



**CONDENSED INTERIM
FINANCIAL STATEMENTS
QUARTER ENDED
30 SEPTEMBER**

2023

BECO STEEL LIMITED

WE STRENGTHEN YOUR DREAMS



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
7. Askari Bank Limited

DIRECTOR REVIEW REPORT

Dear Valued Shareholders,

The directors of the company are pleased to present the unaudited financial statements for the first quarter ended September 30, 2023. The turnover of the first quarter is reported as Rs. 246.658 million, with gross profit for the period is Rs. 7.004 million and net loss Rs. 5.809 million. Negative Earnings per share (EPS) for the period is Rs. 0.05.

The management is diligently working on identifying areas for improvement and implementing strategic adjustments to address the issues contributing to the current loss. Our focus remains on stabilizing operations, optimizing costs, and exploring avenues for recovery.

Despite the current financial setback, BECO STEEL LIMITED is committed to weathering these challenges and emerging stronger. We appreciate the understanding and support of our members during this difficult period.

The management is confident in its ability to navigate these challenges, and we are actively working towards a recovery in the upcoming quarters.

On behalf of the board

Dated: 29th January, 2024



Miss Eman Shafique

Director



Mr. Muhammad Ali Shafique Ch

Chief Executive Officer

ڈائریکٹر رپورٹ

محترم شیئر ہولڈرز،

کمپنی کے ڈائریکٹر زخوشی سے خطاب کر رہے ہیں کہ وہ غیر معاندہ مالی حسابات پیش کر رہے ہیں جو 30 ستمبر، 2023 کو ختم ہونے والے پہلے سے متعلق ہیں۔ پہلے سے متعلق حاصل کردہ ہونے والے معاملات کی رقم 246.658 ملین روپے ہے، جبکہ مدت کے لیے چٹی 7.004 ملین روپے اور نیٹ نقصان 5.809 ملین روپے ہے۔ 0.05 (EPS) روپے ہے۔ مدت کے لیے منفی انگریز فار شیئر

انتظامیہ مصیبت کے باعث نقصان میں مدد کرنے والے شعبوں کی شناخت کے لئے مصروف ہے اور جاری نقصان میں مدد کرنے والے معاملات کی سبب کو دور کرنے کے لئے ریاستی ترتیبات لاگو کر رہی ہے۔ ہمارا توجہ عملیات کو مضبوط بنانے، ارنج کو بحالی کرنے اور بحالی کے لئے راستے تلاش کرنے پر ہے۔ موجودہ مالی مشکلات کے باوجود، بیکو اسٹیل لمیٹڈ تھیس چیلنجز کو برداشت کرنے اور مضبوط ہو کر نکلنے کا عہد کرتی ہے۔ ہم اس دشوار مدت میں ہمارے ممبرز کی سمجھ اور حمایت قدر کرتے ہیں۔

انتظامیہ اسے یقین ہے کہ یہ چیلنجز کو حل کرنے میں اپنے استطاعت سے کام کر سکتی ہے، اور ہم آئندہ کے کچھ ماہوں میں بحالی میں بحالی کے راستوں پر فعالیت کر رہے ہیں۔

منجانب بورڈ:



علی شفیق چوہدری
چیف ایگزیکٹو آفیسر



مس ایمان شفیق
ڈائریکٹر

تاریخ: 29 جنوری 2024

BECO STEEL LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30 SEPTEMBER 2023

EQUITY AND LIABILITIES	Note	30-September-2023 Rupees	30-June-2023 Rupees
Share capital and reserves			
Authorised 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		1,249,625,100	1,249,625,100
Share Premium		1,999,250,200	1,999,250,200
Loan from directors	5	254,672,420	254,672,420
Revenue reserve		-	-
Accumulated (losses)/profit		(331,766,694)	(325,956,731)
		<u>3,171,781,026</u>	<u>3,177,590,989</u>
Non current liabilities		-	-
Current liabilities			
Trade and other payable		2,766,356,790	2,648,439,498
Accrued mark up		-	-
Deffered Tax liability		23,131,835	23,131,835
Unclaimed dividend		4,911,563	4,911,563
		<u>2,794,400,188</u>	<u>2,676,482,896</u>
Contingencies and commitments	6	-	-
		<u>5,966,181,214</u>	<u>5,854,073,885</u>
ASSETS			
Non current assets			
Property, plant and equipment		3,816,676,777	3,833,278,224
Long term deposits		450,000	450,000
		<u>3,817,126,777</u>	<u>3,833,728,224</u>
Current assets			
Stock in Trade		1,564,810,634	1,115,998,773
Stores, spares and loose tools		-	-
Trade debts		474,566,876	691,297,266
Loan and advances		-	-
Income tax due from Government		47,876,790	41,820,625
Trade deposits and short term prepayments		14,254,790	139,874,550
Short term investment		-	-
Cash and bank balances		47,545,347	31,354,447
		<u>2,149,054,437</u>	<u>2,020,345,661</u>
		<u>5,966,181,214</u>	<u>5,854,073,885</u>

