



# **BECO Steel Limited**

(FORMERLY: RAVI TEXTILE MILLS LIMITED)

**ANNUAL REPORT**  
**2021**

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## Company Information

### BOARD OF DIRECTORS

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

### AUDIT COMMITTEE

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

### HR & REMUNERATION COMMITTEE

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

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Zulfiqar Ahmad

### COMPANY SECRETARY

Mr. Zahur Ahmad

### HEAD OF INTERNAL AUDITOR

Abida Kamran & Co.,  
Chartered Accountants

### EXTERNAL AUDITORS

Tariq Abdul Ghani Maqbool & Co.,  
Chartered Accountants

### SHARE REGISTRAR

Hameed Majeed Associates (Private) Limited

### REGISTERED OFFICE

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

### COMPANY'S BANKER

Soneri Bank Limited  
JS Bank Limited  
Habib Metropolitan Bank Limited

## *Notice of Annual General Meeting*

Notice is hereby given that 35<sup>th</sup> Annual General Meeting (AGM) of **Beco Steel Limited (formerly Ravi Textile Mills Limited)** (the "Company") will be held on Thursday, 28 October 2021 at 01:00 PM at the Flerts Luxury Apartments, G-7, Ground Floor, 127-Ahmad Block, Garden Town, Lahore, to transact the following business:

1. To confirm the minutes of the preceding Extraordinary General Meeting of the shareholders held on June 18, 2021.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2021 together with the Auditors' and Directors' Reports thereon and the Review Report of the Chairman;
3. To appoint External Auditors of the Company and to fix their remuneration. The members are hereby notified that the Board of Directors and the Audit Committee have recommended the name of Tariq Abdul Ghani Maqbool & Co., Chartered Accountants, for re-appointment as auditors of the Company for the year ending 30 June 2022.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Lahore: 06 October 2021

Company Secretary

### Notes:

1. The Share Transfer Books of the Company will remain closed from 21 October 2021 to 28 October 2021 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, M/s Hameed Majeed Associates (Private) Limited, H.M. House, 7 Bank Square, Lahore by the close of business on 20 October 2021, will be treated as being in time for the purposes of attending and voting at the AGM.
2. A member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her Participant's ID Number and CDC Account/Sub-Account No. along with Original Computerized National Identity Card (CNIC) or Original Passport at the time of attending the meeting. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her.
3. Form of proxy, in order to be valid must be properly filled-in/executed and received at the Registered Office of the Company not later than 48 hours before the meeting.
4. Members holding shares in physical form are requested to promptly notify Share Registrar of the Company of any change in their address. Shareholders maintaining their shares in electronic form should have their address updated with their Participant or CDC Investor Account Service.
5. Pursuant to the provisions of the Companies Act, 2017; the shareholders residing in a city and collectively holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Company at least 7 days prior to the date of the meeting.  
The Company will intimate respective members regarding venue of the video-link facility before five days of the meeting along with complete information necessary to enable them to access the facility.
6. In accordance to Section 223 of the Companies Act, 2017, the audited financial statements of the Company for the year ended 30 June 2021 together with Chairman's Review Report, Directors' and Auditors' Reports thereon have been made available on the Company's website: [www.becosteel.com](http://www.becosteel.com). Further, the above statements and reports have been sent to the members of the company by post or electronically.

## 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 the 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 2021.

### Financial performance

The summary of financial results of the Company for the year ended 30 June 2021:

Particular	2021 Rupees	2020 Rupees	Percentage Change Increase/(decrease)
Sales	230,770,190	-	-
Cost of Sales	226,741,864	-	-
Gross Profit	4,028,326	-	-
Administrative Expenses	15,273,926	7,658,606	99.43%
Distribution and Selling Expenses	1,844,454	-	-
Other Expenses	2,644,306	2,393,132	10.5%
Operating Loss	(15,734,360)	(10,051,738)	56.53%
Other Income	22,311,482	41,710,054	53.49%
Profit from Operation	6,577,122	31,658,316	(79.22)%
Finance Cost	296,308	1,035,256	(71.38)%
Profit before taxation	6,280,814	30,623,060	(79.41)%
Provision for taxation	(3,957,423)	(426,050)	(79.49)%
Profit after tax	2,323,391	30,197,010	(92.4)%
EPS (in Rupees)	0.09	1.21	

### Acquisition and Resultant Change of Management Control of the Company

During the year under review, Ch. Muhamad Shafique and Muhammad Ahmed Raza have acquired more than 51% shares of Beco Steel Limited (formerly Ravi Textile Mills Limited) (the Company") together with management control of the Company with effect from 04 March 2021. All the legal formalities regarding change of management have been fulfilled. Further, Mr. Ch. Muhammad Shafique and Mr. Muhammad Ahmad Raza are the majority shareholders of Chaudhry Steel Re-Rolling Mills Limited and BECO Steel Re-Rolling Mills (Private) Limited respectively, which are engaged in manufacturing of steel and allied products. The new management has rich steel business experience; hence, the Company shall engage in steel business in future.

New management held an extraordinary general meeting on 11 May 2021, in which following businesses were undertaken and executed:

- Name of the Company has been changed from Ravi Textile Mills Limited to Beco Steel Limited.
- Principal line of business has been changed to manufacturing of steel and allied products, along with approving the alterations to the Memorandum of Association of the Company.
- Authorized share capital of the Company has been increased from PKR 300,000,000/- (Pak Rupees Three Hundred Million) to PKR 1,500,000,000/- (Pak Rupees One Billion and Five Hundred Million).
- Registered office of the company has been changed from the city of Multan to Lahore.
- Issuance of new share other than by way of right, for consideration other than cash, in favor of the associated company and directors / related parties of the Company, against the acquisition of immovable properties, plant and machinery. The Company intends to issue an aggregate of 101,882,961/- ordinary shares of face value PKR 10/- each, having an aggregate face value of PKR 1,018,829,611/- against total assets' value PKR 3,056,488,833/- In this respect, the shares are effectively being issued at a premium of approximately PKR 20/- each, which will be beneficial to the Company and its minority shareholders. In this regard, all the requirements have been fulfilled by the Company and currently approval under section 83(1)(b) of the Companies Act, 2017 is in process at SECP. The transaction involves the acquisition of 2 (two) steel units which include land, building and machinery. The two running steel units includes unit No. 1, having melting capacity (as part of such unit) of 200 Metric Tons within 24 hours per day approved WAPDA Load 5,000 KW and Load Consumption 4,800 KW; and unit No. 2 comprising Large Girders Re-Rolling Mills, with new specialized technology for manufacturing of various sizes of girders, channels and angles along with an extremely specialized melting furnace with melting capacity of 105 metric tons 24 hours per day, approved WAPDA Load 5,000 KW and Load Consumption 3,800 KW. The Re-Rolling Mills Capacity Girders mills 300 Metric Tons, 20 Hours.

## Directors' Report to the Shareholders

All the applicable and relevant provisions of the Companies Act, 2017 in respect of above matters have been fully complied with except that the approval under section 83(1)(b) is pending at SECP.

As approval from SECP is still in process, the company has already started steel business operations from July 2021 on toll manufacturing basis. Further, the results shown during the year 2021 relates to cotton business done by previous management, and the financial statements for the first quarter ended 30 September 2021 will include the steel business results.

During the year under review, 10 Meetings of the Board of the Directors were held from July 2020 to June 2021. Attendance by each Director was as under:

Sr. No.	Name of Directors	Designation	Meetings Attended	Current Status
1.	Mr. Muhammad Hashim Tareen	Independent Director	5	Elected
2.	Mr. Mahmood Aslam	Independent Director	3	Elected
3.	Mr. Muhammad Asim Raza	Non-Executive Director	0	Elected
4.	Mr. Muhammad Ahmad Raza	Non-Executive Director	5	Retired
5.	Miss Eman Shafique	Non-Executive Director	0	Elected
6.	Miss Aniqa Shafique	Non-Executive Director	5	Retired
7.	Miss Afifa Shafique	Chairperson	0	Elected
8.	Ch. Muhammad Shafique	Chief Executive Officer	5	Elected
9.	Mr. Waheed Akbar	Executive Director	5	Elected
10.	Mrs. Sarwar Sultana	Non-Executive Director	5	Retired
11.	Mr. Muhammad Waseem Ur Rehman	Ex-Chief Executive Officer	5	Ex-Management
12.	Mr. Aftab Sarwar	Ex-Chairman	5	Ex-Management
13.	Mr. Tahir Majeed	Ex-Director	5	Ex-Management
14.	Mr. Muhammad Shahid	Ex-Director	4	Ex-Management
15.	Mr. Aamir Khurshid Chandia	Ex-Director	5	Ex-Management
16.	Mr. Waseem Ijaz	Ex-Director	4	Ex-Management
17.	Mr. Muhammad Riaz	Ex-Director	4	Ex-Management

During the year under review, the Management of the Company have been changed on 04 March 2021 and new directors of the Company were appointed accordingly.

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 2021.

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 2021, four Meetings of the Committee were held. Attendance by each member was as under:

Sr. No.	Name of Director	Designation	Meetings Attended	Status
1.	Mr. Muhammad Hashim Tareen	Chairman/Member	1	Newly appointed
2.	Mr. Muhammad Asim Raza	Member	1	Newly Appointed
3.	Miss Eman Shafique	Member	1	Newly Appointed
4.	Mr. Mahmood Aslam	Member	1	Retired
5.	Miss Aneeqa Shafique	Member	1	Retired
6.	Mr. Tahir Majeed	Ex-Chairman	3	Previous Management
7.	Mr. Aftab Sarwar	Ex-Member	3	Previous Management
8.	Mr. Muhmmad Riaz	Ex-Member	3	Previous Management

## *Directors' Report to the Shareholders*

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 polices 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 new board has reconstituted a human resource & remuneration committee comprising of four members during the year under review. two meetings were held during the financial year.

## Directors' Report to the Shareholders

Attendance of members is as under:

Sr. No.	Name of Director	Designation	Meetings Attended	Current Status
1.	Muhammad Shahid	Chairman/Member	1	Retired
2.	Mr. Tahir Majee d	Member	1	Retired
3.	Mr. Muhammad Riaz	Member	1	Retired
4.	Mr. Muhammad Hashim Tareen	Chairman Member	1	Newly Appointed
5.	Ch. Muhammad Shafique	CEO/Member	1	Newly Appointed
6.	Miss Eman Shafique	Member	1	Newly Appointed
7.	Mr. Muhammad Asim Raza	Member	1	Newly Appointed

### 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.

### Director's Remuneration

The remuneration of the Board of members is recommended by Board and approved by the shareholders in general meeting. However, in accordance with the Code of Corporate Governance, it is ensured that no director takes part in deciding his own remuneration. The company does not pay remuneration to non-executive directors except fee for attending the meetings. In order to retain the best talent, the company's remuneration policies are structured in line with prevailing industry trend and business practices. For information on remuneration of Directors and CEO in 2020-2021, please refer notes to the financial statements.

### External Auditors

The present external auditors M/s. Tariq Abdul Ghani Maqbool & Co. Chartered Accountants, retire, and being eligible, offer themselves for reappointment. The audit committee & the Board of directors recommend the reappointment of M/s. Tariq Abdul Ghani Maqbool & Co. Chartered Accountants for the year ending 30 June 2022.

### 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.

## *Directors' Report to the Shareholders*

### **Material Changes**

For material changes please refer to the comprehensive note "Acquisition and Resultant Change of Management Control of the Company" mentioned at the intro of this report. Moreover, the company has changed its core business line towards steel industry.

