(118,734,499)	(29,438,667)	303%
Profit after tax	(204,125,431)	190,521,239	-207%
EPS (in Rupees)	(1.63)	4.45	
Gearing Ratio (%)	NIL	NIL	

During the year under review, 05 Meetings of the Board of the Directors were held from July 2022 to June 2023. Attendance by each Director was as under:

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

During the year under review, the Chairperson Miss Afifa Shafique has resigned from the office of Chairperson and Mr. Waheed Akbar resigned, Mr. Zain-ul-Afaq appointed as Independent Director in place of Mr. Waheed Akbar and also elected as Chairman of the Company in place of Miss Afifa Shafique.

The Minutes of the Meetings were appropriately recorded and circulated within the stipulated time in accordance with CCG. The Chief Financial Officer and the Company Secretary attended all the meetings during the year ended 30 June 2023.

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

## Board Audit Committee

The Board of Directors of the Company has set up an Audit Committee comprising of three Members in accordance with the Code of Corporate Governance during the year 30 June 2023, four Meetings of the Committee were held. Attendance by each member was as under:

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

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

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

### Terms of Reference of Audit Committee:

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

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

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

## Human Resource and Remuneration Committee

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

Attendance of members is as under:

Sr.	Name of Directors	Designations	Meeting Attended
1	Mr. Muhammad Hashim Tareen	Chairman/Member	1
2	Mr. Muhammad Asim Raza	Member	1
3	Miss Eman Shafique	Member	1
4	Mr. Ali Shafique Chaudhary	CEO/Member	1
5	Mrs. Shabana Shafique	Member	0

## Terms of Reference of HR & Remuneration Committee

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

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

## **Performance Evaluation of Board of Directors and Committees of the Board**

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

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

## **External Auditors**

The present External Auditors M/s. Sheikh & Chaudhary, Chartered Accountants, retire, and being eligible and offered themselves for re-appointment. The audit committee & the Board of directors recommend the reappointment M/s. Sheikh & Chaudhary, Chartered Accountants for the year ending 30 June 2024 on the same remuneration as paid last year 2023.

## **Internal Audit & Control**

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



## **Pattern of Shareholding**

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

## **Related Party Transactions**

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

## **Communication**

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

## **Corporate Governance**

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

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

The status of each director on company's Board whether non-executive or independent has been disclosed in this report in accordance with the revised Code of Corporate Governance, 2019 (CCG) issued by the Securities and Exchange Commission of Pakistan.

The code of conduct for directors and employees of the company has been approved by the Board and changes were made in line with new requirements stated in revised CCG. The said code of conduct strengthens the standard for

professional business-like behavior expected from directors and employees and binds them to demonstrate ethical, honest and responsible attitude. The code has been disseminated across the company to all directors and employees for their information compliance.

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

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

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

### **Corporate and Financial Reporting Framework**

- i. The financial statements, prepared by the management of the company, present its state of affairs fairly, the result of its operations, cash flows and change in equity.
- ii. Proper books of accounts of the company have been maintained.
- iii. Appropriate accounting policies have been applied in preparation of financial statements and any change in accounting policies have been disclosed in the financial statements. The accounting estimates are based reasonable and prudent judgment.
- iv. International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- v. The system of internal control is sound in design and has been effectively implemented and monitored.
- vi. There are no significant doubts upon the company's ability to continue as a going concern.

- vii. Key operating and financial data of last six years has been given in the annual report.
- viii. Information about outstanding taxes, duties, levies and charges is given in the notes to the accounts.
- ix. Significant plans and decisions regarding corporate restructuring, business expansion and discontinue operations along with future prospects, risks and uncertainties have been disclosed in relevant sections of report.

### **Code of Conduct**

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

### **Priority Standards of Conduct**

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

### **Safety, Health and Environment**

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

- 1. To comply with all applicable government and internal health, safety and environmental requirements
- 2. Design facilities and conduct operations in a way that avoids risk to human health, safety and the environment.

## Compliance with the Code of Corporate Governance

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

## Corporate Social Responsibility

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

## Staff Retirement Benefits

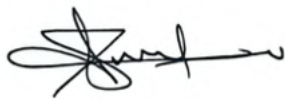
The company plans to operate an un-funded gratuity scheme covering all employees whose period of service with the Company is more than one year.

## Acknowledgement

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

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

## On Behalf of the Board



**Muhammad Ali Shafique Ch**  
(Chief Executive Officer)

Lahore: 08 December, 2023



**Zain-ul-Afaq**  
(Chairman)

## ڈائریکٹرز کی رپورٹ برائے حصص داران

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی نتائج آپ کے سامنے پیش کرتے ہیں۔

### مالیاتی کارکردگی

30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے مالی نتائج کا خلاصہ:

تفصیلات	2023 (روپے)	2022 (روپے)	فیصد تبدیلی میں اضافہ / (کمی)
فروخت	3,752,110,358	6,310,320,105	-41%
فروخت کیفیت	(3,772,137,440)	(6,014,357,200)	-37%
کل منافع	(20,027,082)	295,962,905	-107%
انتظامی اخراجات	(51,623,408)	(43,874,558)	18%
تقسیم اور فروخت کے اخراجات	(1,298,000)	(15,775,800)	-92%
دوسرے اخراجات	(9,348,524)	(16,302,077)	-43%
آپریٹنگ منافع / (نقصان)	(82,297,014)	220,010,470	-137%
دوسری آمدنی	173,760	94,909	83%
آپریٹنگ سے منافع	(82,123,254)	220,105,379	-137%
مالیاتی لاگت	(3,267,678)	(145,473)	2146%
ٹیکس سے پہلے منافع	(85,390,931)	219,959,906	-139%
ٹیکس لگانے کا انتظام	(118,734,499)	(29,438,667)	303%
ٹیکس کے بعد منافع	(204,125,431)	190,521,239	-207%
فی حصص آمدنی	(1.63)	4.45	

زیر نظر سال کے دوران، جولائی 2022 سے جون 2023 تک بورڈ آف ڈائریکٹرز کی 05 میٹنگیں ہوئیں۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

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

زیر نظر سال کے دوران، چیئر پرسن مس عقیفہ شفیق نے چیئر پرسن کے عہدے سے استعفیٰ دے دیا ہے اور جناب وحید اکبر نے استعفیٰ دے دیا ہے، جناب زین العفاق کو جناب وحید اکبر اور مس عقیفہ شفیق کی جگہ کمپنی کا آزاد ڈائریکٹر مقرر کیا گیا ہے اور چیئر مین بھی منتخب کیا گیا ہے۔

میٹنگز کے منٹس کو مناسب طریقے سے ریکارڈ کیا گیا اور سی سی جی کے مطابق مقررہ وقت کے اندر تقسیم کیا گیا۔ چیف فنانس آفیسر اور کمپنی سیکرٹری نے 30 جون 2023 کو ختم ہونے والے سال کے دوران تمام میٹنگز میں شرکت کی۔ بورڈ میٹنگ میں شرکت نہ کرنے والے ڈائریکٹرز کو غیر حاضری کی چھٹی دے دی گئی۔

## بورڈ آڈٹ کمیٹی

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2023 کے دوران کوڈ آف کارپوریٹ گورننس کے مطابق تین ممبران پر مشتمل ایک آڈٹ کمیٹی قائم کی ہے، کمیٹی کے تین اجلاس منعقد ہوئے۔ ہر ممبر کی حاضری حسب ذیل تھی:

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

کوڈ آف کارپوریٹ گورننس کی تعمیل میں، آڈٹ کمیٹی سال میں ایک بار چیف فنانشل آفیسر اور اندرونی آڈٹ کے سربراہ کے بغیر بیرونی آڈیٹرز سے ملاقات کرتی ہے۔ آڈٹ کمیٹی کے اجلاس میں شرکت نہ کرنے والے رکن کو غیر حاضری کی چھٹی دے دی گئی۔