The annexed notes from 01 to 10 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED ENDED 30 SEPTEMBER 2023

	Quarter ended	
	30-September- 2023	30-September- 2022
Note	Rupees	Rupees
Sales	246,658,500	3,173,846,282
Cost of Sales	(239,653,680)	(2,970,122,081)
Gross profit	<u>7,004,820</u>	<u>203,724,201</u>
Distribution and selling expenses	(878,020)	(7,252,017)
Administrative and general expenses	(7,234,867)	(20,434,150)
Other operating expenses	(1,559,415)	(788,996)
Operating profit /(loss)	<u>(9,672,302)</u>	<u>(28,475,163)</u>
Other income	22,519	-
Profit from operations	<u>(2,644,963)</u>	<u>175,249,038</u>
Finance cost	(81,769)	(89,397)
Profit before taxation	<u>(2,726,732)</u>	<u>175,159,641</u>
Taxation	(3,083,231)	(39,673,079)
Profit after taxation	<u>(5,809,963)</u>	<u>135,486,562</u>
Earning per share- basic and diluted	<u>(0.05)</u>	<u>1.08</u>

The annexed notes from 01 to 10 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED ENDED 30 SEPTEMBER 2023

	Note	Quarter ended	
		30-September- 2023	30-September- 2022
		Rupees	Rupees
Profit for the period		(5,809,963)	135,486,562
Other comprehensive income:			
Item that will not be reclassified to statement of profit or loss:		-	-
Items that may be reclassified to statement of profit or loss:		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>(5,809,963)</u>	<u>135,486,562</u>

The annexed notes from 01 to 10 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
AS AT 30 SEPTEMBER 2023

	(Rupees)					
	Share capital	Share premium	Loan from directors	Revenue reserve General reserve	Accumulated Loss / profit	Total equity
Balance as at 30 June 2022	1,249,625,100	1,999,250,200	217,072,420	9,000,000	(113,808,140)	3,361,139,580
Profit for the three months ended September 30, 2022	-	-	-	-	135,486,562	135,486,562
Other comprehensive income for the three months ended 30 September 2022	-	-	-	-	-	-
Total comprehensive income for the three months ended 30 September 2022	-	-	-	-	135,486,562	135,486,562
Balance as at 30 September 2022	1,249,625,100	1,999,250,200	217,072,420	9,000,000	21,678,422	3,496,626,142
Profit for the nine month ended 30 June 2023	-	-	-	-	(339,611,993)	(339,611,993)
Loan from Sponsor Repaid	-	-	(18,000,000)	-	-	(18,000,000)
Loan from Sponsor	-	-	55,600,000	-	-	55,600,000
Reserves	-	-	-	(9,000,000)	9,000,000	-
Dividend for the year 30 June 23	-	-	-	-	(17,023,160)	(17,023,160)
Other comprehensive income for the nine month ended 30 June 2023	-	-	-	-	-	-
Total comprehensive income for the nine month ended 30 June 2023	-	-	37,600,000	(9,000,000)	(347,635,153)	(319,035,153)
Balance as at 30 June 2023	1,249,625,100	1,999,250,200	254,672,420	-	(325,956,731)	3,177,590,989
Profit for the three months ended 30 September 2023	-	-	-	-	(5,809,963)	(5,809,963)
Loan from directors	-	-	-	-	-	-
Loan paid to directors	-	-	-	-	-	-
Other comprehensive income for the three months ended 30 September 2023	-	-	-	-	-	-
Total comprehensive profit for the nine three months ended 30 September 2023	-	-	-	-	(5,809,963)	(5,809,963)
Balance as at 30 September 2023	1,249,625,100	1,999,250,200	254,672,420	-	(331,766,694)	3,171,781,026