All the material events and other price sensitive information have been reported to PSX on as and when basis.

### **Pattern of Shareholding**

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

### **Related Party Transactions**

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

### **Communication**

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

## Directors' Report to the Shareholders

- 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

- i) **Safety:** There can be no production without safety.
- ii) **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.
- iii) **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 (formerly Ravi Textile Mills 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 (formerly Ravi Textile Mills 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.

### Director Training Program

In compliance with the Code of Corporate Governance, 2019, arrangements are being finalized for the directors and key personnel training program as this is the first year of newly elected board.

### 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.

### Future Outlook

The company has started its steel business operation in July 2021 on toll manufacturing basis. Further, after approval of SECP under section 83(1)(b) of the Companies Act, 2017, two operational steel units including unit No. 1, having melting capacity of 200 Metric Tons within 24 hours per day approved WAPDA load 5,000 KW and Load consumption 4,800 KW; and unit No. 2 comprising large girders re-rolling mills (capacity: 300 metric tons, 20 hours), with new specialized technology for manufacturing of various sizes of girders, channels and angles along with an extremely specialized melting furnace with melting capacity of 105 metric tons 24 hours per day, approved WAPDA Load 5,000 KW and load consumption 3,800 KW, along with land and building shall be transferred to the company against issuance of ordinary shares. Hence, the company has plans to operate melting and re-rolling units in future.

### 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



**Ch. Muhammad Shafique**  
Chief Executive Officer

Lahore: 06 October 2021



**Afifa Shafique**  
Director/Chairperson

## ڈائریکٹران کی رپورٹ برائے حصص داران

بورڈ آف ڈائریکٹرز کی جانب سے ہم آپ کو 30 جون 2021 کو ختم ہونے والے مالی سال کے سالانہ مالیاتی گوشواروں کے نتائج پیش کرتے ہیں۔

### مالیاتی کارکردگی

30 جون 2021 کو مالیاتی خلاصہ درج ذیل ہے۔

تفصیلات	2021 (روپے)	2020 (روپے)	فیصد تبدیلی میں اضافہ/ (کمی)
فروخت	230,770,190	-	-
فروخت کیفیت	226,741,864	-	-
کل منافع	4,028,326	-	-
انتظامی اخراجات	15,273,926	7,658,606	99.43%
تقسیم اور فروخت کے اخراجات	1,844,454	-	-
دوسرے اخراجات	2,644,306	2,393,132	10.5%
آپریٹنگ نقصان	(15,734,360)	(10,051,738)	56.53%
دوسری آمدنی	22,311,482	41,710,054	53.49%
آپریٹنگ سے منافع	6,577,122	31,658,316	(79.22)%
فنانس لاگت	296,308	1,035,256	(71.38)%
ٹیکس سے پہلے منافع	6,280,814	30,623,060	(79.41)%
ٹیکس کی فراہمی	(3,957,423)	(426,050)	(49.49)%
ٹیکس کے بعد منافع	2,323,391	30,197,010	(92.4)%
فی حصص آمدنی	0.09	1.21	-

### کمپنی کا حصول اور انتظامی کنٹرول میں تبدیلی۔

زیر نظر سال کے دوران، چوہدری محمد شفیق اور محمد احمد رضانے بیکو اسٹیل لمیٹڈ (سابقہ راوی ٹیکسٹائل ملز لمیٹڈ) (کمپنی) کے 51 فیصد سے زیادہ حصص حاصل کیے ہیں اور دیگر کے ساتھ ملکر کمپنی کا انتظامی کنٹرول 04 مارچ 2021 سے نافذ کیا گیا ہے، ہیمنٹ کی تبدیلی کے سلسلے میں تمام قانونی کارروائی مکمل کی جا چکی ہے۔ مزید یہ کہ جناب چوہدری محمد شفیق اور جناب محمد احمد رضانے ترتیب چوہدری اسٹیل ری رولنگ ملز لمیٹڈ اور بیکو اسٹیل ری رولنگ ملز (پرائیویٹ لمیٹڈ) کے اکثریت شیئرز ہولڈرز ہیں، جو کہ اسٹیل اور اس سے وابستہ میٹلو جیکٹنگ میں مصروف ہیں۔ نئی ہیمنٹ کے پاس اسٹیل کے کاروبار کا پھر پورا تجربہ ہے، اس لیے کمپنی مستقبل میں اسٹیل کا کاروبار کرے گی۔

نئی انتظامیہ نے 11 مئی 2021 کو ایک غیر معمولی جزل میٹنگ کا انعقاد کیا، جس میں درج ذیل فیصلے کیے گئے اور ان پر عمل کیا گیا:

- کمپنی کا نام راوی ٹیکسٹائل ملز لمیٹڈ سے بدل کر بیکو اسٹیل لمیٹڈ کر دیا گیا ہے۔
- میورنڈم آف ایبوسٹی ایشن میں تبدیلیوں کی منظوری کیساتھ کاروبار کی بنیادی لائن کو اسٹیل اور اس سے منسلک مصنوعات کی تیاری میں تبدیل کر دیا گیا ہے۔
- کمپنی کا مجاز شیئر کیپٹل -/300,000,000 روپے سے بڑھا کر -/1500,000,000 روپے کر دیا گیا ہے۔
- کمپنی کا رجسٹرڈ دفتر ملتان شہر سے لاہور میں منتقل کر دیا گیا ہے۔
- غیر منقولہ جائیدادوں، پلانٹ اور مشینری کے حصول کیلئے متعلقہ کمپنی اور کمپنی کے ڈائریکٹرز/متعلقہ فریقوں کے حق میں نقد رقم کے علاوہ دیگر نئے حصص کا اجرا۔ کمپنی -/101,882,961 عام شیئرز جاری کرینا ارادہ رکھتی ہے۔ جسکی مجموعی فی ویلیو 10 روپے کے حساب سے -/1,018,829,611 روپے بنتی ہے۔ کل اثاثوں کی قیمت -/3,056,488,833 روپے ہے۔ اس سلسلے میں شیئرز موثر پریمیم تقریباً 20 روپے فی شیئر آفر کر رہی ہے، جس سے اقلیتی شیئرز ہولڈرز اور کمپنی کا فائدہ ہوگا۔ اس سلسلے میں تمام قانونی کارروائی مکمل ہو چکی ہے اور اس کی اجازت ایس۔ ای۔ سی۔ پی کے ہاں برطانیہ سیکشن 83(1)(b) آف داکٹری ایکٹ 2017 عمل میں ہے۔ لین دین میں دو سٹیل پوٹس کا حصول شامل ہے جس میں زمین، عمارت اور مشینری شامل ہیں۔ دو اپریٹل پونٹ جن میں پونٹ نمبر 1، 24، گھنٹے میں 200 میٹرک ٹن پگھلانے کی گنجائش رکھتا ہے، واپڈ سے منظور شدہ لوڈ 5000KW لوڈ ہے اور رکھت 4800KW ہے۔ اور پونٹ نمبر 2 جس میں بڑی گڈرز ری رولنگ ملز جس کی صلاحیت 20 گھنٹے میں 300 میٹرک ٹن ہے مختلف سائز کے گڈرز بنانے کے لیے خصوصی میکانا لوجی کے ساتھ چیلڈر اور اینگلز کے ساتھ ایک انتہائی مخصوص گھنٹے والی بجٹی جس کی گھنٹے کی صلاحیت 105 میٹرک ٹن فی یوم ہے۔ واپڈ اسے منظور شدہ لوڈ 5000KW ہے اور رکھت 3800KW ہے۔ زمین اور عمارت کمپنی کو منتقل کر کے عام شیئرز جاری کیے جائیں گے۔
- مذکورہ بالا معاملات کے حوالے سے کمپنی ایکٹ، 2017 کی تمام قابل اطلاق اور متعلقہ دفعات کی مکمل طور پر تعمیل کی گئی ہے سوائے اس کے سیکشن 83(1)(بی) کے تحت منظوری ایس ای سی پی میں زیر التوا ہے۔

## Annual Report 2021

چونکہ ایس ای سی پی کی جانب سے منظوری ابھی تک زیر التوا ہے، کمپنی نے جولائی 2021 سے ٹول میٹنگز کی بنیاد پر اسٹیل برنس آپریشن شروع کر دیا ہے۔ مزید یہ کہ سال 2021 کے دوران دکھائی جانے والے مالی نتائج کا تعلق گھجلی انتظامیہ کی طرف سے کئے گئے کپاس کے کاروبار سے ہے، اور 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے مالی گوشواروں میں اسٹیل کے کاروبار کے نتائج شامل ہوں گے۔

زیر نظر سال کے دوران، بورڈ آف ڈائریکٹرز کے 110 اجلاس جولائی 2020 سے جون 2021 تک منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری مندرجہ ذیل تھی۔

سیریل نمبر	ڈائریکٹرز کے نام	عہدہ	میٹنگز میں شرکت کی	موجودہ صورت حال
1	جناب محمد ہاشم ترین	آزاد ڈائریکٹر	5	منتخب
2	جناب محمود اسلم	آزاد ڈائریکٹر	3	منتخب
3	جناب محمد عاصم رضا	نان ایگزیکٹو ڈائریکٹر	0	منتخب
4	جناب محمد احمد رضا	نان ایگزیکٹو ڈائریکٹر	5	ریٹائرڈ
5	مس ایمان شفیق	نان ایگزیکٹو ڈائریکٹر	0	منتخب
6	مس اہیہ شفیق	نان ایگزیکٹو ڈائریکٹر	5	ریٹائرڈ
7	مس حفیظہ شفیق	چیر پرسن	0	منتخب
8	چوہدری محمد شفیق	چیف ایگزیکٹو آفیسر	5	منتخب
9	جناب وحید اکبر	ایگزیکٹو ڈائریکٹر	5	منتخب
10	مسز سرور سلطانہ	نان ایگزیکٹو ڈائریکٹر	5	ریٹائرڈ
11	جناب محمد وسیم ارمان	سابق چیف ایگزیکٹو آفیسر	5	سابقہ مینجمنٹ
12	جناب آفتاب سرور	سابق چیر مین	5	سابقہ مینجمنٹ
13	جناب طارق مجید	سابق ڈائریکٹر	5	سابقہ مینجمنٹ
14	جناب محمد شاہد	سابق ڈائریکٹر	4	سابقہ مینجمنٹ
15	جناب عامر خورشید چانڈیہ	سابق ڈائریکٹر	5	سابقہ مینجمنٹ
16	جناب محمد ریاض	سابق ڈائریکٹر	4	سابقہ مینجمنٹ
17	جناب وسیم اعجاز	سابق ڈائریکٹر	4	سابقہ مینجمنٹ

زیر نظر سال کے دوران، کمپنی کا انتظام 04 مارچ 2021 کو تبدیل کر دیا گیا اور اسی کے مطابق کمپنی کے نئے ڈائریکٹر مقرر کیے گئے۔

میٹنگز کے منٹس کو مناسب طریقے سے ریکارڈ کیا گیا اور سی جی کے مطابق مقررہ وقت میں تقسیم کیا گیا۔ چیف فنانشل آفیسر اور کمپنی سیکرٹری نے 30 جون 2021 کو ختم ہونے والی سال کے دوران تمام میٹنگز میں شرکت کی۔

غیر حاضری کی چھٹی ان ڈائریکٹرز کو دی گئی جو بورڈ میٹنگ میں شریک نہیں ہوئے۔

### بورڈ آڈٹ کمیٹی

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کے دوران کوڈ آف کارپوریٹ گورننس کے مطابق تین ممبروں پر مشتمل ایک آڈٹ کمیٹی قائم کی ہے، کمپنی کے چار اجلاس ہوئے۔ ہر ممبر کی حاضری حسب ذیل تھی:

سیریل نمبر	ڈائریکٹرز کے نام	عہدہ	میٹنگز میں شرکت کی	موجودہ صورت حال
1	جناب محمد ہاشم ترین	چیر مین / ممبر	1	نوعتیب
2	جناب محمد عاصم رضا	ممبر	1	نوعتیب
3	مس ایمان شفیق	ممبر	1	نوعتیب
4	جناب محمود اسلم	ممبر	1	ریٹائرڈ
5	مس اہیہ شفیق	ممبر	1	ریٹائرڈ
6	جناب طارق مجید	سابق چیر مین	3	سابقہ مینجمنٹ
7	جناب آفتاب سرور	سابق ممبر	3	سابقہ مینجمنٹ
8	جناب محمد ریاض	سابق ممبر	3	سابقہ مینجمنٹ

ضابطہ کارپوریٹ گورننس کی تعمیل میں، آڈٹ کمیٹی سال میں ایک بار چیف فنانشل آفیسر اور ہیڈ آف انٹرنل آڈٹ کے بغیر بیرونی آڈیٹرز سے ملتی ہے۔ غیر حاضری کی اجازت اس ممبر کو دی گئی جو آڈٹ کمیٹی کے اجلاس میں شریک نہیں ہوا۔

## آڈٹ کمیٹی کے حوالہ کی شرائط:

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

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

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

i. خصوصی توجہ کے حامل معاملات

ii. آڈٹ کے نتیجے میں اہم ایڈجسٹمنٹ

iii. جاری تشریح کا مفرضا

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 آڈٹرز کے ساتھ عبوری اور حتمی آڈٹ سے پیدا ہونے والے مشاہدات پر غور و فکر کرنا اور کسی بھی معاملے پر جو آڈٹرز یا جاگرنہا چاہیں (انتظامیہ کی غیر موجودگی میں جہاں ضروری ہو)۔

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

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

۷۔ اندرونی آڈٹ، آڈٹ چیلن، 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 کمیٹی کے اندر رکھے گئے ہیں۔

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

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

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

۱۱۔ بورڈ آف ڈائریکٹرز کی طرف سے متعین کی گئی کسی بھی عملے پر خصوصی پروجیکٹس، ویلیو فنانسی اسٹریٹجیاں یا دیگر تحقیقات کا قیام،

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

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

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

۱۵۔ بورڈ آف ڈائریکٹرز کو بیرونی آڈٹرز کی تقرری، اگلی برطرفی، آڈٹ فیس، بیرونی آڈٹرز کے ذریعہ کمیٹی کو اسکے مالی بیانات کی آڈٹ کے علاوہ کسی بھی سروس کی فراہمی کی سفارش کرنا۔ بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی سفارشات پر غور کریں گے اور جہاں یہ دوسری صورت میں کام کرتا ہے وہ اس کی وجوہات کو ریکارڈ کریگا۔

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

## انسانی وسائل اور معاوضہ کمیٹی:

سنے 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 دو اجلاس ہوئے۔

ممبران کی حاضری حسب ذیل ہے:

سیریل نمبر	ڈائریکٹرز کے نام	عہدہ	میٹنگوں میں شرکت کی	موجودہ صورت حال
1	جناب محمد شاہد	چیرمین / ممبر	1	ریٹائرڈ
2	جناب طاہر مجید	ممبر	1	ریٹائرڈ
3	جناب محمد ریاض	ممبر	1	ریٹائرڈ
4	جناب محمد ہاشم ترین	چیرمین / ممبر	1	نومنتخب
5	جناب چوہدری محمد شفیق	سی ای او / ممبر	1	نومنتخب
6	مس ایمان شفیق	ممبر	1	نومنتخب
7	جناب محمد عاصم رضا	ممبر	1	نومنتخب

## 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 ممبرانے معاوضے کا تعین کرنے کے لیے ایک پالیسی فریم ورک پر غور اور منظوری کے لیے بورڈ کو سفارش کرنا۔ ستمبر 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 چیف آپرینٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور اندرونی آڈٹ کے سربراہ کے انتخاب، تہیض، 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 آپرینٹنگ آفیسر کو براہ راست رپورٹ کرتے ہیں۔

۶۔ جہاں بیرون 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 جائزہ اور اس کے اثرات کا اندازہ ایک مستقل عمل ہے جس کا جائزہ بورڈ خود لیتا ہے توجہ کو 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 تکمیل

۳۔ بورڈ کی آزادی

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

## ڈائریکٹرز کا معاوضہ:

بورڈ آف ممبرز کے معاوضے کی تجویز بورڈ نے دی ہے اور شیئر ہولڈرز نے جنرل میٹنگ میں اسکی منظوری دی ہے۔ تاہم، کارپوریٹ گورننس کے ضابطے کے مطابق، اس بات کو یقینی بنایا گیا ہے کہ کوئی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ کمیٹی نان ایگزیکٹو ڈائریکٹرز کو اجرت نہیں دیتی سوائے اجلاسوں میں شرکت کی فیس کے۔ بہترین ٹیلنٹ کو برقرار رکھنے کیلئے، کمیٹی کی معاوضے کی پالیسیاں صنعت کی سرچرچا اور کاروباری طریقوں کے مطابق ہیں۔ 2020-2021 میں ڈائریکٹرز اور ای ای او کے معاوضے کے بارے میں معلومات کے لیے، براہ کرم مالیاتی گوشواروں کے مقرر نوٹ سے رجوع کریں۔

## بیرونی آڈیٹرز:

موجودہ بیرونی آڈیٹرز مسز طارق عبدالغنی مقبول اینڈ کمیٹی چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو چکے ہیں، اور اہل ہو چکے بعد، خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز 30 جون 2022 کو تمہ ہونے والی سال کے لیے مسز طارق عبدالغنی مقبول اینڈ کمیٹی چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کرتے ہیں۔

## اندرونی آڈٹ اور کنٹرول

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

## مادی تبدیلیاں

مادی تبدیلیوں کے لیے براہ کرم اس رپورٹ کے تعارف میں بیان کردہ جامعہ نوٹ ”کمیٹی کے انتظامی کنٹرول کے حصول در نتیجے میں تبدیلی“ کا حوالہ دیں۔ مزید یہ کہ، کمیٹی 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 ایس کو مطلع کیا گیا ہے۔

## شیئر ہولڈنگ کا نمونہ

کمیٹی کے شیئر ہولڈنگ کے پینل 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

کمیٹی شیئر ہولڈرز کے ساتھ رابطے کی اہمیت پر توجہ مرکوز کرتی ہے۔ سالانہ، ششماہی اور سہماہی رپورٹیں انکو کمپنیز ایکٹ، 2017 میں بتائے گئے وقت کے اندر تقسیم کی جاتی ہیں۔ کمیٹی کی سرگرمیاں بروقت بنیادوں پر انکی 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 کا اہمیت دیتا ہے اور صحت مند کارپوریٹ گورننس، اخلاقی کاروباری طریقوں قابل اعتماد اور شفاف مالیاتی رپورٹنگ، اور اسٹیک ہولڈرز کیساتھ کھلے مواصلاتی چینلز، اور تعمیل 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، فنانسرز، قرضہ بندگان، کاروباری شراکت داروں، مقامی کمیونٹیز اور دیگر سمیت ہر اس ایک ہولڈر کے حقوق کو تسلیم کرتی ہے اور ان کا احترام کرتی ہے۔ کمپنی کمپنی کی تمام جزل میٹنگز میں شیئر ہولڈرز کی فعال شرکت کی حوصلہ افزائی کرتی ہے اور بہتر گورننس اور آپریٹنگ کے نتیجے میں کمپنی کی طرف ان کے خیالات کی قدر کرتی ہے۔ کمپنی اپنے کاروباری شراکت داروں، مقامی کمیونٹیز اور دیگر اسٹیک ہولڈرز کی طرف اپنی قانونی اور اخلاقی ذمہ داریوں سے بھی آگاہ ہے۔ اور کمپنی سے وابستہ مفادات کے عملی نقطہ نظر کو مدنظر رکھنے کے بعد اس کی توقعات کا بروقت جواب دینے کیلئے مناسب اقدامات کرتا ہے۔

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان جاری کردہ نظر ثانی شدہ کوڈ آف کارپوریٹ گورننس (CCG) 2019 کے مطابق اس رپورٹ میں کمپنی کے بورڈ میں ہر ڈائریکٹر 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 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 دار اندر رویہ کا مظاہرہ کرنے کا پابند بناتا ہے۔ کوڈ کو تمام ڈائریکٹرز اور ملازمین کو معلومات کی تعمیل کیلئے پوری کمپنی میں تقسیم کیا گیا ہے۔

بورڈ آف ڈائریکٹرز کی ہر میٹنگ سے پہلے کمپنی کی طرف سے ہمدردت 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 (XVI) کے لحاظ سے ایگزیکٹو کی حیثیت سے جائزہ لیا ہے اور انتظامی ملازمین کی حد مقرر کی ہے جس کے نتیجے میں حصص میں تجارت اور ان کے لین دین کو ظاہر کرنے کے لیے اضافی ریگولیشنز تقاضوں کے تابع ہیں۔

سال کے دوران، بورڈ فعال طور پر اپنے فریضے کی انجام دہی میں شامل رہا جس میں مختلف قوانین اور کمپنی کی ایسیویٹیشن کے میمورنڈم اور آئیٹلز 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 مینجمنٹ 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 کنٹریل میں بقایا ٹیکس، ڈیویڈنڈ، لیویز اور چارجز کے بارے میں معلومات دی گئی ہیں۔

۹۔ کارپوریٹ ریٹرنس، 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: بیوقوف چکرنگ اور مارکیٹنگ کی مصنوعات کے ذریعے گاہکوں کا مکمل اطمینان حاصل کرنے کے لیے جو کسی بھی قیمت کے لیے اعلیٰ ترین معیاری 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 کو اہم اور معیارات کی سختی سے تعمیل کی جاسکے، کسٹمر کی ضروریات کو بہتر بنانے کیلئے مصنوعات کی صفات کو اپنانے، بڑھانے اور نویشن کرنے کے لیے، ہمارے کو ایلی مینجمنٹ سسٹم کو مسلسل بہتر بنا کر، اور اپنے اخراجات اور قیمتوں کو کنٹرول کر کے۔

۳۔ پیداواری صلاحیت: حفاظت اور معیار کے ساتھ ہم میں سے ہر ایک اپنی سرگرمیوں کے تمام شعبوں میں اہم اور، سبزی اور مارکیٹنگ، پلاننگ اینڈ ڈویلپمنٹ، فنانس، ایپورٹ، سپلائی چین مینجمنٹ، ہیومن ریورسز اینڈ ایڈمنسٹریشن وغیرہ ہیں 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۔

## کارپور بیٹ گورننس کے ضابطے کی تعمیل:

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

## کارپور بیٹ سماجی ذمہ داری:

بیلو اسٹیل لمیٹڈ (سابقہ: راوی ٹیکسٹائل ملز لمیٹڈ) مقامی کمیونٹی کی طرف اپنی قانونی اور اخلاقی ذمہ داریوں سے آگاہ ہے جہاں یہ کام کرتی ہے۔ اس طرح بورڈ نے مینجمنٹ کو اختیار دیا ہے کہ وہ اپنے کارپور بیٹ 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۔

## ڈائریکٹرز ٹینگ پروگرام:

کوڈ آف کارپور بیٹ گورننس 2019 کی تعمیل میں، ڈائریکٹرز اور اہلکاروں کے تربیتی پروگرام کے انتظامات کو حتمی شکل دی جارہی ہے کیونکہ یہ نو منتخب بورڈ کا پہلا سال ہے۔

## عملے کی ریٹائرمنٹ کے فوائد:

کمپنی ایک غیر فنڈڈ ریکریٹو 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۔

## مستقبل کا آؤٹ لک:

کمپنی نے جولائی 2021 میں ٹول مینوفیکچرنگ کی بنیاد پر سٹیل کا کاروبار شروع کیا ہے۔ مزید یہ کہ کمپنی ایکٹ 2017 کے سیکشن 83(1)(b) کے تحت ایس ای سی پی کی منظوری کے بعد دو اپریٹل یونٹ جن میں یونٹ نمبر 24، 2 گھنٹے میں 200 میٹرک ٹن پگھلانے کی گنجائش رکھتا ہے، واپڈ اسے منظور شدہ لوڈ 5000KW لوڈ ہے اور کھپت 4800KW ہے۔ اور یونٹ نمبر 2 جس میں بڑی گڈرز ری رولنگ ملز جس کی صلاحیت 20 گھنٹے میں 300 میٹرک ٹن ہے، مختلف سائز کے گڈرز بنانے کے لیے خصوصی ٹیکنالوجی کے ساتھ چیلنڈر اور اینگلز کے ساتھ ایک انتہائی مخصوص پگھلانے والی بھٹی جس کی پگھلانے کی صلاحیت 105 میٹرک ٹن فی یوم ہے۔ واپڈ اسے منظور شدہ لوڈ 5000KW ہے اور کھپت 3800KW ہے۔ زمین اور عمارت کمپنی کو منتقل کر کے عام شمیر ز جاری کیے جائیں گے۔ کمپنی مستقبل میں پگھلانے اور دوبارہ ری رولنگ چلانے کا ارادہ رکھتی ہے۔

## 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 کر سکیں گے کیونکہ ان 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:

Ahfa Shafiq

عفیہ شفیق

ڈائریکٹر ایگزیکٹو پرسن

سید

چوہدری محمد شفیق

چیف ایگزیکٹو آفیسر

لاہور: 06 اکتوبر 2021

## Chairman's Report

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

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

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

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

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

During the financial year 2020-21, management and principal line of business have been changed from textile to manufacturing of steel and allied products. These financial statements present the results of cotton related business undertaken by previous management. New management has started toll manufacturing of steel products and financial results of September quarter will include steel business. Board is optimistic regarding financial performance in future on basis of experience and expertise of over decades in steel sector.

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

On behalf of the board

*Afifa Shafique*

**Afifa Shafique**  
Director/Chairperson

Lahore: 06 October 2021

## چیرمین رپورٹ

جائزہ رپورٹ چیرمین انڈر سیکشن 192 کمپنیز ایکٹ، 2017

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

بورڈ کے اراکین ہمارے میشن اور وژن کے بیانات میں وضع کردہ اعلیٰ سطح کے اخلاقی اور پیشہ وارانہ معیارات سے واقف ہیں جو کہ کمپنی نے اختیار کیے ہیں اور مقاصد کے حصول میں اس کی مکمل حمایت کرتے ہیں بورڈ آف ڈائریکٹرز کی تشکیل مختلف پس منظر کو سٹیبل برنس، فائننس اور ہیومن ریسورسز کے شعبوں میں بھرپور تجربات کے امتزاج کی عکاسی کرتی ہے نئے بورڈ نے ڈائریکٹرز میٹنگ پر گرام (ڈی ٹی پی) کا اہتمام کیا ہے اور یہ جلد مکمل ہو جائے گا بورڈ کمپنی کے انتظام کے لیے ذمہ دار ہے تمام اہم پالیسیاں اور حکمت عملی تشکیل دیتا ہے بورڈ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے لیے اپنی ذمہ داری کو تسلیم کرتا ہے اور اچھی کارپوریٹ گورننس کے لیے پرعزم ہے بورڈ کمپنی کے مقاصد کے حصول میں اپنے کردار کی اہمیت سے آگاہ ہے اور کمپنی کی اقدار مشن اور وژن کی طرف وقفہ اور توجہ مرکوز ہے۔ مالی سال 2021-20 کے دوران مینجمنٹ اور پرنسپل لائن آف برنس کو یٹیکسٹائل سے سٹیبل اور اس سے منسلک مصنوعات کی تیاری میں تبدیل کر دیا گیا ہے یہ مالیاتی گوشوارے کپاس سے متعلقہ کاروبار کے نتائج پیش کرتے ہیں جو سابقہ انتظامیہ کے ذریعے کیے گئے تھے نئی انتظامیہ نے سٹیبل مصنوعات کی ٹول مینوفیکچرنگ شروع کر دی ہے اور ستمبر ماہی کے مالی نتائج میں سٹیبل کاروبار شامل ہوگا بورڈ اسٹیل سیکٹر میں کئی دہائیوں کے تجربے اور مہارت کی بنیاد پر مستقبل میں مالی کارکردگی کے حوالے سے پر امید ہے بورڈ کی جانب سے میں اپنے قابل قدر گاہکوں کا شکریہ ادا کرنا چاہتا ہوں کہ انہوں نے کمپنی پر مسلسل اعتماد کیا مالی اداروں نے ان کی مدد کی اور ہمارے انتہائی قیمتی ملازمین اور ایگزیکٹو یوزروں کی لگن اور محنت اور وفاداری پر مشکور ہوں۔

منجانب

*Afifa Shafique*

عفیہ شفیق

ڈائریکٹر/چیرمین

لاہور: 06 اکتوبر 2021

## Six Years at a Glance

Rs in "000"

	2021	2020	2019	2018	2017	2016
<b>Sales</b>	230,770	-	-	-	-	42,397
Cost of Sales	226,742	-	-	-	-	(77,437)
Gross Profit / (Loss)	4,028	-	-	-	-	(35,040)
Administrative General Expenses	15,274	(7,659)	(12,101)	(24,694)	(32,556)	(9,167)
Other Expenses	2,644	(2,393)	(6,856)		(443)	(43)
Finance Cost	296	(1,035)	(734)	(11,729)	(7,705)	(14,943)
Other Income	22,311	41,710	113,309	718	3,493	8,597
<b>Profit / (Loss) before taxation</b>	6,281	30,623	93,618	(35,705)	(37,211)	(50,596)
Provision for taxation	3,957	426	8,338	925	810	268
Profit / (Loss) after taxation	2,323	30,197	101,956	(34,780)	(36,401)	(50,328)
<b>Statement of Financial Position</b>						
Share Capital	250,000	250,000	250,000	250,000	250,000	250,000
Loan from Directors	40,742	66,586	-	-	-	-
Reserves	9,000	9,000	9,000	9,000	9,000	9,000
Accumulated Loss	(304,329)	(306,653)	(336,850)	(586,760)	(554,964)	(523,241)
Surplus on revaluation of Assets	-	-	-	147,403	149,492	153,211
<b>Shareholders' Equity</b>	4,587	18,933	(77,850)	(180,357)	(146,472)	(111,030)
Non-current Liabilities	-	3,742	3,232	16,842	59,894	79,790
Current Liability and Provision	9,193	132,096	231,668	364,622	298,680	263,716
<b>Total</b>	4,606	154,771	157,050	201,107	212,102	232,476
Fixed Assets – Tangible	-	-	-	-	206,822	226,835
Long Term Security Deposits	-	1,115	115	266	270	270
Current Assets	4,606	153,656	156,935	5,854	5,280	5,641
Non-current assets held for Sale	-	-	-	194,987	-	-
<b>Total</b>	4,606	154,771	157,050	201,107	212,102	232,476

## *Statement of Ethics and Business Practices*

The entire organization of Beco Steel Limited (formerly Ravi Textile Mills 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 2021

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

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

a.	Male	Five
b.	Female	Two

2. The composition of Board of Directors is as follows

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

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

Name	Designation
Miss Eman Shafique	Non-Executive Director
Miss Afifa Shafique	Non-Executive Director
Mr. Ch. Muhammad Shafique	Chief Executive Officer
Mr. Muhammad Asim Raza	Non-Executive Director
Mr. Muhammad Hasim Tareen	Independent Director
Mr. Waheed Akbar	Executive Director

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer and Chief Financial Officer duly endorsed the Financial Statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

## Statement Of Compliance With Listed Companies (Code Of Corporate Governance) Regulations, 2019 As On, 30 June 2021

**a) Audit Committee**

<b>Name</b>	<b>Designation</b>
Mr. Muhammad Hashim Tareen	Chairman
Mr. Muhammad Asim Raza	Member
Miss Eman Shafique	Member

**b) HR and Remuneration Committee**

<b>Name</b>	<b>Designation</b>
Mr. Muhammad Hashim Tareen	Chairman
Mr. Ch. Muhammad Shafique	Member
Miss Eman Shafique	Member
Mr. Muhammad Asim Raza	Member

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

14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following

<b>Meeting</b>	<b>Frequency</b>
Audit Committee	Four meetings of Audit Committee were held during the financial year ended 30 June 2021.
HR and Remuneration Committee	One meeting of HR & R Committee was held during the financial year ended 30 June 2021

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

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

On behalf of the board



**Ch. Muhammad Shafique**  
Chief Executive Officer



**Afifa Shafique**  
Director/Chariperson

Lahore: 06 October 2021

*Independent Auditors' Review Report of Beco Steel Limited  
Review Report on 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** (formerly: Ravi Textile Mills Limited) for the year ended 30 June 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

Dated: 06 October 2021  
Lahore



Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants

***Independent Auditor's Report  
To the members of BECO Steel Limited  
Report on the Audit of the Financial Statements***

**Opinion**

We have audited the annexed financial statements of Beco Steel Limited (formerly: Ravi Textile Mills Limited), which comprise the statement of financial position as at 30 June 2021, and 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 a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

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

**Key Audit Matters**

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

<b>Key audit matters</b>	<b>How the matter was addressed in our audit</b>
<b>1) Staff retirement benefits</b>	
<p>Refer notes 12 (12.01 and 12.02) to the financial statements.</p> <p>A sum of Rs. 3,996,873 in respect of staff retirement benefits has been paid, which represents 87% of the company's total assets as on 30 June 2021, thus it was considered as Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>• The opening balances were verified from last year audited financial statements.</li> <li>• All the payments made during the year to outgoing employees of the company have been verified from related supporting documents and payment vouchers.</li> <li>• Payments made to outgoing employees were duly verified from bank statement.</li> <li>• Reviewed the adequacy of related disclosures in the financial statements in accordance with fourth schedule of Companies Act, 2017</li> </ul>
<b>2) Trade and other payables</b>	
<p>Refer notes 14 to the financial statements.</p> <p>Trade and other payables amounting to Rs. 121,576,713 has been paid during the year which includes payments to trade creditors, advances from customer, due from associated company, accrued liabilities, other payables and any write off which represents 26 times of the company's total assets as on 30 June 2021, thus, it was considered as Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>• Opening balances were verified from last year audited financial statements.</li> <li>• Circularized confirmations to parties standing in trade and other payables ledger.</li> <li>• Design and effectiveness of internal controls implemented by the company have been tested through the trade and other payables cycle.</li> <li>• Payments made during the year were duly verified from bank statements on sample basis.</li> <li>• Further, we assessed the adequacy of related disclosures in accordance with financial reporting standards.</li> </ul>

## *Independent Auditor's Report To the members of BECO Steel Limited Report on the Audit of the Financial Statements*

### **Emphasis of matter paragraph**

We draw attention to note No. 1.02 of the financial statements, which fully explains that the company has been taken over by new management and has changed its principal line of business from textile to manufacturing of steel and allied product. Our opinion is not modified in respect of this matter

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

*Independent Auditor's Report  
To the members of BECO Steel Limited  
Report on the Audit of the Financial Statements*

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

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

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

Dated: 06 October 2021  
Lahore



Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants


## Statement of Financial Position As at 30 June 2021

	Note	2021 Rupees	2020 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital: 150,000,000 (2020: 30,000,000) ordinary of Rs. 10/- each	8	1,500,000,000	300,000,000
Issued, subscribed and paid up capital	9	250,000,000	250,000,000
Loan from directors	10	40,742,220	66,586,220
Revenue reserve	11	9,000,000	9,000,000
Accumulated losses		(304,329,379)	(306,652,770)
		(4,587,159)	18,933,450
<b>Non current liabilities</b>			
Staff retirement benefits	12	-	3,741,887
Deferred taxation	13	-	-
<b>Current liabilities</b>			
Trade and other payable	14	3,429,436	125,006,149
Accrued mark up	15	850,000	850,000
Unclaimed dividend		1,034,090	1,034,090
Provision for taxation	16	3,879,557	5,205,920
		9,193,083	132,096,159
Contingencies and commitments	17	-	-
		<b>4,605,924</b>	<b>154,771,496</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	7	-	-
Long term deposits		-	1,115,000
		-	1,115,000
<b>Current assets</b>			
Trade debts	18	-	-
Loan and advances	19	-	-
Income tax due from Government	20	2,161,876	3,798,811
Trade deposits and short term prepayments	21	-	2,870
Other receivables	22	60,245	827,618
Short term investment	23	1,009,088	949,314
Cash and bank balances	24	1,374,715	148,077,883
		4,605,924	153,656,496
		<b>4,605,924</b>	<b>154,771,496</b>

The annexed notes from 01 to 41 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

## Statement of Profit or Loss for the year ended 30 June 2021

	Note	2021 Rupees	2020 Rupees
Sales	25	230,770,190	-
Cost of Sales	26	(226,741,864)	-
Gross profit / (loss)		4,028,326	-
<b>Operating expenses:</b>			
Administrative expenses	27	(15,273,926)	(7,658,606)
Distribution and selling expenses		(1,844,454)	-
Other expenses	28	(2,644,306)	(2,393,132)
		(19,762,686)	(10,051,738)
Operating loss		(15,734,360)	(10,051,738)
Other income	29	22,311,482	41,710,054
Profit from operations		6,577,122	31,658,316
Finance cost	30	(296,308)	(1,035,256)
<b>Profit before taxation</b>		6,280,814	30,623,060
Taxation	31	(3,957,423)	(426,050)
<b>Profit after tax for the year</b>		2,323,391	30,197,010
<b>Earnings per share - basic and diluted</b>	32	0.09	1.21

The annexed notes from 01 to 41 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 2021*

	Note	2021 Rupees	2020 Rupees
<b>Profit for the year</b>		2,323,391	30,197,010
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to statement of profit or loss:</b>			
Remeasurement of defined benefit obligation		-	-
<b>Items that may be reclassified to statement of profit or loss:</b>			
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		2,323,391	30,197,010

The annexed notes from 01 to 41 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 2021**

	(Rupees)				
	Share capital	Loan from directors	Revenue reserve General reserve	Accumulated loss / profit	Total equity
<b>Balance as at 30 June 2019 (Audited)</b>	<b>250,000,000</b>	-	<b>9,000,000</b>	<b>(336,849,780)</b>	<b>(77,849,780)</b>
Profit for the year ended 30 June 2020	-	-	-	30,197,010	30,197,010
Loan from directors reclassified during the year	-	66,586,220	-	-	66,586,220
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	66,586,220	-	30,197,010	96,783,230
<b>Balance as at 30 June 2020</b>	<b>250,000,000</b>	<b>66,586,220</b>	<b>9,000,000</b>	<b>(306,652,770)</b>	<b>18,933,450</b>
Profit for the year ended 30 June 2021	-	-	-	2,323,391	2,323,391
Other comprehensive income for the year	-	-	-	-	-
Loan from directors repaid	-	(35,175,000)	-	-	(35,175,000)
Loan from directors	-	9,331,000	-	-	9,331,000
Total comprehensive income for the year	-	(25,844,000)	-	2,323,391	(23,520,609)
<b>Balance as at 30 June 2021</b>	<b>250,000,000</b>	<b>40,742,220</b>	<b>9,000,000</b>	<b>(304,329,379)</b>	<b>(4,587,159)</b>

The annexed notes from 01 to 41 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 2021

	Note	2021 Rupees	2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the year before taxation		6,280,814	30,623,060
Adjustments for following items:			
Loss on sale of fixed assets		609,503	-
Depreciation		387,797	-
Provision for workers' profit participation fund		351,764	1,702,095
Provision for workers' welfare fund		128,180	691,037
Allowance for expected credit loss		1,376,324	-
Profit on terms deposit receipt		-	-
Advances to suppliers written off		178,533	-
Staff retirement benefits	12.03	254,986	509,972
Loan from ex-director written back	29	-	(25,200,000)
Finance cost	30	296,308	1,035,256
		<u>3,583,395</u>	<u>(21,261,640)</u>
<b>Operating profit before working capital changes</b>		<b>9,864,209</b>	<b>9,361,420</b>
<b>(Increase) / decrease in current assets:</b>			
Trade debts - unsecured but considered good		(1,376,324)	-
Loan and advances		(178,533)	-
Due from Government		1,636,935	-
Trade deposits and short term prepayments		2,870	(2,870)
Other receivables		767,373	1,491,768
Short term investment		(59,774)	(78,565)
		<u>792,547</u>	<u>1,410,333</u>
<b>Increase / (decrease) in current liabilities:</b>			
Trade and other payables		(112,241,917)	(11,092,717)
<b>Cash generated from operations</b>		<b>(101,585,161)</b>	<b>(320,964)</b>
Finance cost paid		(21,778)	(9,549)
Staff retirement benefits paid		(3,996,873)	-
WPPF Paid		(9,353,464)	-
WWF Paid		(735,806)	-
Income tax paid		(5,283,786)	(2,564,214)
		<u>(19,391,707)</u>	<u>(2,573,763)</u>
<b>Net cash used in operating activities</b>		<b>(120,976,868)</b>	<b>(2,894,727)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		2,899,500	-
Capital expenditure on property, plant and equipment		(3,896,800)	-
Security deposit		1,115,000	(1,000,000)
<b>Net cash (used in) / generating from investing activities</b>		<b>117,700</b>	<b>(1,000,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan paid to directors		(25,844,000)	-
<b>Net cash flows generated from / (used in) financing activities</b>		<b>(25,844,000)</b>	<b>-</b>
Net increase / (decrease) in cash and cash equivalents		(146,703,168)	(3,894,727)
Cash and cash equivalents at the beginning of the year		148,077,883	151,972,610
<b>Cash and cash equivalents at the end of the year</b>		<b>1,374,715</b>	<b>148,077,883</b>

The annexed notes from 01 to 41 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 2021*

### **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 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). During the year, 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.

### **1.02 Acquisition and Resultant Change of Management Control of the Company**

During the year under review, Ch. Muhamad Shafique and Muhammad Ahmed Raza have acquired more than 51% shares of Beco Steel Limited (Formerly: Ravi Textile Mills Limited) ("the Company"), together with management control of the Company with effect from 04 March 2021. All the legal formalities regarding change of management have been fulfilled. Further, Mr. Ch. Muhammad Shafique and Mr. Muhammad Ahmad Raza are the majority shareholders of Chaudhry Steel Re-Rolling Mills Limited and BECO Steel Re-Rolling Mills (Private) Limited respectively, which are engaged in manufacturing of steel and allied products. The new management has rich steel business experience, hence the Company shall engage in steel business in future.

The shares under the Sale Purchase Agreement have been transferred to the acquirers in compliance with applicable provisions of the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.

New management held an extraordinary general meeting on 11 May 2021, in which following businesses were undertaken and executed:

- Name of the Company has been changed from Ravi textile Mills Limited to Beco Steel Limited.
- Principal line of business has been changed to manufacturing of steel and allied products, along with approving the alterations to the Memorandum of Association of the Company.
- Authorized share capital of the Company has been increased from PKR 300,000,000/- (Pak Rupees Three Hundred Million) to PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million).
- Registered office of the company has been changed from the city of Multan to Lahore.
- Issuance of new share other than by way of right, for consideration other than cash, in favour of the associated company and directors / related parties of the Company, against the acquisition of immovable properties, plant and machinery. The Company intends to issue an aggregate of 101,882,961/- ordinary shares of face value PKR 10/- each, having an aggregate face value of PKR 1,018,829,611/- against total assets' value PKR 3,056,488,833/-. In this respect, the shares are effectively being issued at a premium of approximately PKR 20/- each, which will be beneficial to the Company and its minority shareholders. In this regard, all the requirements have been fulfilled by the Company and currently approval under section 83(1)(b) of the Companies Act, 2017 is in process at SECP. The transaction involves the acquisition of 2 (two) steel units which include land, building and machinery. The two running steel units includes unit No. 1, having melting capacity (as part of such unit) of 200 Metric Tons within 24 hours per day approved WAPDA Load 5,000 KW and Load Consumption 4,800 KW; and unit NO. 2 comprising Large Girders Re-Rolling Mills, with new specialized technology for manufacturing of various sizes of girders, channels and angles alongwith an extremely specialized melting furnace with melting capacity of 105 metric tons 24 hours per day, approved WAPDA Load 5,000 KW and Load Consumption 3,800 KW. The Re-Rolling Mills Capacity Girders mills 300 Metric Tons, 20 Hours Per Day.

All the applicable and relevant provisions of the Companies Act, 2017 in respect of above matters have been fully complied with except that the approval under section 83(1)(b) is pending at SECP.

## Notes to the Financial Statements for the year ended 30 June 2021

As approval from SECP is still in process, the company has already started steel business operations from July 2021 on toll manufacturing basis. Further, the results shown during the year 2021 relates to cotton business done by previous management, and the financial statements for the first quarter ended 30 September 2021 will include the steel business results.

### 2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

### 3 BASIS OF PREPARATION

#### 3.01 Statement of compliance

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

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

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

#### 3.02 Standards, interpretations and amendments to published approved accounting standards

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

##### - Standards, amendments to published standards and interpretations effective in current year

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IAS 1 - Presentation of Financial Statements - Amendments regarding the definition of material

IAS 8 - Accounting policies, changes in accounting estimates and errors - Amendments regarding the definition of material

IFRS 9 - Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform

IAS 41 - Agriculture - Amendments resulting from Annual Improvements to IFRS Standards 2018-2020 (taxation in fair value measurements)

IFRS 3 - Business combinations - Amendments to clarify the definition of a business

IFRS 7 - Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform

IFRS 11 - Joint arrangements - Amendments resulting from Annual Improvements 2015-2017 Cycle (remeasurement of previously held interest)

IFRS 16 - Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

##### - Standards, interpretations and amendments to existing standards that are not yet effective

The following amendments and interpretations to existing standards have been published and published and are mandatory for accounting periods beginning on or after their respective effective dates.

## Notes to the Financial Statements for the year ended 30 June 2021

Standard or Interpretation	Effective date (Annual periods beginning on or after)
IAS 1 - Presentation of Financial Statements - Amendment to defer the effective date of the January 2020 amendments Presentation of Financial Statements - Amendments regarding the classification of liabilities Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies	01 January 2023
IAS 8 - Accounting policies, changes in accounting estimates and errors - Amendments regarding the definition of accounting estimates	01 January 2023
IAS 12 - Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations	01 January 2023

Standard or Interpretation	Effective date (Annual periods beginning on or after)
IAS 16 - Property, Plant and Equipment - Amendments prohibiting a Company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended	01 January 2022
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous	01 January 2022
IFRS 1 - First-time Adoption of International Financial Reporting Standards Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time	01 January 2022
IFRS 3 - Business combinations (Amendments)	01 January 2022
IFRS 4 - Insurance contracts - Amendments regarding replacement issues in the context of the IBOR reform	01 January 2021
IFRS 4 - Insurance contracts - Amendments regarding the expiry date of the deferral approach	01 January 2023
IFRS 17- Insurance contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023)	01 January 2023
IFRS 7, Financial Instruments: Disclosure - Amendments regarding replacement issues in the context of the IBOR reform & IAS 39	01 January 2021
IFRS 9 - Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent')	01 January 2022
IFRS 16- Leases - Amendments regarding replacement issues in the context of the IBOR reform	01 January 2021
IFRS 16- Leases - Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease	01 April 2021

## Notes to the Financial Statements for the year ended 30 June 2021

The above standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements except for the increased disclosures in certain cases.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 14 - Regulatory Deferral Accounts	01 January 2016
IFRS 17 - Insurance contracts	01 January 2021

The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

#### 4 FUNCTIONAL AND PRESENTATION CURRENCY

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

#### 5 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for the certain staff retirement benefits at present value, certain liabilities at amortized cost and certain investment at fair value. In these financials statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted on accrual basis.

#### 6 Critical accounting estimates and judgments

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

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

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

##### 6.02 Inventories

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

##### 6.03 Income tax

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

##### 6.04 Allowance for expected credit losses

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

## *Notes to the Financial Statements for the year ended 30 June 2021*

### **6.05 Tangible fixed assets and depreciation**

#### **a) Cost**

Fixed assets except freehold land, buildings on freehold land, plant and machinery, factory tools and equipment and capital work in progress are carried at cost less accumulated depreciation and any and any identified impairment loss. Freehold land is carried at revalued amount being the fair value at the date of revaluation less any identified impairment loss. Buildings on freehold land, plant and machinery and factory tools and equipment are carried at revalued amount being fair value at the date of revaluation less accumulated depreciation and any identified impairment loss. Capital work in progress is stated at cost less any identified impairment loss.

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. 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 straight-line 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

#### **c) Derecognition**

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

### **6.06 Non-current assets held for sale**

Non-current assets classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recoverable principally through a sale transaction rather than through continuing use.

### **6.07 Impairment of non-financial assets**

The carrying amount of assets is reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. Recoverable amount is the higher of fair value

## Notes to the Financial Statements for the year ended 30 June 2021

less costs to sell and value in use. The resulting impairment loss is taken to the statement of profit or loss except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

### 6.08 Borrowing cost

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

### 6.09 Inventories

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

### 6.10 Stores, spare parts and loose tools

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

### 6.11 Stock-in-trade

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

For raw materials

- at monthly average cost

For work-in-process and finished goods - at annual average manufacturing cost including a portion of production overheads

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

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

### 6.12 Taxation

#### a) Current

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

#### b) Deferred

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

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

### 6.13 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.

## *Notes to the Financial Statements for the year ended 30 June 2021*

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

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

**a) Revenue recognition**

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

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

**b) Sale of goods**

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

**c) Interest**

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

**d) Other revenue**

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

**e) Contract assets**

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

**f) Contract liabilities**

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

## Notes to the Financial Statements for the year ended 30 June 2021

### g) Refund liabilities

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

### 6.14 Provisions

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

### 6.15 Staff retirement benefits

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

### 6.16 Share capital

Ordinary shares are classified as equity.

### 6.17 IFRS 9 "Financial instruments"

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

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

### i) Recognition of financial instruments

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

## Notes to the Financial Statements for the year ended 30 June 2021

### ii) Classification and measurement of financial instruments

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

#### Investments and other financial assets

##### a) Classification

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

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

- those to be measured at amortized cost

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

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

##### b) Measurement

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

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

#### Debt instruments

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

##### Amortized cost

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

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

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

## Notes to the Financial Statements for the year ended 30 June 2021

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

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

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

### **Equity instruments**

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

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

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

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

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

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

### **Financial liabilities**

#### **Classification and measurement**

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

#### **iii) Impairment of financial assets**

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

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

#### **iv) De-recognition**

##### **Financial assets**

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

## *Notes to the Financial Statements for the year ended 30 June 2021*

### **Financial liabilities**

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

### **Offsetting of financial instruments**

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

### **Hedge accounting**

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

There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company during the year ended 30 June 2021.

### **6.18 Trade and other receivables**

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

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

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

### **6.19 Cash and cash equivalents**

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

### **6.20 Earnings per share**

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

### **6.21 Contingent assets**

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

### **6.22 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.

## Notes to the Financial Statements for the year ended 30 June 2021

### 6.23 Borrowings

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

### 6.24 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) BECO Steel Re-Rolling Mills (Private) Limited

### 6.25 Trade and other payables

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

### 6.26 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.

*Notes to the Financial Statements  
for the year ended 30 June 2021*

**7 PROPERTY, PLANT AND EQUIPMENT**

**7.01** The following is a statement of Property, Plant & Equipment.

	Office Equipment	Vehicles	Total
	-----Rupees-----		
<b>At 30 June 2019</b>			
Cost	-	-	-
Accumulated depreciation	-	-	-
Net book value	-	-	-
<b>Year ended 30 June 2020</b>			
Additions	-	-	-
<b>Disposal</b>			
Cost	-	-	-
Depreciation	-	-	-
Net book value	-	-	-
Depreciation charge for the year	-	-	-
<b>Net book value as at 30 June 2020</b>	-	-	-
<b>Year ended 30 June 2021</b>			
Additions	245,800	3,651,000	3,896,800
<b>Disposal</b>			
Cost	(245,800)	(3,651,000)	(3,896,800)
Depreciation	22,697	365,100	387,797
Net book value	(223,103)	(3,285,900)	(3,509,003)
Depreciation charge for the year	(22,697)	(365,100)	(387,797)
<b>Net book value as at 30 June 2021</b>	-	-	-
<b>At 30 June 2020</b>			
Cost/revalued amount	-	-	-
Accumulated depreciation	-	-	-
Net book value in Rupees	-	-	-
Annual rates (%) of depreciation 2020	10%	10%	-
<b>At 30 June 2021</b>			
Cost/revalued amount	-	-	-
Accumulated depreciation	-	-	-
Net book value in Rupees	-	-	-
Annual rates (%) of depreciation 2021	10%	10%	-

## Notes to the Financial Statements for the year ended 30 June 2021

### 7.02 Depreciation charge for the year has been allocated as follows:

Administrative and general expenses  
**Total**

2021	2020
Rupee	Rupee
387,797	-
<b>387,797</b>	<b>-</b>

### 7.03 Loss on disposal of fixed assets

Cost  
Accumulated depreciation  
Net book value  
Sale proceed  
Loss on sale of fixed assets

2021	2020
3,896,800	-
(387,797)	-
3,509,003	-
(2,899,500)	-
<b>609,503</b>	<b>-</b>

### 7.04 Disposal of property, plant and equipment

The following operating fixed assets were disposed off during the year:

Particulars	Date of Purchase	Cost	Accumulated depreciation	Net book value	Date of sale	Sale proceeds	Gain / (loss)	Relationship of buyer with the Company	Mode of disposal	Buyer's name
<b>RUPEES</b>										
<b>Vehicles</b>										
Honda Civic AJAX-599	13/Aug/2020	3,587,000	358,700	3,228,300	18/Feb/2021	2,700,000	(528,300)	Third party	Negotiation	Fine Cot Industries
Honda CD 70 2019	19/Aug/2020	64,000	6,400	57,600	18/Feb/2021	19,500	(38,100)	Third party	Negotiation	M. Shahid Iqbal
<b>Total (A)</b>		<b>3,651,000</b>	<b>365,100</b>	<b>3,285,900</b>		<b>2,719,500</b>	<b>(566,400)</b>			
<b>Office Equipment</b>										
AC	17/Aug/2020	44,000	4,400	39,600	18/Feb/2021	31,948	(7,652)	Third party	Negotiation	M. Shahid Iqbal
Deep Freezer	18/Aug/2020	50,500	5,050	45,450	18/Feb/2021	36,669	(8,781)	Third party	Negotiation	M. Shahid Iqbal
Printer HP-245	31/Aug/2020	38,300	3,830	34,470	18/Feb/2021	27,810	(6,660)	Third party	Negotiation	M. Shahid Iqbal
Lenovo C13 Laptop	03/Sep/2020	39,000	3,250	35,750	18/Feb/2021	28,843	(6,907)	Third party	Negotiation	M. Shahid Iqbal
Gree AC	17/Sep/2020	74,000	6,167	67,833	18/Feb/2021	54,728	(13,105)	Third party	Negotiation	M. Shahid Iqbal
<b>Total (B)</b>		<b>245,800</b>	<b>22,697</b>	<b>223,103</b>		<b>180,000</b>	<b>(43,105)</b>			

## Notes to the Financial Statements for the year ended 30 June 2021

		<b>2021</b>	<b>2020</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>8 AUTHORIZED SHARE CAPITAL</b>			
1,500,000,000 (2020: 30,000,000) ordinary shares of Rs. 10/- each		<u>1,500,000,000</u>	<u>300,000,000</u>
The company vide resolution passed in EOGM held on 11 May 2021, increased authorized share capital from Rs. 300,000,000/- (divided into 30,000,000 ordinary shares) to Rs. 1,500,000,000/- (divided into 150,000,000 ordinary shares).			
<b>9 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>Rupees</b>	<b>Rupees</b>
25,000,000 (2020: 25,000,000) ordinary shares of Rs. 10/- each fully paid in cash		<u>250,000,000</u>	<u>250,000,000</u>
<b>9.01</b>	Fully paid ordinary shares, which have a par value Rs. 10/-, carry one vote per share and carry right to dividends.		
<b>10 LOAN FROM DIRECTORS</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>Rupees</b>	<b>Rupees</b>
Loan from directors		<u>40,742,220</u>	<u>66,586,220</u>
<b>10.01</b>	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.		
<b>11 REVENUE RESERVE</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>Rupees</b>	<b>Rupees</b>
Revenue reserve- general reserve		<u>9,000,000</u>	<u>9,000,000</u>
<b>12 STAFF RETIREMENT BENEFITS</b>			
Details of the staff retirement benefit-obligation are as follows:			
<b>12.01 Amounts recognized in the statement of financial position</b>		<b>2021</b>	<b>2020</b>
		<b>Rupees</b>	<b>Rupees</b>
Present value of defined benefit obligation		-	2,131,797
Gratuity payable to ex-employees		-	1,610,090
		<u>-</u>	<u>3,741,887</u>
<b>12.02 Movement in net liability</b>			
Net liability at the beginning of the year		3,741,887	3,231,915
Charge for the year		254,986	509,972
Remeasurements chargeable in OCI		-	-
Benefits paid during the year		<u>(3,996,873)</u>	<u>-</u>
Closing balance		<u>-</u>	<u>3,741,887</u>
<b>12.03 Changes in the present value of defined benefit obligation</b>			
Defined benefit obligation at the beginning of the year		3,741,887	3,231,915
Current service cost		254,986	365,166
Interest cost on defined benefit obligation		-	144,806
		<u>3,996,873</u>	<u>3,741,887</u>
Remeasurements chargeable in OCI		-	-
Benefits paid during the year		<u>(3,996,873)</u>	<u>-</u>
		<u>-</u>	<u>3,741,887</u>
<b>12.04</b>	All employees were appointed during the last quarter of the year as management was changed during the current year. Therefore, there was no staff retirement benefits obligation as at year end. Further, all the staff retirement benefits obligation was settled/paid during the year under report.		

## Notes to the Financial Statements for the year ended 30 June 2021

		2021	2020
13 DEFERRED TAXATION	Note	Rupees	Rupees
<b>Deferred taxation comprises of the following:</b>			
<b>Deferred tax liability on taxable temporary differences</b>		-	-
<b>Deferred tax asset on deductible temporary differences:</b>			
Staff retirement benefits		-	1,085,147
Provision for doubtful debts		462,141	63,007
Provision for doubtful debts other receivables		3,285,990	3,285,990
Provision for advances		51,662	51,662
Tax losses		49,278,441	55,875,861
		<u>53,078,234</u>	<u>60,361,667</u>
Net deferred tax liability/(asset)		(53,078,234)	(60,361,667)
Deferred tax asset not recognized		53,078,234	60,361,667
		<u>-</u>	<u>-</u>
<b>13.01</b> Deferred tax has been calculated using tax rates applicable on tax year 2022. Net deferred tax asset as at the reporting date has not been recognized in these financial statements due to uncertainty of available taxable profits of the company in foreseeable future periods.			
	Note	2021	2020
<b>14 TRADE AND OTHER PAYABLES</b>		Rupees	Rupees
Creditors		-	51,952,680
Advances from customers		-	9,685,742
Due to associated company	14.01	-	39,927,406
Workers' profit participation fund	14.02	351,764	9,078,934
Workers' welfare fund	14.03	128,180	735,806
Accrued liabilities		2,949,492	11,761,199
Sales tax payable		-	170,295
Income tax deducted at source		-	861,864
Other payables	14.04	-	832,223
		<u>3,429,436</u>	<u>125,006,149</u>
<b>14.01</b> This was interest free, unsecured and payable on demand to M/s Spintex Enterprises (Private) Limited. This amount had been used for working capital requirements. Amount has been settled fully during the year.			
	Note	2021	2020
<b>14.02 Workers' profit participation fund</b>		Rupees	Rupees
Opening balance		9,078,934	6,351,132
Provision for the year		351,764	1,702,095
Mark up on W.P.P.F.		274,530	1,025,707
		<u>9,705,228</u>	<u>9,078,934</u>
Payment /adjustment during the year		(9,353,464)	-
		<u>351,764</u>	<u>9,078,934</u>
<b>14.03 Workers' welfare fund</b>		Rupees	Rupees
Opening balance		735,806	44,769
Provision for the year		128,180	691,037
		<u>863,986</u>	<u>735,806</u>
Payment/reversal during the year		(735,806)	-
		<u>128,180</u>	<u>735,806</u>
<b>14.04</b> Loan from ex-chief executive amounting Rs. 832,223 has been reclassified to other payable and has been fully settled during the year.			
	Note	2021	2020
<b>15 ACCRUED MARKUP</b>		Rupees	Rupees
Bank Alfalah Limited		850,000	850,000

## Notes to the Financial Statements for the year ended 30 June 2021

	Note	2021 Rupees	2020 Rupees
<b>16 PROVISION FOR TAXATION</b>			
Opening balance		5,205,920	5,317,100
Add: taxation - current		3,461,553	426,050
		8,667,473	5,743,150
Less: tax payments / adjustments during the year		(4,787,916)	(537,230)
		3,879,557	5,205,920
<b>17 CONTINGENCIES AND COMMITMENTS</b>			
<b>17 Contingencies</b>			
<p>A cotton supplier has filed a writ petition in the court of Honourable Civil Judge, Multan for the recovery of Rs. 0.300 million against the Company. The Honourable Court awarded decree in favour of the supplier for the same amount on ex-party basis. The amount was adjusted towards quality claim of raw cotton supplied in the preceding years. The Company filed a petition against the decree in the Court of Honourable District Judge, Multan which is still pending for adjudication. According to legal advisor of the Company, favourable decision is expected. Therefore, no provision has been made in these financial statements regarding this matter.</p>			
<b>17 Commitments</b>			
There were no commitments as at the year end (2020: Nil).			
<b>18 TRADE DEBTS</b>			
Considered good:			
Unsecured		-	-
Considered doubtful:			
Others - unsecured		1,593,591	217,267
Less: Allowance for expected credit losses	18.01	(1,593,591)	(217,267)
		-	-
		-	-
<b>18.01 Allowance for expected credit loss</b>			
Opening balance		217,267	217,267
Allowance for expected credit loss provided during the year		1,376,324	-
Closing balance		1,593,591	217,267
<b>19 LOAN AND ADVANCES</b>			
Considered good, unsecured:			
Considered doubtful:			
Advances to suppliers		178,145	178,145
Less: provision for doubtful advances		(178,145)	(178,145)
		-	-
		-	-
<b>20 INCOME TAX DUE FROM GOVERNMENT</b>			
Advance income tax		2,161,876	3,798,811

## Notes to the Financial Statements for the year ended 30 June 2021

	Note	2021 Rupees	2020 Rupees
<b>21 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Prepayments		-	2,870
<b>22 OTHER RECEIVABLE</b>			
Considered good, unsecured:			
Accrued profit on saving bank account		60,245	827,618
Considered doubtful		11,330,999	11,330,999
Less: allowance for expected credit losses		(11,330,999)	(11,330,999)
		-	-
		60,245	827,618
<b>23 SHORT TERM INVESTMENT</b>			
Term deposit receipt		925,942	925,942
Add: profit accrued during the year		83,146	23,372
		1,009,088	949,314
<b>23.01</b> This term deposit receipt issued by banking company has maturity period of one year and carries profit at the rate 10.25% per annum.			
	Note	2021 Rupees	2020 Rupees
<b>24 CASH AND BANK BALANCES</b>			
Cash in hand		62,568	-
Cash at banks:			
- In current accounts		265,893	47,637
- In saving accounts	24.01	1,046,254	148,030,246
		1,374,715	148,077,883
<b>24.01</b> These carry profit ranging from 6.75% to 9.50% (2020: 10.35% to 11.50%) per annum approximately.			
<b>25 SALES - NET</b>	Note	2021 Rupees	2020 Rupees
<b>Sales-net</b>	25.01	230,770,190	-
<b>25.01</b> Sales are shown net of sales tax, amounting Rs.21,402,991 (2020 : NIL).			
<b>26 COST OF SALES</b>			
Raw material consumed		215,978,005	-
Salaries, wages and others benefits		2,524,541	-
Packing Material consumed		1,272,764	-
Fuel and power		856,222	-
Insurance		61,197	-
Repair and maintenance		2,273,069	-
Other factory overheads		3,776,066	-
		226,741,864	-
Work in process			
Opening inventory		-	-
Closing inventory		-	-
		-	-
<b>Cost of goods manufactured</b>		226,741,864	-

## Notes to the Financial Statements for the year ended 30 June 2021

	Note	2021 Rupees	2020 Rupees
Finished goods			
Opening inventory		-	-
Closing inventory		-	-
		-	-
<b>Cost of sales</b>		<b>226,741,864</b>	<b>-</b>
<b>27 ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits		3,194,586	3,651,391
Rent, rates and taxes		776,630	738,875
Postage and telephone		176,027	140,163
Electricity, gas and water		250,278	302,994
Printing and stationery		559,040	140,313
Repair and maintenance		68,135	54,130
Travelling and conveyance		149,608	258,198
Legal and professional		795,842	353,644
Auditors' remuneration	27.01	1,005,098	1,005,098
Fee and subscription		7,706,750	801,074
Entertainment		132,638	104,677
Depreciation	7.02	387,797	-
Miscellaneous		71,497	108,049
		<b>15,273,926</b>	<b>7,658,606</b>
<b>27.01 Auditors' remuneration</b>			
		<b>2021</b>	<b>2020</b>
		<b>Rupees</b>	<b>Rupees</b>
Audit fee		700,000	700,000
Review of interim financial information		124,598	124,598
Other certifications		50,000	50,000
Out of pocket expenses		20,000	20,000
Free float CDC share certificate		110,500	110,500.00
		<b>1,005,098</b>	<b>1,005,098</b>
<b>28 OTHER EXPENSES</b>			
Loss on sale of fixed assets		609,505	-
Provision for workers' profit participation fund	14.02	351,764	1,702,095
Provision for workers' welfare fund	14.03	128,180	691,037
Allowance for expected credit loss provided during the year		1,376,324	
Advances to suppliers written off		178,533	-
		<b>2,644,306</b>	<b>2,393,132</b>

## Notes to the Financial Statements for the year ended 30 June 2021

	Note	2021 Rupees	2020 Rupees
<b>29 OTHER INCOME</b>			
Income from financial assets			
- Profit on saving bank account		22,311,482	16,423,051
- Profit on term deposit receipt		-	87,003
Loan from ex-director written back		-	25,200,000
		22,311,482	41,710,054
<b>30 FINANCE COST</b>			
Interest on workers' profit participation fund		274,530	1,025,707
Bank charges		21,778	9,549
		296,308	1,035,256
<b>31 TAXATION</b>			
- Current year	31.01	3,461,553	5,205,920
- Prior years		495,870	(4,779,870)
		3,957,423	426,050
Deferred tax	13.01	-	-
		3,957,423	426,050

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

	Note	2021	2020
<b>32 EARNINGS PER SHARE</b>			
Basic Earnings per share:			
Profit after taxation	Rupees	2,323,391	30,197,010
Weighted average number of ordinary shares	Number	25,000,000	25,000,000
Profit per share – basic and diluted	Rupees	0.09	1.21

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

### 33 TRANSACTIONS WITH RELATED PARTIES

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

Loan from directors	Nature of transaction	2021 Rupees	2020 Rupees
Ch. Muhammad Shafique	Directors' loan received	9,331,000	-
Amir Khurshid	Directors' loan paid	35,175,000	-

**33.1** Following are the related parties with whom the Company has not entered into any transactions or have arrangement / agreements in place as at year end except as disclosed above and note 34.

## Notes to the Financial Statements for the year ended 30 June 2021

<b>Name of related party</b>	<b>Basis of relationship</b>
Chaudhary steel re-rolling mills limited	Common Directorship
Beco steel re-rolling mills (Private) limited	Common Directorship

### 34 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>Rupees</b>	<b>Rupees</b>
Managerial remuneration		595,000	1,020,000
Allowances:			
Reimbursement - Travelling		-	183,045
Utilities		-	228,377
		595,000	1,431,422
Number of persons		1	1

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

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

	<b>2021</b>	<b>2020</b>
<b>35 NUMBER OF EMPLOYEES</b>	<b>Number</b>	<b>Number</b>
Average number of employees during the year	6	4
Number of employees as at year end	6	4

### 36 FINANCIAL RISK MANAGEMENT

#### 36.01 Financial risk factors

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

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

#### (a) Market risk

##### Currency risk

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

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

## Notes to the Financial Statements for the year ended 30 June 2021

### Other price risk

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

### Interest rate risk

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

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

	Note	2021 Rupees	2020 Rupees
<b>Floating rate instruments</b>			
<b>Financial assets</b>			
Bank balance - saving account		1,046,254	148,030,246
<b>Fixed rate instruments</b>			
Short term investment		925,942	925,942

### Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs. 10,463 (2020: Rs. 1,480,302) higher / lower, mainly as a result of higher / lower interest income on floating rate financial assets. This analysis is prepared assuming the amounts of assets and liabilities outstanding at the reporting dates were outstanding for the whole year.

### Fair value analysis for fixed rate instruments

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

### (b) Credit risk

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

	Note	2021 Rupees	2020 Rupees
Deposits		-	1,115,000
Other receivable		60,245	827,618
Short term investment		1,009,088	949,314
Cash and bank balances		1,374,715	148,077,883
		<u>2,444,048</u>	<u>150,969,815</u>

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

## Notes to the Financial Statements for the year ended 30 June 2021

Banks	Rating Agency	30-Jun-21 Rating		2021	2020
		Short term	Long term		
Bank Alfalah Limited	PACRA-VIS	A1+	AA+	5,333	5,333
MCB Bank Limited	PACRA	A1+	AAA	2,205	2,205
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	1,294,242	148,059,978
Habib Bank Limited	JCR-VIS	A1+	AAA	10,367	10,416
				<u>1,312,147</u>	<u>148,077,932</u>
<b>Short term investment</b>					
Bank Alfalah Limited	PACRA-VIS	A1+	AA+	1,009,088	949,314
				<u>2,321,235</u>	<u>149,027,246</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 counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

### (c) Liquidity risk

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

At 30 June 2021, the Company has Rupees 1.31 million (2020: Rupees 148.07 million) bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

#### Contractual maturities of financial liabilities as at 30 June 2021.

30-Jun-21	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Rupees						

#### Non-derivative financial liabilities:

Loan from directors	40,742,220	-	-	-	40,742,220	-
Trade and other payables	2,949,492	2,949,492	2,949,492	-	-	-
Accrued mark-up	850,000	850,000	850,000	-	-	-
Unclaimed dividend	1,034,090	1,034,090	1,034,090	-	-	-
	<u>45,575,802</u>	<u>4,833,582</u>	<u>4,833,582</u>	<u>-</u>	<u>40,742,220</u>	<u>-</u>

## Notes to the Financial Statements for the year ended 30 June 2021

### Contractual maturities of financial liabilities as at 30 June 2020.

30-Jun-20	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Rupees						
<b>Non-derivative financial liabilities:</b>						
Loan from directors	66,586,220	-	-	-	66,586,220	-
Trade and other payables	113,327,027	113,327,027	113,327,027	-	-	-
Accrued mark-up	850,000	850,000	850,000	-	-	-
Unclaimed dividend	1,034,090	1,034,090	1,034,090	-	-	-
Loan from ex-chief executive	-	-	-	-	-	-
	181,797,337	115,211,117	115,211,117	-	66,586,220	-

### 36.02 Financial instruments by categories

	Note	2021 Rupees	2020 Rupees
Assets as per the statement of financial position			
Deposits		-	1,115,000
Other receivable		60,245	827,618
Short term investment		1,009,088	949,314
Cash and bank balances		1,374,715	148,077,883
		<u>2,444,048</u>	<u>150,969,815</u>
Liabilities as per the statement of financial position			
	Note	2021 Rupees	2020 Rupees
Loan from directors		40,742,220	66,586,220
Trade and other payables		2,949,492	113,327,027
Accrued mark-up		850,000	850,000
Unclaimed dividend		1,034,090	1,034,090
		<u>45,575,802</u>	<u>181,797,337</u>

### 37 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

#### (i) Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs

## *Notes to the Financial Statements for the year ended 30 June 2021*

used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

### **38 CAPITAL RISK MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or sell assets to reduce debt.

### **39 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 6 October 2021 by the Board of Directors of the Company.

### **40 CORRESPONDING FIGURES**

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

### **41 GENERAL**

Figures have been rounded off to nearest of Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

## Pattern of Shareholding As at 30 June 2021

Number of Shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total
	From	To		
160	1	100	10,423	0.04
267	101	500	107,045	0.43
93	501	1000	87,619	0.35
132	1001	5000	342,963	1.37
54	5001	10000	430,651	1.72
18	10001	15000	234,600	0.94
7	15001	20000	132,000	0.53
12	20001	25000	273,680	1.09
6	25001	30000	168,500	0.67
2	30001	35000	62,191	0.25
2	35001	40000	79,500	0.32
4	40001	45000	175,500	0.70
4	45001	50000	198,000	0.79
1	50001	55000	50,500	0.20
2	55001	60000	116,000	0.46
3	60001	65000	188,870	0.76
1	65001	70000	69,500	0.28
3	70001	75000	218,000	0.87
1	85001	90000	87,000	0.35
2	95001	100000	200,000	0.80
1	100001	105000	100,011	0.40
1	110001	115000	115,000	0.46
1	125001	130000	126,000	0.50
1	130001	135000	130,500	0.52
1	135001	140000	140,000	0.56
1	190001	195000	191,500	0.77
1	195001	200000	200,000	0.80
1	225001	230000	226,500	0.91
1	505001	510000	508,104	2.03
1	520001	525000	524,500	2.10
1	560001	565000	560,097	2.24
1	585001	590000	587,500	2.35
1	720001	725000	724,000	2.90
1	1395001	1400000	1,400,000	5.60
1	1875001	1880000	1,880,000	7.52
1	14350001	14355000	14,353,746	57.41
<b>790</b>			<b>25,000,000</b>	<b>100.00</b>

### Categories of Shareholders As on 30 June 2021

Sr. #	Categories	No. of Shareholders	Shares Held	Percentage
1	Individuals	766	9,213,554	36.85
2	Directors/Sponsors etc.	5	14,362,746	57.45
3	Financial Institutions	5	565,392	2.26
4	Modarabas	1	300	0.00
5	Insurance Companies	1	200,000	0.80
6	Investment Companies	1	3,000	0.01
7	Funds	2	32,803	0.13
8	Others	9	622,205	2.49
	<b>TOTAL:</b>	<b>790</b>	<b>25,000,000</b>	<b>100.00</b>

## Detailed Categories of Shareholders as on 30 June 2021

Sr. No.	Name	Shares Held	Percentage
<b>Directors/Sponsors etc.</b>			
1	Ch. Muhammad Shafique	14,353,746	57.415
2	Mr. Muhammad Asim Raza	500	0.002
3	Miss Eman Shafique	500	0.002
4	Miss Afifa Shafique	500	0.002
5	Mr. Muhammad Hashim Tareen	2500	0.010
6	Mr. Mahmood Aslam	2,500	0.010
7	Mr. Waheed Akbar	2,500	0.010
8	Mrs. Sarwar Sultana (Spouse of CEO)	2,500	0.010
9	Mr. Muhammad Ahmad Raza (Sponsor)	1,400,000	5.600
		<b>15,765,246</b>	<b>63.061</b>
<b>Financial Institutions</b>			
1	NATIONAL BANK OF PAKISTAN	195	0.001
2	BANK ALFALAH LIMITED - LAHORE STOCK EXCHANGE BRANCH	560,097	2.240
3	INVESTMENT CORPORATION OF PAKISTAN	2,800	0.011
4	CRESCENT INVESTMENT BANK LTD	2,100	0.008
5	GRAYS AND CAMBRIDGE (PAKISTAN) LTD	200	0.001
		<b>565,392</b>	<b>2.262</b>
<b>Modarabas</b>			
1	MODARABA AL-MALI CORPORATION LTD	300	0.001
		<b>300</b>	<b>0.001</b>
<b>Insurance Companies</b>			
1	STATE LIFE INSURANCE CORP. OF PAKISTAN	200,000	0.800
		<b>200,000</b>	<b>0.800</b>
<b>Investment Companies</b>			
1	PAKISTAN KUWAIT INVESTMENT CO.(PVT) LTD	3,000	0.012
		<b>3,000</b>	<b>0.012</b>
<b>Funds</b>			
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND	1,112	0.004
2	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	31,691	0.127
		<b>32,803</b>	<b>0.131</b>
<b>Others</b>			
1	IMGC GLOBAL (PVT.) LIMITED	10,000	0.040
2	MAPLE LEAF CAPITAL LIMITED	1	0.000
3	Y.S. SECURITIES & SERVICES (PVT) LTD.	1,200	0.005
4	D.S.CORPORATION (PVT) LIMITED	3,400	0.014
5	SAYA SECURITIES (PRIVATE) LIMITED.	71,000	0.284
6	SALIM SOZER SECURITIES (PVT.) LTD.	508,104	2.032
7	A. H. M. SECURITIES (PRIVATE) LIMITED	12,000	0.048
8	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	6,500	0.026
9	HH MISBAH SECURITIES (PRIVATE) LIMITED	10,000	0.040
		<b>622,205</b>	<b>2.489</b>

<b>Individuals</b>	<b>7,811,054</b>	<b>31.244</b>
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<b>Grand Total:</b>	<b>25,000,000</b>	<b>100</b>
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Shareholders holding 5% or more voting rights:

CH MUHAMMAD SHAFIQUE	14,353,746	57.415
MUHAMMAD AHMAD RAZA	1,400,000	5.600
MUHAMMAD SHOAB	1,880,000	7.520

All trade in the shares of the Listed Company, carried out by its Directors, Executives and their spouses and minor children shall also disclosed.

SR. No.	Name		Sale	Purchased
1	CH. MUHAMMAD SHAFIQUE	CEO	-	14,353,746
2	MUHAMMAD AHMAD RAZA	SPONSOR	-	1,400,000

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## بیکواسٹیل لمیٹڈ (سابقہ راوی ٹیکسٹائل ملز لمیٹڈ)

پراکسی فارم (مختار نامہ)

حصہ دار (شیمز ہولڈنگ)	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	سب اکاؤنٹ (ذیلی کھاتہ) نمبر	سی ڈی سی شرکت آئی ڈی نمبر
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

میں/ہم  
ساکن  
بحیثیت رکن بیکواسٹیل لمیٹڈ (سابقہ راوی ٹیکسٹائل ملز لمیٹڈ) محترم/محترمہ  
اس کی غیر موجودگی میں

(بحیثیت کمپنی کے رکن) کو اپنے/ہمارے ایما پر مورخہ 28 اکتوبر، 2021 بروز جمعرات، دوپہر 01:00 بجے بمقام فلرٹس لگوری اپارٹمنٹس، گراؤنڈ فلور، جی-7، 127، 7-احمد بلاک، گارڈن ٹاؤن، لاہور پر منعقد ہونے والے بیکواسٹیل لمیٹڈ (سابقہ راوی ٹیکسٹائل ملز لمیٹڈ) کے 35 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔  
آج بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ 2021ء کو میرے/ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

### گواہان

50/- روپے کارسیدی ٹکٹ یہاں چسپاں کریں

دستخط رکن  
کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں۔

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

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

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