### آڈٹ کمیٹی کے حوالہ کی شرائط:

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

۱۔ کمپنی کے اثاثوں کی حفاظت کیلئے مناسب اقدامات کا تعین کرنا۔

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

i. خصوصی توجہ کے حامل معاملات

ii. آڈٹ کے نتیجے میں اہم ایڈجسٹمنٹ

iii. جاری تشویش کا مفروضہ

iv. اکاؤنٹنگ پالیسیوں اور پریکٹس میں کوئی تبدیلی

v. اطلاق اکاؤنٹنگ معیارات کی تعمیل

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

vii. تمام متعلقہ پارٹی لین دین۔

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

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

- ۵۔ بیرونی آڈیٹرز کے جاری کردہ مینجمنٹ لیٹر کا جائزہ اور اس پر مینجمنٹ کا جواب
- ۶۔ کمپنی کے اندرونی اور بیرونی آڈیٹرز کے درمیان ہم آہنگی کو یقینی بنانا
- ۷۔ اندرونی آڈٹ، آڈیٹ پلان، رپورٹنگ فریم ورک اور طریقہ کار کے دائرہ کار اور وسعت کا جائزہ اور اس بات کو یقینی بنانا کہ انٹرنل آڈٹ فنکشن کے پاس مناسب وسائل ہیں اور مناسب طریقے سے کمپنی کے اندر رکھے گئے ہیں۔
- ۸۔ دھوکہ دہی، بدعنوانی اور اختیارات کے ناجائز استعمال کی سرگرمیوں کی اندرونی تفتیش کے بڑے نتائج پر غور اور اس پر انتظامیہ کا رد عمل۔
- ۹۔ یہ جاننا کہ اندرونی کنٹرول سسٹم بشمول مالیاتی اور آپریشنل کنٹرول، خریداری اور فروخت، رسیدوں اور ادائیگیوں، اثاثوں اور واجبات اور رپورٹنگ کا ڈھانچہ بروقت اور مناسب ریکارڈنگ کے لیے اکاؤنٹنگ سسٹم مناسب اور موثر ہے۔
- ۱۰۔ بورڈ آف ڈائریکٹرز اور انٹرنل آڈٹ رپورٹس کی توثیق سے قبل کمپنی کے اندرونی کنٹرول سسٹم پر بیان کا جائزہ لینا۔
- ۱۱۔ بورڈ آف ڈائریکٹرز کی طرف سے متعین کسی بھی معملے پر خصوصی پروجیکٹس، ویلیو فارمنی اسٹڈیز یا دیگر تحقیقات کا قیام،
- ۱۲۔ کسی بھی معاملے کو بیرونی آڈیٹرز یا کسی دوسرے متعلقہ تقاضوں کی تعمیل کا تعین
- ۱۳۔ انقوائد وضوابط کی تعمیل کی نگرانی اور اسکی اہم خلاف ورزیوں کی نشاندہی کرنا۔
- ۱۴۔ عملے اور مینجمنٹ کے لیے انتظام کا جائزہ لینے کے لیے آڈٹ کمپنی کو اعتماد، خدشات، اگر کوئی مالیاتی اور دیگر معاملات میں حقیقی اور ممکنہ غلطیوں کے بارے میں رپورٹ کرے اور اصلاحی اور تخفیفی اقدامات شروع کرنے کی سفارش کرے۔
- ۱۵۔ بورڈ آف ڈائریکٹرز کو بیرونی آڈیٹرز کی تقرری، آڈٹ فیس، بیرونی آڈیٹرز کے ذریعہ کمپنی کو اسکے مالی بیانات کی آڈٹ کے علاوہ کسی بھی سروس کی فراہمی کی سفارش کرنا۔ بورڈ آف ڈائریکٹرز آڈٹ کمپنی کی سفارشات پر غور کریں گے اور جہاں یہ دوسری صورت میں کام کرتا ہے وہ اس کی وجوہات کو ریکارڈ کریگا۔
- ۱۶۔ بورڈ آف ڈائریکٹرز کے ذریعہ تفویض کردہ کسی دوسرے مسئلے یا معاملے پر غور کرنا۔

## انسانی وسائل اور معاوضہ کمیٹی:

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

سیریل نمبر	ڈائریکٹرز کے نام	عہدہ	میننگ میں شرکت
1	جناب محمد ہاشم ترین	چیئر پرسن / ممبر	1
2	جناب محمد عاصم رضا	ممبر	1
3	مس ایمان شفیق	ممبر	1
4	جناب علی شفیق چوہدری	چیف ایگزیکٹو آفیسر / ممبر	1
5	مس شبانہ شفیق	ممبر	-



## ایچ آر اور معاوضہ کمیٹی کے حوالہ کی شرائط

- اجرت کمیٹی کے حوالہ کی شرائط بورڈ آف ڈائریکٹرز کی طرف سے طے کی جائیں گی جس میں درج ذیل شامل ہو سکتے ہیں:
- ۱۔ بورڈ کو غور اور منظوری کے لیے تجویز کریں کہ ڈائریکٹرز ایگزیکٹو ڈائریکٹرز اور سینئر مینجمنٹ کے ممبرانکے معاوضے کا تعین کرنے کے لیے ایک پالیسی فریم ورک پر غور اور منظوری کے لیے بورڈ کو سفارش کرنا۔ سنہیر مینجمنٹ کا تعین بورڈ کریگا جس میں عام طور پر مینجمنٹ کی پہلی پرت چیف ایگزیکٹو آفیسر کی سطح سے نیچے ہوگی۔
  - ۲۔ سالانہ طور پر بورڈ کی مجموعی کارکردگی کا جائزہ لینے کا باقاعدہ عمل اور اس کی کمیٹی براہ راست یا بیرونی آزاد کنسلٹنٹ کو مشغول کر کے ڈائریکٹرز کی رپورٹ میں نام، قابلیت اور اہم معلومات کے بارے میں ایک بیان دیا جائیگا۔
  - ۳۔ بورڈ کو انسانی وسائل کے انتظام کی پالیسیوں کی سفارش کرنا۔
  - ۴۔ بورڈ کو چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور اندرونی آڈٹ کے سربراہ کے انتخاب، ترقی، معاوضہ بشمول ریٹائرمنٹ فائدوں کی سفارش کرنا۔
  - ۵۔ اہم انتظامی عہدوں کے لیے ایسے معاملات پر چیف ایگزیکٹو آفیسر کی سفارش پر غور اور منظوری جو چیف ایگزیکٹو آفیسر یا چیف آپریٹنگ آفیسر کو براہ راست رپورٹ کرتے ہیں۔
  - ۶۔ جہاں ہیومن ریورس اور معاوضے کے کنسلٹنٹس مقرر کیے جاتے ہیں، انکی اسناد کمیٹی جانتی ہے اور انکی طرف سے بیان دیا جائیگا کہ آیا انکی کمیٹی کے ساتھ کوئی اور تعلق ہے۔

## بورڈ آف ڈائریکٹرز اور کمیٹیوں کی کارکردگی کا جائزہ:

- بورڈ کے کردار کا جائزہ اور اس کے اثرات کا اندازہ ایک مستقل عمل ہے جس کا جائزہ بورڈ خود لیتا ہے تو جہ کے بنیادی شعبے یہ ہیں:
- ۱۔ کمیٹی کے وژن اور مشن کیساتھ کارپوریٹ اہداف اور مقاصد کی صف بندی۔
  - ۲۔ پائیدار آپریشن کیلئے حکمت عملی کی تشکیل
  - ۳۔ بورڈ کی آزادی
  - ۴۔ بورڈ کی کمیٹیوں کی کارکردگی کا اندازہ انکی ذمہ داریوں کو نبھانے کے حوالے سے جو متعلقہ شرائط میں متعین کی گئی ہیں۔

## بیرونی آڈیٹرز

موجودہ بیرونی آڈیٹرز مسرز شیخ اینڈ چوہدری، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو چکے ہیں، اور اہل ہونیکے بعد، خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے سال کے لیے مسرز شیخ اینڈ چوہدری، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کرتے ہیں۔

## اندرونی آڈٹ اور کنٹرول

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

## مادی تبدیلیاں

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

## شیئر ہولڈنگ کا نمونہ

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

## متعلقہ پارٹی لین دین

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

## مواصلات

کمپنی شیئر ہولڈرز کے ساتھ رابطے کی اہمیت پر توجہ مرکوز کرتی ہے۔ سالانہ، ششماہی اور سہ ماہی رپورٹیں انکو کمپنیز ایکٹ، 2017 میں بتائے گئے وقت کے اندر تقسیم کی جاتی ہیں۔ کمپنی کی سرگرمیاں بروقت بنیادوں پر ایسی ویب سائٹ [www.becosteel.com](http://www.becosteel.com) پر اپ ڈیٹ کی جاتی ہیں۔

## کارپوریٹ گورننس:

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

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

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

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

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

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

## کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- ۱۔ کمپنی کے منجمنٹ کی طرف سے تیار کردہ مالیاتی بیانات، اسکی صورتحال کو منصفانہ طور پر پیش کرتے ہیں، اسکی آپریشن کا نتیجہ، کیش فلوز اور ایکویٹی میں تبدیلی۔
- ۲۔ کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔
- ۳۔ مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ پالیسیوں میں کوئی تبدیلی مالیاتی بیانات میں ظاہر کی گئی ہے۔ اکاؤنٹنگ تخمینے معقول اور سمجھدار فیصلے پر مبنی ہیں۔
- ۴۔ بین الاقوامی مالیاتی رپورٹنگ کے معیارات جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں عمل میں آیا ہے اور وہاں سے کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے اور وضاحت کی گئی ہے۔
- ۵۔ اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے نافذ اور نگرانی میں رکھا گیا ہے۔
- ۶۔ ایک تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔
- ۷۔ سالانہ رپورٹ میں گزشتہ چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا دیا گیا ہے۔
- ۸۔ اکاؤنٹس کنوژن میں بقایا ٹیکس، لیویز اور چارجز کے بارے میں معلومات دی گئی ہیں۔
- ۹۔ کارپوریٹ ریٹرننگ، کاروباری توسیع اور آپریشن بند کرنے کے حوالے سے اہم منصوبے اور فیصلے مستقبل کے امکانات، خطرات اور غیر یقینی صورتحال کے ساتھ رپورٹ کے متعلقہ حصوں میں ظاہر کیے گئے ہیں۔

## ضابطہ اخلاق:

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

## طرز عمل کے ترجیحی معیارات:

- ۱۔ حفاظت: حفاظت کے بغیر کوئی پیداوار نہیں ہو سکتی۔
- ۲۔ معیار: مینوفیکچرنگ اور مارکیٹنگ کی مصنوعات کے ذریعے گاہکوں کا ملل اطمینان حاصل کرنے کے لیے جو کسی بھی قیمت کے لیے اعلیٰ ترین معیار کی سطح حاصل کرتے ہیں۔ صارفین کو ان کے پیسوں کی بہترین قیمت فراہم کرتے ہیں۔ ہم اپنی مصنوعات کے تمام صارفین کے لیے کسٹمر کی افادیت کو زیادہ سے زیادہ کرنے کے لیے کھڑے ہیں تاکہ تمام متعلقہ سٹیک ہولڈرز اور معیارات کی تعمیل سے تعمیل کی جاسکے، کسٹمر کی ضروریات کو بہتر بنانے کیلئے مصنوعات کی صفات کو اپنانے، بڑھانے اور انوویشن کرنے کے لیے، ہمارے کو الٹی منجمنٹ سسٹم کو مسلسل بہتر بنا کر، اور اپنے اخراجات اور قیمتوں کو کنٹرول کر کے۔
- ۳۔ پیداواری صلاحیت: حفاظت اور معیار کے ساتھ ہم میں سے ہر ایک اپنی سرگرمیوں کے تمام شعبوں مثلاً پیداوار، سیلز اور مارکیٹنگ، پلاننگ اینڈ ڈویلپمنٹ، فنانس، ایمپورٹ، سپلائی چین منجمنٹ، ہیومن ریورسز اینڈ ایڈمنسٹریشن وغیرہ میں کارکردگی کو بہتر بنانے کی کوشش کرے گا

## حفاظت، صحت اور ماحولیات:

- یکو سٹیل لمیٹڈ (سابقہ: راوی ٹیکسٹائل ملز لمیٹڈ) اپنے کاروبار کو ذمہ داری کیساتھ چلاتا ہے اور اپنے ساتھیوں اور معاشرے کے ماحولیاتی پہلوؤں سے صحت، حفاظت اور تحفظ کو یقینی بناتا ہے۔ ہم ان پروگراموں کو نافذ اور برقرار رکھتے ہیں جو معقول یقین دہانی فراہم کرتے ہیں کہ کاروبار مندرجہ ذیل کام کریگا۔
- ۱۔ تمام قابل اطلاق حکومتی اور اندرونی صحت، حفاظت اور ماحولیاتی ضروریات کی تعمیل کرنا۔
  - ۲۔ سہولیات کو ڈیزائن کریں اور اس طرح آپریشن کریں جو انسانی صحت، حفاظت اور ماحول کو خطرے سے بچائے۔

## کارپوریٹ گورننس کے ضابطے کی تعمیل:

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

## کارپوریٹ سماجی ذمہ داری:

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

## عملے کی ریٹائرمنٹ کے فوائد:

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

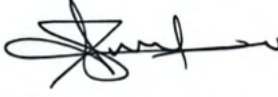
## اعتراف:

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

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

## منجانب بورڈ:

*Fain*  
*Afaq*  
محمد زین العفاق  
ڈائریکٹر / چیئر مین

  
علی شفیق چوہدری  
چیف ایگزیکٹو آفیسر

## **CHAIRMANS' REPORT**

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

I'm honored to contribute to our management team. My responsibility involves presenting the comprehensive report on the board's overall performance, evaluating its effectiveness in steering the company towards its objectives, and ensuring adherence to the Companies Act, 2017, and Listed Companies (Code of Corporate Governance) Regulations, 2019. I extend a cordial invitation to you for our upcoming Annual General Meeting.

Our board members are fully aligned with the high ethical and professional standards outlined in our Mission and Vision statements, serving as guiding principles for our company's objectives.

Our board members are deeply committed to the ethical and professional standards outlined in our Mission and Vision statements, integral to our company's values and objectives. Their diverse backgrounds in steel business, finance, banking, and human resources reflect a rich pool of experiences.

The board holds the responsibility for steering the company and devising crucial policies and strategies. Recognizing its role in Corporate and Financial Reporting Framework, it remains steadfast in upholding good Corporate Governance practices. Aligned with the company's values, mission, and vision, the board is resolutely focused on achieving the company's objectives.

In the financial year 2022-23, the company commenced its production, resulting in these financial statements reflecting our performance in the steel and allied products sector. Leveraging decades of experience in the steel industry, the board holds an optimistic outlook on our future financial performance.

On behalf of the Board, I express sincere gratitude to our loyal customers for their continued confidence, financial institutions for their unwavering support, and our invaluable employees and executives for their dedication, hard work, and loyalty.

**On behalf of the board**

**Lahore: 08 December 2023**



**Muhammad Zain-ul-Afaq**

**(Director/Chairman)**

## چیمبر میں رپورٹ

جائزہ رپورٹ چیمبر میں انڈر سکشن 192 کمپنیز ایکٹ، 2017

مجھے اپنی انتظامی ٹیم میں تعاون کرنے پر فخر ہے۔ میری ذمہ داری میں بورڈ کی مجموعی کارکردگی پر جامع رپورٹ پیش کرنا، کمپنی کو اس کے مقاصد کی طرف لے جانے میں اس کی تاثیر کا جائزہ لینا، اور کمپنیز ایکٹ، 2017، اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی پابندی کو یقینی بنانا شامل ہے۔ میں آپ کو سالانہ جنرل میٹنگ کے اس موقع پر خلوص دعوت کرتا ہوں۔۔

ہمارے بورڈ کے اراکین ہمارے مشن اور وژن کے بیانات میں بیان کردہ اعلیٰ اخلاقی اور پیشہ ورانہ معیارات کے ساتھ پوری طرح ہم آہنگ ہیں، جو ہماری کمپنی کے مقاصد کے لیے رہنما اصولوں کے طور پر کام کرتے ہیں۔ ہمارے بورڈ کے اراکین ہمارے مشن اور وژن کے بیانات میں بیان کیے گئے اخلاقی اور پیشہ ورانہ معیارات کے لیے گہری وابستگی رکھتے ہیں، جو ہماری کمپنی کی اقدار اور مقاصد کے لیے لازم و ملزوم ہیں۔ اسٹیل کے کاروبار، فننس، بینکنگ، اور انسانی وسائل میں ان کے متنوع پس منظر تجربات کے ایک بھرپور تالاب کی عکاسی کرتے ہیں۔ بورڈ کمپنی کو چلانے اور اہم پالیسیاں اور حکمت عملی وضع کرنے کی ذمہ داری رکھتا ہے۔ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک میں اپنے کردار کو تسلیم کرتے ہوئے، یہ کارپوریٹ گورننس کے اچھے طریقوں کو برقرار رکھنے میں ثابت قدم ہے۔ کمپنی کی اقدار، مشن اور وژن کے ساتھ منسلک، بورڈ کمپنی کے مقاصد کو حاصل کرنے پر پوری توجہ مرکوز رکھتا ہے۔ مالی سال 2022-2023 میں، کمپنی نے اپنی پیداوار شروع کی، جس کے نتیجے میں یہ مالیاتی بیانات اسٹیل اور اس سے منسلک مصنوعات کے شعبے میں ہماری کارکردگی کی عکاسی کرتے ہیں۔ اسٹیل کی صنعت میں کئی دہائیوں کے تجربے سے فائدہ اٹھاتے ہوئے، بورڈ ہماری مستقبل کی مالی کارکردگی کے بارے میں ایک پر امید نقطہ نظر رکھتا ہے۔

بورڈ کی جانب سے، میں اپنے وفادار صارفین کے مسلسل اعتماد کے لیے، مالیاتی اداروں کا ان کی غیر متزلزل حمایت کے لیے، اور ہمارے انمول ملازمین اور ایگزیکٹوز کا ان کی لگن، محنت اور وفاداری کے لیے تہہ دل سے شکریہ ادا کرتا ہوں۔

منجانب

Amir Afqar

محمد زین العفاق

ڈائریکٹر/چیمبر میں

لاہور: 08 دسمبر 2023

## Six Years at a Glance

	2023	2022	2021	2020	2019	2018
Sales	3,752,110	6,310,320	230,770	-	-	-
Cost of Sales	(3,772,137)	6,014,357	226,742	-	-	-
Grass Profit/(Loss)	(20,027)	295,962	4,028	-	-	-
Administrative General Expenses	(51,623)	(43,874)	(15,274)	(7,659)	(12,101)	(24,694)
Distributing and Selling Expense	(1,298)	(15,775)	(1,844)	-	-	-
Other Expenses	9,348	(16,302)	(2,644)	(2,393)	(6,856)	-
Finance Cost	3,267	(145)	(296)	(1,035)	(734)	(11,729)
Other Income	173	94	22,311	41,710	113,309	718
<b>Profit/ (Loss) before taxation</b>	<b>(85,390)</b>	<b>219,959</b>	<b>6,281</b>	<b>30,623</b>	<b>93,618</b>	<b>(35,705)</b>
Provision for taxation	(118,734)	(29,438)	(3,957)	(426)	8,338	925
<b>Profit/ (Loss) after taxation</b>	<b>204,125</b>	<b>190,521</b>	<b>2,323</b>	<b>30,197</b>	<b>101,956</b>	<b>(34,780)</b>

Rs in "000"

## Statement of Financial Position

Share Capital	1,249,625	1,249,625	250,000	250,000	250,000	250,000
Loan from Directors	254,672	217,072	40,742	66,586	-	-
Reserves	-	9,000	9,000	9,000	9,000	9,000
Accumulated Loss	(325,956)	(113,808)	(304,329)	(306,653)	(336,850)	(586,760)
Surplus on revaluation of Assets	-	-	-	-	-	147,403
<b>Shareholders' Equity</b>	<b>3,177,590</b>	<b>3,361,139</b>	<b>(4,587)</b>	<b>18,933</b>	<b>(77,850)</b>	<b>(180,357)</b>
Non-current Liabilities	-	-	-	3,742	3,232	16,842
Current Liability and Provision	2,676,482	1,187,123	9,193	132,096	231,668	364,622
<b>Total</b>	<b>5,854,073</b>	<b>4,548,262</b>	<b>4,606</b>	<b>154,771</b>	<b>157,050</b>	<b>201,107</b>
Fixed Assets — Tangible	3,833,278	3,014,759	-	-	-	-
Long Term Security Deposits	450	450	-	1,115	115	266
Deferred Tax Asset	-	49,119	-	-	-	-
Current Assets	2,020,345	1,483,934	4,606	153,656	156,935	5,854
Non-current assets held for Sale	-	-	-	-	-	194,987
<b>Total</b>	<b>5,854,073</b>	<b>4,548,262</b>	<b>4,606</b>	<b>154,771</b>	<b>157,050</b>	<b>201,107</b>

## **STATEMENT OF ETHICS AND BUSINESS PRACTICES**

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

### **Directors:**

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

### **Executives and Managers:**

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

### **Employees and Staff Will:**

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



## **STATEMENT OF COMPLIANCE WITH LISTED COMPANIES**

### **Code of Corporate Governance Regulations, 2019 as on, 30 June 2023**

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:

<b>Category</b>	<b>Numbers</b>	<b>Names</b>
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, 2023.
  - o Mr. Muhammad Ali Shafique Ch
  - o Miss Afifa Shafique
  - o 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:**

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

## b) HR and Remuneration Committee:

<b>Name</b>	<b>Designation</b>
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:

<b>Committees</b>	<b>Frequency of Meeting</b>
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:

<b>Sr #</b>	<b>Requirements</b>	<b>Numbers</b>	<b>Regulation No.</b>
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**



**Mr. Muhammad Ali Shafique Ch**  
**Chief Executive Officer**

Lahore: 08 December 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Beco Steel Limited for the year ended June 30, 2023 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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, 2023.



**SHEIKH & CHAUDHRI**  
**Chartered Accountants**

Lahore, Pakistan

Date: December 12, 2023

**UDIN: CR202310306fQRLSOzEc**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Disclaimer of Opinion**

We were engaged to audit the annexed financial statements of **Beco Steel Limited (the Company)** which comprise the statements of Financial Position as at June 30, 2023, 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 summary of significant accounting policies and other explanatory Information.

We do not express an opinion on the accompanying financial statements of the Company. Because of significance of matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

#### **Basis for Disclaimer of Opinion**

We were not appointed as auditors of the Company until after June 30, 2023 and thus did not observe the counting of physical inventories at the beginning and end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities and valuation held at June 30 2023 and 2022, which are stated in the Statements of Financial Position at Rs. 1,116 million and Rs 458 million, respectively. As a result of this matter, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories and the elements making the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows.

## **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 (pox 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 this 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 intend 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 responsibility is to conduct an audit of the Company's financial statements in accordance with international Standards on Auditing as applicable in Pakistan and to issue an auditor's report. However, because of the matter described in the Basis for Downer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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 these requirements.



## Report on Other Legal and Regulatory Requirements

Became of the significance of the matters described is Basis of Disclaimer of Opinion section of our report, we express no opinion whether:

- a) proper books of access have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit and 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;
- c) investments made, expenditure incurred and guarantees extended during the you were for the purpose of the Company's business; and
- d) zakat was deducted at source under the Zakat and Ushr Ordinance 1980 (XVIII of 1980), and paid subsequently on 7 December 2023 on payment of dividends for the year ended June 30, 2022.

### Other matter

The financial statements of Beco Steel Limited (the Company) for the year ended June 30, 2022, were audited by another auditor who expressed Unmodified opinion on those statements on October 06, 2022.

The Engagement Partner on the audit resulting in this independent auditor's report is Saad Ali Rana.

Lahore

Date: December 12, 2023

**UDIN: AR202310306pHsG1qMnW**




**SHEIKH & CHAUDHRI**  
**Chartered Accountants**

**STATEMENT OF FINANCIAL POSITION AS ON 30 JUNE 2023**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>30-June-2023 Rupees</b>	<b>30-June-2022 Rupees</b>
<b>Share capital and reserves</b>			
Authorized share capital: 150,000,000 (30 June 2022: 150,000,000) ordinary shares of Rs.10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up capital	<b>10</b>	1,249,625,100	1,249,625,100
Share premium	<b>11</b>	1,999,250,200	1,999,250,200
Loan from sponsor	<b>12</b>	254,672,420	217,072,420
Revenue reserve		-	9,000,000
Accumulated loss		(325,956,731)	(113,808,140)
		<u>3,177,590,989</u>	<u>3,361,139,580</u>
<b>Current liabilities</b>			
Trade and other payables	<b>13</b>	2,648,439,498	1,105,942,115
Accrued markup		-	850,000
Deferred tax liability	<b>14</b>	23,131,835	-
Unclaimed dividend		4,911,563	1,034,090
		<u>2,676,482,895</u>	<u>1,107,826,204</u>
Contingencies and commitments	<b>15</b>	-	-
		<u><b>5,854,073,884</b></u>	<u><b>4,468,965,784</b></u>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	<b>16</b>	3,833,278,224	3,014,759,335
Long term security deposits		450,000	450,000
Deferred tax asset		-	49,119,289
		<u>3,833,728,224</u>	<u>3,064,328,624</u>
<b>Current assets</b>			
Stock in trade		1,115,998,773	458,151,183
Stores spares and loose tools		-	819,832
Trade debts	<b>17</b>	691,297,266	901,779,197
Income tax due from Government	<b>18</b>	41,820,625	7,290,432
Trade deposit and short term prepayment:	<b>19</b>	139,874,550	160,000
Short term investment	<b>20</b>	-	1,103,997
Cash and bank balances	<b>21</b>	31,354,447	35,332,519
		<u>2,020,345,661</u>	<u>1,404,637,160</u>
		<u><b>5,854,073,884</b></u>	<u><b>4,468,965,784</b></u>

The annexed notes from 01 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30 JUNE 2023**

		<b>30-June-2023</b>	<b>30-June-2022</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
Sales	<b>22</b>	3,752,110,358	6,310,320,105
Cost of sales	<b>23</b>	(3,772,137,440)	(6,014,357,200)
Gross (loss) / profit		<u>(20,027,082)</u>	<u>295,962,905</u>
<b>Operating expenses:</b>			
Administrative expense	<b>24</b>	(51,623,408)	(43,874,558)
Distribution and selling expenses	<b>25</b>	(1,298,000)	(15,775,800)
Other operating expenses	<b>26</b>	(9,348,524)	(16,302,077)
		<u>(62,269,932)</u>	<u>(75,952,435)</u>
Operating (loss) / profit		(82,297,014)	220,010,470
Other income	<b>27</b>	173,760	94,909
Profit from operations		<u>(82,123,254)</u>	<u>220,105,379</u>
Finance cost	<b>28</b>	(3,267,678)	(145,473)
<b>Profit before taxation</b>		<u>(85,390,931)</u>	<u>219,959,906</u>
Taxation	<b>29</b>	(118,734,499)	(29,438,667)
<b>Profit after taxation</b>		<u>(204,125,431)</u>	<u>190,521,239</u>
<b>(Loss) / earning per share - basic and diluted</b>	<b>30</b>	<u>(1.63)</u>	<u>4.45</u>

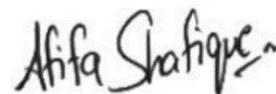
The annexed notes from 01 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

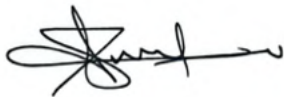


CHIEF FINANCIAL OFFICER

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023**

		30-June-2023	30-June-2022
	Note	Rupees	Rupees
Net (loss) / profit for the year		(204,125,431)	190,521,239
Other comprehensive income:		-	-
Total comprehensive (loss) / income for the year		<u>(204,125,431)</u>	<u>190,521,239</u>

The annexed notes from 01 to 40 form an integral part of these financial statements



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	(Rupees)					
	Share capital	Share premium	Loan from sponsor	Revenue reserve	Accumulated Loss / profit	Total equity
Balance as at 30 June 2021	250,000,000	-	40,742,220	9,000,000	(304,329,379)	(4,587,159)
Profit for the year ended 30 June 2022	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	190,521,239	190,521,239
Issuance of shares	999,625,100	-	-	-	-	999,625,100
Share premium on issuance of shares	-	1,999,250,200	-	-	-	1,999,250,200
Loan from sponsor	-	-	176,330,200	-	-	176,330,200
	999,625,100	1,999,250,200	176,330,200	-	190,521,239	3,365,726,739
<b>Balance as at 30 June 2022</b>	<b>1,249,625,100</b>	<b>1,999,250,200</b>	<b>217,072,420</b>	<b>9,000,000</b>	<b>(113,808,140)</b>	<b>3,361,139,580</b>
Loss for the year	-	-	-	-	-	-
Loan from sponsor repaid	-	-	(18,000,000)	-	-	(18,000,000)
Loan from sponsor	-	-	55,600,000	-	-	55,600,000
Dividend paid for the year ended- 30 June 2022	-	-	-	-	(17,023,160)	(17,023,160)
Reserves	-	-	-	(9,000,000)	9,000,000	-
	-	-	37,600,000	(9,000,000)	(212,148,591)	(183,548,591)
<b>Balance as at 30 June 2023</b>	<b>1,249,625,100</b>	<b>1,999,250,200</b>	<b>254,672,420</b>	<b>-</b>	<b>(325,956,731)</b>	<b>3,177,590,989</b>

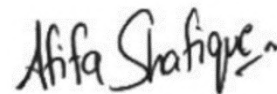
The annexed notes from 01 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	30-June-2023	30-June-2022
Note	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/ profit for the year before taxation	(85,390,931)	219,959,906
Adjustments for following items:		
Depreciation	16.2 73,352,362	12,406,065
Provision for Worker Profit's Participation Fund	-	11,813,099
Provision for Worker Welfare's Fund	-	4,488,978
Finance cost	28 3,267,678	145,473
	<u>76,620,040</u>	<u>28,853,615</u>
<b>Operating profit before working capital changes</b>	<b>(8,770,892)</b>	<b>248,813,521</b>
<b>(Increase) / decrease in current assets:</b>		
Stock in trade	(657,847,590)	(458,151,183)
Stores spares and loose tools	819,832	(819,832)
Trade debts	210,481,931	(901,779,197)
Other receivables	-	60,245
Trade deposit and short term prepayments	(139,714,550)	(160,000)
Short term investment	1,103,997	(94,909)
	<u>(585,156,381)</u>	<u>(1,360,944,876)</u>
<b>Increase / (decrease) in current liabilities</b>		
Accrued markup	(850,000)	-
Unclaimed dividend	3,877,473	-
Trade and other payables	1,542,497,383	1,086,166,631
	<u>1,545,524,857</u>	<u>1,086,166,631</u>
<b>Cash generated from operations</b>	<b>951,597,584</b>	<b>(25,964,724)</b>
Finance cost paid	(3,267,678)	(101,502)
Income tax paid	(81,013,568)	(87,566,069)
	<u>(84,281,246)</u>	<u>(87,667,571)</u>
<b>Net cash used in operating activities</b>	<b>867,316,339</b>	<b>(113,632,295)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	16.10 (891,871,250)	(28,290,101)
Long term security deposits	-	(450,000)
<b>Net cash used in investing activities</b>	<b>(891,871,250)</b>	<b>(28,740,101)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan from sponsor	55,600,000	176,330,200
Dividend paid	(17,023,160)	-
Repayment of loan from sponsor	(18,000,000)	-
<b>Net cash flows generated from financing activities</b>	<b>20,576,840</b>	<b>176,330,200</b>
Net (decrease) / increase in cash and cash equivalents	(3,978,071)	33,957,804
Cash and cash equivalents at the beginning of the year	35,332,519	1,374,715
Cash and cash equivalents at the end of the year	<u>31,354,447</u>	<u>35,332,519</u>

The annexed notes from 01 to 40 form an integral part of these financial statements.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

## **Notes to the Financial Statements for the year ended 30 June 2023:**

### **1. LEGAL STATUS AND NATURE OF BUSINESS**

1.1 M/s Beco Steel Limited ("the Company") is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing of steel and allied products along with ancillary activities thereto.

#### **1.2 ISSUANCE OF SHARES BY WAY OF OTHER THAN RIGHT OFFER, AND FOR CONSIDERATION OTHER THAN CASH AGAINST ACQUISITION OF NON-CASH ASSETS INCLUDING LAND, BUILDING, PLANT AND MACHINERY**

SECP vide its letter No. EMD/CI/80/2008/58 dated 31 January 2022, approved the issuance of 99,962,510 ordinary shares of the Company, having par value of PKR 10/- each, at a premium of PKR 20/- per share, for total value of PKR 2,998,875,300/- by way of other than right offer against consideration of non-cash assets, including land, building, and plant & machinery.

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

The company has initiated an expansion in Plant and Machinery, as disclosed to both the PSX and shareholders. This new direct re-rolling plant is strategically designed to diminish dependence on imported fuel and lower coal costs by eliminating the re-heating process. Notably, the entire mill is being locally manufactured, primarily utilizing our own resources. The construction of the shed, cranes, bridges, kainchis, conveyor, and cooling bed involves the use of in-house manufactured angles. Additionally, crucial components such as the mill's wheel, rolls, tankian, gears, ghorian and other steel elements are meticulously crafted within our own heating furnace and workshop.

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

The registered office of the Company 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.



### 3 BASIS OF PREPARATION

#### 3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 4 NEW STANDARDS AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS

#### 4.1 Amendments to published accounting and reporting standards which became effective during the year:

There were certain amendments to the accounting and reporting standards which became mandatory for the Company during the year. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated financial statements.

#### 4.2 Standard and amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Company:

There is a standard and certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated financial statements.

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

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

##### **Amendment of Framework**

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform  
IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

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

#### 4.4 Standards, amendments, and improvements to the approved accounting standards that are not yet effective.

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

Standard or Interpretation	Effective date (Annual periods beginning on or after)
IAS 1 Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 1 Disclosure of Accounting Policies (Amendments)	January 1, 2023
IAS 8 Definition of Accounting Estimates (Amendments)	January 1, 2023
IAS 12 Deferred tax related to Assets and Liabilities arising from a	January 1, 2023
IFRS 10 Sale or Contribution of Assets between an Investor and its / IAS 28 Associate or Joint Venture (Amendments)	

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

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

## 5 FUNCTIONAL AND PRESENTATION CURRENCY

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

## **6 GOING CONCERN**

The Company has incurred gross loss this year mainly on account of higher production costs as compared to revenue generated. During the year, the Company has incurred a net loss amounting to Rs. 204,125,431 which increased the accumulated losses to Rs. 325,956,731 (2022: Rs.113,808,140); thereby eroding the equity by an amount of Rs. 3,177,590,989 (2022: Rs. 3,361,139,580) with a negative quick ratio of 0.62:1 (2022: 0.64:1). 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. Management's plans to address these concerns by providing letter of facility by Director to finance entity in case of liquidity.

## **7 BASIS OF MEASUREMENT**

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

## **8 USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS**

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in these financial statements to the carrying amount of assets, liabilities, assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the subsequent years are set forth below:

- Property, plant and equipment (refer to note 9.3)
- Stock-in-trade (refer to note 9.5)
- Taxation (refer to note 9.6)

## 9 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

### 9.1 Useful lives, patterns of economic benefits and impairments

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

### 9.2 Inventories

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

### 9.3 Tangible fixed assets and depreciation

#### a) Cost

These are initially stated at cost. Subsequently, these are stated at cost less accumulated depreciation and accumulated impairment loss, if any, except for freehold land which is stated at cost less impairment, if any. Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates disclosed in note 14.1 to the financial statements. Depreciation is charged from the month in which an asset is available for use, upto the date of disposal.

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

Subsequent costs are included in the asset's gross carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other

repair and maintenance costs are charged to the statement of profit or loss during the period in which they are incurred.

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

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

**b) Depreciation**

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

**c) De-recognition**

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

**d) Impairment**

'The carrying amount of property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell. An impairment is recognized in profit or loss if the carrying amount exceeds its estimated recoverable amount.

#### 9.4 **Capital work-in-progress:**

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.

#### 9.5 **Stock-in-trade**

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

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

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

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

The Company reviews the carrying amount of inventories on a regular basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence / excess inventories, if there is any change in usage pattern and / or physical form of related inventory. Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature, which can change significantly as a result of changes in market conditions. Major spare parts and stand-by equipment qualify as property, plant, and equipment when the Company expects to use them for more than one year. Transfers are made to tangible fixed assets category as and when such items are available for use.

#### 9.6 **Taxation**

##### **a) Current:**

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

**b) Prior:**

This includes adjustments, where considered necessary, to existing provision for tax made in previous years arising from assessments framed during the period for such years.

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

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

**9.7 Revenue from Contracts with Customers**

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

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

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

a) **Revenue recognition**

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

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

b) **Sale of goods**

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

c) **Interest**

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



d) **Other revenue**

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

e) **Contract assets**

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

f) **Contract liabilities**

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

9.8 **Provisions**

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

9.9 **Share capital**

Ordinary shares are classified as equity.

9.10 **Revenue Reserve**

The company may create revenue reserves for various purposes such as contingency funding, research and development and debt repayment etc, after authorization by Board of Directors. During the year revenue reserve created has been transferred to retained earnings as the management did not foresee its utility in the near future.

## 9.11 IFRS 9 “Financial instruments”

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

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

### A) **Recognition of financial instruments**

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

### B) **Classification and measurement of financial instruments**

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

## **Investments and other financial assets**

### **a) Classification**

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

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

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

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

### **b) Measurement**

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

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

## Debt instruments

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

### a) **Amortized cost**

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

### b) **Fair value through other comprehensive income (FVTOCI)**

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

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

### c) **Fair value through profit or loss**

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

## Equity instruments

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

- **Fair value through other comprehensive income (FVTOCI)**

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

- **Fair value through profit or loss**

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

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

- **Classification and measurement**

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

## C) Impairment of financial assets

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

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

## D) De-recognition

### Financial assets

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

### Financial liabilities

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

### Offsetting of financial instruments

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

### Hedge accounting

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

'There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company during the year ended 30 June 2023.

### 9.12 **Trade and other receivables**

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

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

### 9.13 **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.

### 9.14 **Earnings per share**

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

### 9.15 **Contingent assets**

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

### 9.16 **Contingent liabilities**

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

#### 9.17 **Related party transactions and transfer pricing**

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

##### **Related parties**

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

#### 9.18 **Trade and other payables**

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

#### 9.19 **Dividend and other appropriations**

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

#### 9.20 **Foreign currency transactions and translation**

Transactions in foreign currencies are translated to Pakistani Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pakistani Rupees at the foreign exchange rates approximating those prevailing at the statement of financial position date. When there is temporary lack of exchangeability then rate subsequent to the reporting date, is used for translation of foreign currency balances at the reporting date. Exchange differences, if any, are charged to the statement of profit or loss.



10		2023	2022
	Note	Rupees	Rupees
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
124,962,510 (2022: 124,962,510) ordinary shares of Rs. 10/- each fully paid in cash	10.1	1,249,625,100	1,249,625,100
		<u>1,249,625,100</u>	<u>1,249,625,100</u>
<p><b>10.1</b> Fully paid ordinary shares, which have a par value Rs. 10/-, carry one vote per share and carry right to dividends.</p>			

11	Note		
<b>SHARES ISSUED ON PREMIUM</b>			
99,962,510 ordinary shares of Rs. 20/- each issued against consideration other than cash	11.1	1,999,250,200	1,999,250,200
		<u>1,999,250,200</u>	<u>1,999,250,200</u>
<p><b>11.1</b> SECP vide its letter No. EMD/CI/80/2009/58 dated January 31, 2022 approved the issuance of 99,962,510 ordinary shares of the company having par value of Rs. 10 per share, at a premium of Rs. 20 per share in aggregate amounting to equivalent of Rs. 2,998,875,300/- (i.e. par value of shares Rs. 999,625,100 and value of share premium Rs. 1,999,250,200) by the way of other than right offer against consideration of non cash assets, including land, building and plant and machinery. The process of issuance of shares has been completed during the year, and non cash assets, including land, building and plant and machinery has been transferred to the company.</p>			

## 12 LOAN FROM SPONSOR

- 12.1** 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.

		<b>2023</b>	<b>2022</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>13 TRADE AND OTHER PAYABLES</b>			
Trade creditors		2,066,656,279	1,010,825,382
Due to related parties		7,700,403	650,217
Workers' Profit Participation Fund	<b>13.1</b>	15,355,051	12,208,834
Workers' Welfare Fund	<b>13.2</b>	4,488,978	4,488,978
Accrued liabilities		15,792,957	-
Other payables		48,291,456	77,768,704
Sales tax payable		110,079,475	-
Provision for industrial bill		380,074,899	-
		<u>2,648,439,498</u>	<u>1,105,942,115</u>

**13.1 Workers' Profit Participation Fund**

Opening balance		12,208,834	351,764
Provision for the year		-	11,813,099
Mark up on W.P.P.F.	<b>13.1.01</b>	3,146,217	43,971
		<u>15,355,051</u>	<u>12,208,834</u>
Payment /adjustment during the year		-	-
		<u>15,355,051</u>	<u>12,208,834</u>

**13.1.0** The Markup is calculated using kibar rate as at 30 June 2023 (23.27%+ 2.5%) 25.77%.

**13.2 Workers' welfare fund**

Opening balance		4,488,978	128,180
Provision for the year		-	4,488,978
		<u>4,488,978</u>	<u>4,617,158</u>
Payment during the year		-	(128,180)
		<u>4,488,978</u>	<u>4,488,978</u>

**14 DEFERRED TAXATION**

<b>14.1 DEFERRED TAXATION</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>Deferred taxation comprises of the following:</b>			
Deferred tax liability on taxable temporary dif		23,131,835	13,113,373
<b>Deferred tax asset on deductible temporary differences:</b>			
Tax losses		-	62,232,662
Net deferred tax liability/ (asset)		23,131,835	(49,119,289)
Deferred tax liability / (asset) not recognized		-	-
Deferred tax liability / (asset) - recognized		<u>23,131,835</u>	<u>(49,119,289)</u>

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

**15 CONTINGENCIES AND COMMITMENTS****15.1 Contingencies**

There were no contingencies as at the year end (2022: Nil).

**15.2 Commitments**

There were no commitments as at the year end (2022: Nil).

**16 PROPERTY, PLANT AND EQUIPMENT**

		<b>2023</b>	<b>2022</b>
		<b>Rupees</b>	<b>Rupees</b>
Operating fixed assets - owned	16.1	2,942,881,974	3,014,759,336
CWIP		890,396,250	-
		<u>3,833,278,224</u>	<u>3,014,759,336</u>
<b>16.2 Depreciation charge for the year</b>			
Cost of sales	23	71,042,619	12,070,975
Administrative Expenses	24	2,309,743	335,090
		<u>73,352,362</u>	<u>12,406,065</u>
<b>17 TRADE DEBTS</b>			
Considered good:			
Unsecured		<u>691,297,266</u>	<u>901,779,197</u>
<b>18 INCOME TAX DUE FROM GOVERNMENT</b>			
Advance income tax		87,769,119	86,587,437
Provision for taxation	18.1	<u>(45,948,494)</u>	<u>(79,297,005)</u>
		<u>41,820,625</u>	<u>7,290,432</u>
<b>18.1 Provision for taxation</b>			
Opening balance		79,297,005	3,879,557
Add: taxation - current		46,483,375	78,879,001
		<u>125,780,380</u>	<u>82,758,558</u>
Less: tax payments / adjustments during the year		<u>(79,831,886)</u>	<u>(3,461,553)</u>
		<u>45,948,494</u>	<u>79,297,005</u>
<b>19 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Sales tax receivable		139,715,923	1,373
Other receivables		158,627	158,627
		<u>139,874,550</u>	<u>160,000</u>
<b>20 SHORT TERM INVESTMENT</b>			
Term deposit receipt		-	925,942
Add: Profit accrued during the year		-	178,055
		<u>-</u>	<u>1,103,997</u>

16.1 OPERATING FIXED ASSETS

30-Jun-23

Description	Cost 01 July 2022	Additions / Deletions	Cost 30 June 2023	Accumulated depreciation as at 01 July 2022	Depreciation charge / (deletions) for the year	Accumulated depreciation as at 30 June 2023	Book Value as at 30 June 2023	Rate of depreciation %
<b>Owned assets</b>								
Land	2,192,552,451	-	2,192,552,451	-	-	-	2,192,552,451	
Building	202,680,300	-	202,680,300	1,689,003	10,049,565	11,738,568	190,941,732	5%
Plant and machinery	619,895,000	500,000	620,395,000	10,331,583	60,993,054	71,324,637	549,070,363	10%
Office Furniture and Fi	875,850	-	875,850	14,598	86,125	100,723	775,127	10%
Computer Equipment	1,275,050	-	1,275,050	63,752	363,389	427,141	847,909	30%
Office Equipment	1,345,750	-	1,345,750	22,429	132,332	154,761	1,190,989	10%
Owned Vehicles	8,541,000	975,000	9,516,000	284,700	1,727,897	2,012,597	7,503,403	20%
CWIP	-	890,396,250	890,396,250	-	-	-	890,396,250	
<b>2023</b>	<b>3,027,165,401</b>	<b>891,871,250</b>	<b>3,028,640,401</b>	<b>12,406,065</b>	<b>73,352,362</b>	<b>85,758,427</b>	<b>2,942,881,974</b>	

30-Jun-22

Description	Cost 01 July 2021	Additions / Deletions	Cost 30 June 2022	Accumulated depreciation as at 01 July 2021	Depreciation charge / (deletions) for the year	Accumulated depreciation as at 30 June 2022	Book Value as at 30 June 2022	Rate of depreciation %
<b>Owned assets</b>								
Land	-	2,192,552,451	2,192,552,451	-	-	-	2,192,552,451	
Building	-	202,680,300	202,680,300	-	1,689,003	1,689,003	200,991,297	5%
Plant and machinery	-	619,895,000	619,895,000	-	10,331,583	10,331,583	609,563,417	10%
Office Furniture and Fi	-	875,850	875,850	-	14,598	14,598	861,252	10%
Computer Equipment	-	1,275,050	1,275,050	-	63,753	63,753	1,211,297	30%
Office Equipment	-	1,345,750	1,345,750	-	22,429	22,429	1,323,321	10%
Owned Vehicles	-	8,541,000	8,541,000	-	284,700	284,700	8,256,300	20%
<b>2022</b>	<b>-</b>	<b>3,027,165,401</b>	<b>3,027,165,401</b>	<b>-</b>	<b>12,406,066</b>	<b>12,406,066</b>	<b>3,014,759,335</b>	

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>21 CASH AND BANK BALANCES</b>			
Cash in hand		20,031,372	19,138,672
Cash at bank:			
- In current accounts		7,804,137	15,147,593
- In saving accounts	<b>21.1</b>	3,518,938	1,046,254
		<u>31,354,447</u>	<u>35,332,519</u>
<b>21.1</b>	These carry profit ranging from 7.50% to 11.50% per anum.		
<b>22 SALES - NET</b>			
Sales		4,400,676,325	7,383,074,534
Less: Sales tax		(648,565,967)	(1,072,754,429)
		<u>3,752,110,358</u>	<u>6,310,320,105</u>
<b>23 COST OF SALE</b>			
Raw material consumed	<b>23.1</b>	2,815,845,482	5,445,490,611
Salaries, wages and other benefits		154,461,806	298,902,389
Stores and spares		12,392,404	18,471,541
Fuel and power		715,160,353	405,742,374
Repair and maintenance		97,300	16,843,218
Depreciation	<b>16.2</b>	71,042,619	12,070,975
Other factory overheads		3,137,476	4,528,788
		<u>3,772,137,440</u>	<u>6,202,049,896</u>
<b>Cost of sales</b>		<u>3,772,137,440</u>	<u>6,014,357,200</u>
<b>23.1 Stock in trade</b>			
Opening		458,151,183	-
Purchases		4,353,589,322	5,715,949,098
		4,811,740,505	5,715,949,098
Closing Stock		(1,115,998,773)	(270,458,487)
		3,695,741,732	5,445,490,611
Self consumption		(879,896,250)	-
		<u>2,815,845,482</u>	<u>5,445,490,611</u>
<b>24 ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits		15,013,500	15,465,398
Directors Remuneration		1,950,000	-
Advertisement, publicity and promotion		1,992,862	-
Rent, rates and taxes		5,192,834	4,217,500
Postage and telephone		81,140	368,987
Electricity, gas and water		913,361	913,488
Printing and stationery		453,035	504,223
Repair and maintenance		466,665	37,000
Travelling and conveyance		13,175,084	3,748,123
Legal and professional		3,906,450	11,040,651
Auditors' remuneration	24.1	1,490,000	1,630,000
Fee and subscription		2,030,000	4,854,654
Entertainment		1,328,334	562,488
Depreciation	16.2	2,309,743	335,090
Miscellaneous		1,320,400	196,956
		<u>51,623,408</u>	<u>43,874,558</u>

<b>24.1 Auditors' remuneration</b>			
		1,200,000	1,200,000
		250,000	250,000
		-	100,000
		40,000	30,000
		-	50,000
		<b>1,490,000</b>	<b>1,630,000</b>
<b>25</b>	<b>SELLING AND DISTRIBUTION</b>		
	Salaries and other benefits	1,298,000	2,341,514
	Carriage and transport	-	13,434,286
		<b>1,298,000</b>	<b>15,775,800</b>
<b>26</b>	<b>OTHER EXPENSES</b>		
	Provision for Workers' Profit Participation Fund	-	11,813,099
	Provision for Workers' Welfare Fund	-	4,488,978
	Other charges	9,348,524	-
		<b>9,348,524</b>	<b>16,302,077</b>
<b>27</b>	<b>OTHER INCOME</b>		
	Income from financial assets		
	- Profit on saving bank account	173,760	94,909
		<b>173,760</b>	<b>94,909</b>
<b>28</b>	<b>FINANCE COST</b>		
	Interest on Workers' Profit Participation Fund	3,146,217	43,971
	Bank charges	121,461	101,502
		<b>3,267,678</b>	<b>145,473</b>
<b>29</b>	<b>TAXATION</b>		
	- Current year	29.1	46,901,379
	- Prior years		(418,004)
			46,483,375
	- Deferred tax	14.2	72,251,124
			(49,119,289)
			<b>118,734,499</b>
			<b>29,438,667</b>
<b>29.1</b>	Provision for current income tax is made under the relevant provisions of the Income Tax Ordinance, 2001. Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented being impracticable.		
<b>30</b>	<b>EARNINGS PER SHARE</b>		
	Basic earnings per share:		
	(Loss) / profit after taxation	Rs.	(204,125,431)
	Weighted average number of ordinary shares	No.	124,962,510
	Profit per share – basic and diluted	Rs.	(1.63)
<b>30.1</b>	There has been no effect of dilution on earnings per share during the year as the Company had no such commitments.		

### 31 TRANSACTIONS WITH RELATED PARTIES

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

Name of Related Party	Description	2023	2022
		Rupees	Rupees
	Opening balance	650,217	-
<b>ALI ENTERPRISES</b>	Purchases during the year	11,350,186	43,648,106
	Payments during the year	(4,300,000)	(42,997,889)
	Closing balance	7,700,403	650,217
	Maximum balance in the month of July 2023 (2022: August)	12,000,403	43,648,106
	The company has a relation of purchasing of goods with the related party.		
	Opening balance	3,235,389	-
<b>ALI ENTERPRISES</b>	Purchases during the year	180,244,695	3,235,389
<b>RE-ROLLING MILLS</b>	Payments during the year	(4,235,389)	-
	Closing balance	179,244,695	3,235,389
	Maximum balance in the month of November 2023 (2022: March)	180,244,695	3,235,389
	The company has a relation of purchasing of goods with the related party.		
	Opening balance	(17,000,000)	-
<b>CHAUDHRY STEEL MILLS</b>	Purchases during the year	187,000,000	1,009,962,111
	Payments during the year	-	(1,026,962,111)
	Closing balance	170,000,000	(17,000,000)
	Maximum balance in the month of June 2023 (2022: September)	170,000,000	1,009,962,111
	The company has a relation of purchasing of goods with the related party.		
	Opening balance	217,072,420	40,742,220
<b>CHAUDARY MUHAMMAD SHAFIQUE</b>	Loan obtained during the year	55,600,000	176,330,200
	Loan repaid during the year	(18,000,000)	-
	Closing balance	254,672,420	217,072,420
	Maximum balance in the month of february (2022: May)	272,672,420	234,072,420
	The related party is the shareholder of the company and the company has obtained loan from shareholder		

### 32 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

		2023	2022
Managerial remuneration	Number of persons		
Chief Executive	1	1,250,000	1,300,000
Director	1	350,000	-
Executives	1	350,000	-
Allowances:			
Reimbursement - Travelling		-	-
Utilities		-	-
		<u>1,950,000</u>	<u>1,300,000</u>

### 33 NUMBER OF EMPLOYEES

Average number of employees during the year	34	150
Number of employees at the year end	<u>34</u>	<u>160</u>

### 34 FINANCIAL INSTRUMENT BY CATEGORY

#### Financial assets as per statement of financial position

Deposits	450,000	450,000
Term deposit receipt	-	1,103,997
Trade debts	691,297,266	901,779,197
Other receivables	160,000	-
Cash and bank balances	31,354,447	35,332,519
	<u>723,261,713</u>	<u>938,665,713</u>

#### Financial liabilities as per statement of financial position

Trade and other payables	2,988,416,294	1,089,244,303
Accrued markup	-	850,000
Unclaimed dividend	4,911,563	1,034,090
	<u>2,993,327,856</u>	<u>1,091,128,393</u>

### 35 FAIR VALUE OF FINANCIAL INSTRUMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



- Level 1: Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.  
Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).  
Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

<b>2023</b>									
	Carrying amount					Fair Value			
	Fair value through profit or loss	Fair value through OCI	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments									
<b>Financial assets not measured at fair value</b>									
Investments									
- Long term security	-	-	450,000	-	450,000	450,000	-	-	450,000
- Short term investment	-	-	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
- Trade and other payables	-	-	-	2,122,648,138	2,122,648,138	-	-	-	-
- Unclaimed dividend	-	-	-	4,911,563	4,911,563	-	-	-	-
	-	-	-	2,127,559,701	2,127,559,701				-
	-	-	-	2,127,559,701	2,127,559,701				-
<b>2022</b>									
	Carrying amount					Fair Value			
	Fair value through profit or loss	Fair value through OCI	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments									
<b>Financial assets not measured at fair value</b>									
Investments									
- Long term security	-	-	450,000	-	450,000	450,000	-	-	450,000
- Short term investment	-	-	1,103,997	-	1,103,997	1,103,997	-	-	1,103,997
<b>Financial liabilities not measured at fair value</b>									
- Trade and other payables	-	-	-	1,089,244,303	1,089,244,303	-	-	-	-
- Unclaimed dividend	-	-	-	1,034,090	1,034,090	-	-	-	-
	-	-	-	1,090,278,393	1,090,278,393				-
	-	-	-	1,090,278,393	1,090,278,393				-

The Company has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 36 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies.

### 36.1

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring and cause the other party to incur a financial loss. The Company attempts to a control credit risk by monitoring credit risk, limiting transactions with specific counter parties and continually assessing the creditworthiness of a counterparties Concentrations of credit risk arise when a number of counterparties are engaged in similar activities or have similar economic feature that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

	2023	2022
Deposits	450,000	450,000
Term deposit receipt	-	1,103,997
Trade debts	691,297,266	901,779,197
Other receivables	158,627	-
Bank balances	31,354,447	35,332,519
	<u>722,810,340</u>	<u>938,215,713</u>

### Trade and receivables

To manage exposure to credit risk in respect of trade and other receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales tenders and credit terms are approved by the tender approval committee. Where considered necessary, advance payments are obtained from certain parties.

All the trade debtors at the reporting date represent domestic parties.

The maximum exposure to credit risk before any credit enhancements for trade debts at the reporting date by type of customer was as follows:

	<b>2023</b>	<b>2022</b>
The aging of trade debts at the reporting date is		
Not past due	345,648,633	450,889,599
Past due 1 - 90 days	207,389,180	270,533,759
Past due 90 - 180 days	138,259,453	180,355,839
Past due 180 days	-	-
	<u>691,297,266</u>	<u>901,779,197</u>
Less: Impaired	-	-
	<u>691,297,266</u>	<u>901,779,197</u>

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 30 June 2023 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 Pakistan 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.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Management uses actual historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance.

Loss rates are based on actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and Group's view of economic conditions over the expected lives of the trade debts.

Based on past experience the management believes that no impairment allowance is necessary in respect of trade debts.

#### **Settlement risk**

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The company's policy is to enter into financial instrument contract by following internal guidelines such as approving counter-parties and approving credits.

## Bank balances

Concentration of credit risk:

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The company believes that it is not exposed to major concentration of credit risk.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

Banks	Agency	Rating		Rupees	
		Short term	Long term	2023	2022
JS Bank Limited	PACRA	A1+	AA-	6,598	2,302,353
Habib Metropolitan Bank	PACRA	A1+	AA+	131,605	132,860
Soneri Bank Limited	PACRA	A1+	AA-	51,561	356,561
Meezan Bank Limited	VIS	AAA	A-1+	3,332,780	12,089,926
Alfalah Bank Limited	PACRA	A1+	AA+	3,938,268	-
Habib Metro Bank Limited	PACRA	A1+	AA+	265,893	265,893
Habib Metro Bank Limited	PACRA	A1+	AA+	1,108,445	1,046,254
Meezan Bank Limited	VIS	AAA	A-1+	2,278,888	-
Habib Metro Bank Limited	PACRA	A1+	AAA	209,037	-
				<u>11,323,075</u>	<u>16,193,847</u>

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

### 36.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its obligation arising from financial liabilities that are settled by delivering cash or another financial asset or that such obligation will have to be settled in a manner disadvantageous to the Company. The Company is not materially exposed to liquidity risk as substantially all obligation / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained running finance facilities from various commercial banks to meet the short term liquidity commitments, if any.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

2023	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
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Rupees

**Non-derivative financial liabilities:**

Trade and other payables	2,122,648,138	2,122,648,138	2,122,648,138	-	-	-
Unclaimed dividend	4,911,563	4,911,563	4,911,563	-	-	-
	<u>2,127,559,701</u>	<u>2,127,559,701</u>	<u>2,127,559,701</u>	<u>-</u>	<u>-</u>	<u>-</u>

Contractual maturities of financial liabilities as at 30 June 2022.

2022	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
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Rupees

**Non-derivative financial liabilities:**

Trade and other payables	1,089,244,303	1,089,244,303	1,089,244,303	-	-	-
Unclaimed dividend	1,034,090	1,034,090	1,034,090	-	-	-
	<u>1,091,128,393</u>	<u>1,091,128,393</u>	<u>1,091,128,393</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 36.3 Market risk

Market risk is the risk that changes in market price, 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 Investment Committee monitors the portfolio of its investments and adjust the portfolio in light of changing circumstances.

#### 36.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

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

#### 36.3.2 Other price risk

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

#### 36.3.3 Interest rate risk

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

At the reporting date, the Company's profile does not indicate any interest-bearing instruments

### 37 CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The company's overall strategy remains unchanged from year 2022.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payments to shareholders or issue new shares. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Company is not subject to any externally imposed capital requirements.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt less cash and bank balances. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

#### 37.1 Gearing ratio

The gearing ratio at end of the year is calculated as follows:

	Note	2023	2022
Cash and bank balance		31,354,447	35,332,519
Debt		-	-
Total Equity		3,177,590,989	3,361,139,580
Total capital employed		3,177,590,989	3,361,139,580
Gearing Ratio (%)		-	-

### 38 PLANT CAPACITY AND ACTUAL PRODUCTION

	2023 Metric Tons	2022 Metric Tons
Plant Capacity		
Melting	86,420	86,450
Re-rolling	127,200	84,000
<b>Installed capacity:</b>		
	86,420	33,210
	127,200	31,190

### 39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 8th December, 2023 by the Board of Directors of the Company.

### 40 GENERAL

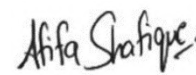
Figures have been rounded off to nearest of Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

### PATTERN OF SHAREHOLDING AS AT 30 JUNE 2023

Number of Shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total
	From	To		
212	1	100	10,953	0.0088%
335	101	500	139,880	0.1119%
145	501	1000	137,236	0.1098%
261	1001	5000	753,472	0.6030%
82	5001	10000	654,267	0.5236%
26	10001	15000	327,275	0.2619%
24	15001	20000	441,501	0.3533%
11	20001	25000	257,680	0.2062%
5	25001	30000	146,000	0.1168%
6	30001	35000	195,191	0.1562%
7	35001	40000	263,500	0.2109%
4	40001	45000	168,000	0.1344%
6	45001	50000	300,000	0.2401%
3	50001	55000	157,000	0.1256%
3	55001	60000	176,000	0.1408%
2	60001	65000	127,870	0.1023%
5	65001	70000	340,071	0.2721%
3	70001	75000	221,000	0.1769%
2	75001	80000	154,000	0.1232%
2	85001	90000	177,000	0.1416%
6	95001	100000	594,002	0.4753%
3	100001	105000	314,500	0.2517%
2	105001	110000	219,000	0.1753%
1	110001	115000	114,000	0.0912%
1	140001	145000	142,000	0.1136%
1	155001	160000	159,500	0.1276%
1	195001	200000	200,000	0.1600%
1	210001	215000	212,000	0.1697%
1	230001	235000	235,000	0.1881%
1	250001	255000	255,000	0.2041%
1	295001	300000	300,000	0.2401%
1	305001	310000	306,500	0.2453%
1	505001	510000	507,500	0.4061%
1	560001	565000	560,097	0.4482%
1	575001	580000	578,000	0.4625%
1	850001	855000	850,759	0.6808%
1	875001	880000	880,000	0.7042%
1	1485001	1490000	1,486,000	1.1892%
1	1795001	1800000	1,799,000	1.4396%
1	2100001	2105000	2,101,000	1.6813%
5	2170001	2175000	10,866,666	8.6959%
1	3090001	3095000	3,091,606	2.4740%
1	13035001	13040000	13,040,000	10.4351%
1	27415001	27420000	27,419,177	21.9419%
1	53580001	53585000	53,583,307	42.8795%
<b>1,181</b>			<b>124,962,510</b>	<b>100%</b>

### CATEGORIES OF SHAREHOLDING AS AT 30 JUNE 2023

<b>Sr. #</b>	<b>Categories</b>	<b>No. of Shareholders</b>	<b>Shares Held</b>	<b>Percentage</b>
1	Directors, CEO their Spouse and	8	66,632,307	53.3218
2	Banks, Development Financial Ins	8	1,550,153	1.2405
3	Modarabas and Mutual Funds	1	300	0.0002
4	Insurance Companies	1	114,000	0.0912
5	Investment Companies	1	3,000	0.0024
6	Funds	2	32,803	0.0263
7	General Public (Local)	1,150	29,001,169	23.2079
8	Joint Stock Companies	9	27,609,778	22.0944
9	Others	1	19,000	0.0152
<b>TOTAL:</b>		<b>1,181</b>	<b>124,962,510</b>	<b>100.0000</b>



## DETAILED CATEGORIES OF SHAREHOLDERS AS ON 30 JUNE 2023

Sr. #	Name	Shares Held	Percentage
<b>Directors, CEO their Spouse and Minor Children</b>			
1	MUHAMMAD HASHIM TAREEN	2,500	0.0020
2	MAHMOOD ASLAM	2,500	0.0020
3	CH MUHAMMAD SHAFIQUE	53,583,307	42.8795
4	SARWAR SULTANA	13,040,000	10.4351
5	WAHEED AKBAR	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:	<b>66,632,307</b>	<b>53.3218</b>
<b>Associates Companies, Undertakings and Related Parties:</b>			
1	CHAUDHRY STEEL RE-ROLLING MILLS (PVT) LTD	27,419,177	21.9419
	Running Total:	<b>27,419,177</b>	<b>21.9419</b>
<b>Banks, Development Financial Institutions and NBFs</b>			
1	SAYA SECURITIES (PRIVATE) LIMITED	96,502	0.0772
2	INVELINK CAPITAL (PRIVATE) LIMITED	37,500	0.0300
3	NATIONAL BANK OF PAKISTAN	195	0.0002
4	BANK ALFALAH LIMITED - LAHORE STOCK EXCHANGE BRANCH	560,097	0.4482
5	SALIM SOZER SECURITIES (PRIVATE) LIMITED	850,759	0.6808
6	CRESCENT INVESTMENT BANK LTD	2,100	0.0017
7	GRAYS AND CAMBRIDGE (PAKISTAN) LTD	200	0.0002
8	INVESTMENT CORPORATION OF PAKISTAN	2,800	0.0022
	Running Total:	<b>1,550,153</b>	<b>1.2405</b>
<b>Modarabas</b>			
1	MODARABA AL-MALI CORPORATION LTD	300	0.0002
	Running Total:	<b>300</b>	<b>0.0002</b>
<b>Insurance Companies</b>			
1	STATE LIFE INSURANCE CORP. OF PAKISTAN	114,000	0.0912
	Running Total:	<b>114,000</b>	<b>0.0912</b>
<b>Investment Companies</b>			
1	PAKISTAN KUWAIT INVESTMENT CO.(PVT) LTD	3,000	0.0024
	Running Total:	<b>3,000</b>	<b>0.0024</b>
<b>Funds</b>			
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	31,691	0.0254
2	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND	1,112	0.0009
	Running Total:	<b>32,803</b>	<b>0.0263</b>
<b>General Public:</b>			
	Local	29,001,169	23.2079
	Running Total:	<b>29,001,169</b>	<b>23.2079</b>
<b>Joint Stock Companies</b>			
1	FDM CAPITAL SECURITIES (PVT) LIMITED	10,000	0.0080
2	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD	50,000	0.0400
3	MRA SECURITIES LIMITED - MF	11,000	0.0088
4	VALUE STOCK AND COMMODITIES (PRIVATE) LIMITED	105,000	0.0840
5	Y.S. SECURITIES & SERVICES (PVT) LTD.	1,200	0.0010
6	D.S. CORPORATION (PVT) LIMITED	3,400	0.0027
8	MAPLE LEAF CAPITAL LIMITED	1	0.0000
9	IMGC GLOBAL (PVT.) LIMITED	10,000	0.0080
	Running Total:	<b>190,601</b>	<b>0.1525</b>

<b>Others</b>			
1	DADABHOY FOUNDATION	19,000	0.0152
	Running Total:	19,000	0.0152
	<b>Grand Total:</b>	<b>124,962,510</b>	<b>100.0000</b>
<b>Shareholders Holding 5% or more voting rights:</b>			
1	CH MUHAMMAD SHAFIQUE	53,583,307	42.8795
2	CHAUDHRY STEEL RE-ROLLING MILLS (PVT) LTD	27,419,177	21.9419
3	SARWAR SULTANA	13,040,000	10.4351
	Total:	<b>94,042,484</b>	<b>75.2566</b>



## پراکسی فارم (مختار نامہ)

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

میں/ہم  
ساکن  
بجائیت رکن بیکو اسٹیل لمیٹڈ (سابقہ راوی نیکناسٹلز لمیٹڈ) محترم/محترمہ  
اس کی غیر موجودگی میں

(بجائیت کمپنی کے رکن) کو ہمارے ایما پر مورخہ 30 دسمبر 2023 بروز ہفتہ صبح 11:30 بجے بمقام ایگزیکٹو بورڈ روم - اے، رائل پام گالف اینڈ کنزی کلب، 52 کینال روڈ، لاہور پر منعقد ہونے والے بیکو اسٹیل لمیٹڈ کے 36 ویں سالانہ اجلاس میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور مختار کرتا ہوں/کرتے ہیں۔

### گواہان

50/- روپے کارسیدی ٹکٹ یہاں چسپاں کریں

دستخط رکن  
کمپنی کے نمونہ دستخط سے مماش ہونے چاہئیں۔

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

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

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

**AFFIX  
CORRECT  
POSTAGE**

**To:**

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