The annexed notes from 01 to 10 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTH ENDED 31 MARCH 2023

	Note	Quarter ended	
		30-September-2023	30-September-2022
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before taxation		(2,726,732)	175,159,641
Adjustments for following items:			
Depreciation		16,601,447	18,309,753
Profit on term deposit receipt		-	-
Credit balances written back		-	-
Staff retirement benefits		-	-
Finance cost		81,769	89,397
		16,683,216	18,399,150
Operating profit before working capital changes		13,956,484	193,558,791
(Increase) / decrease in current assets			
Trade debts - unsecured but considered good		216,730,390	(97,911,990)
Loan and advances		-	-
Stock-in-trade		(448,811,861)	25,312,892
Stores, spares and loose tools		-	136,104
Trade deposit and prepayment		125,619,760	-
Short term investments		-	-
Other receivable		-	-
		(106,461,711)	(72,462,994)
(Increase) / decrease in current liabilities			
Unclaimed dividend		-	-
Trade and other payables		117,917,292	(107,294,286)
		25,412,065	(179,757,280)
Cash generated from operations		(67,093,162)	13,801,511
Finance cost paid		(81,769)	(89,397)
Income tax paid		(9,139,396)	(5,141,837)
		(9,221,165)	(5,231,234)
Net cash used in operating activities		16,190,900	8,570,277
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		-	-
Security deposit		-	-
Net cash (used in) / generating from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from directors		-	-
Repayment of loan from directors		-	-
Net cash flows generated from / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		16,190,900	8,570,277
Cash and cash equivalents at the beginning of the period		31,354,447	35,332,519
Cash and cash equivalents at the end of the period		47,545,347	43,902,796

The annexed notes from 01 to 10 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

BECO STEEL LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH ENDED 31 MARCH 2023 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

1.01 M/s Beco Steel Limited (Formerly; Ravi Textile Mills Limited) (“the Company”) is a public limited company incorporated in Pakistan on 21 April 1987 vide incorporation No: 0015977 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The name of the company was changed from Ravi Textile Mills Limited to Beco Steel Limited. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal activity of the Company shall be to carrying out the business of manufacturing of steel and allied products, along with ancillary activities thereto.

2 BASIS OF PREPARATION

2.01 Statement of Compliance

- (a) These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
 - Provisions of and directives issued under Companies Act, 2017

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

- (b) These condensed interim financial statements comprise the condensed interim statement of financial position of the company as at 30 September 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with notes forming part thereof.
- (c) These condensed interim statements are un-audited but subject to limited scope review by the external auditors and being submitted to the shareholders as required by the Listing Regulation of Pakistan Stock Exchange Limited and Section 237 of the Company Act, 2017.
- (d) These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended 30 June 2023. Comparative condensed interim statement of financial position has been extracted from annual financial statements for the year ended 30 June 2023, whereas comparatives for condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and related notes for the Nine month ended 30 September 2023 have not been subjected to review and audit.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements of the Company for the year ended 30 June 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2023.

	Note	Un-Audited 30-Sep-23 Rupees	Audited 30-Jun-23 Rupees
5 DIRECTOR'S LOAN	5.01	<u>254,672,420</u>	<u>254,672,420</u>

5.01 These are interest free loans from directors of the Company payable at the discretion of the entity. They do not pass the liability test and thus recorded as equity at face value. They will not be re-measured subsequently. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the directors' loan would be direct debit to equity as per 'TR-32 'Accounting Directors' Loan' issued by Institute of Chartered Accountants of Pakistan.

6 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments as disclosed in the audited financial statements as at 30 June 2023.

7 TRANSACTIONS WITH RELATED PARTIES

The related parties comprises of associated undertaking, directors and key management personnel. The Company in the normal course of business carried out transaction with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in this condensed interim financial statements are as follows:

Related Party Transaction	Quarter ended	
	31-Sep. 23 Rupees	31-Sep. 22 Rupees
	-	-

8 FINANCIAL RISK MANAGEMENT

The company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2021.

9 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 29 January 2024.

10 GENERAL

Figures have been rounded off to nearest of Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICE