



***METROPOLITAN STEEL  
CORPORATION LIMITED***

**FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**



## COMPANY PROFILE

### Board of Directors

Mr. Mehmood Ali Mehkri	Chairman
Mr. Muhammad Umar Mehkari	Chief Executive
Mrs. Sara Mehmood Mehkri	Director
Mr. Abdul Rafay	Director
Mrs. Saba Mehkari Farooqui	Director
Mrs. Uzma Mehmood Ali Mehkri	Director
Mrs. Sofia Zakaria	Director

### Audit Committee

Mrs. Saba Mehkari Farooqui	Chairman
Mr. Mehmood Ali Mehkri	Member
Mr. Abdul Rafay	Member

### HR & Remuneration Committee

Mr. Abdul Rafay	Chairman
Mr. Mehmood Ali Mehkri	Member
Mrs. Saba Mehkari Farooqui	Member

### Company Secretary

Mr. Abul Mojahid

### Auditors

REANDA HAROON ZAKARIA & COMPANY  
Chartered Accountants

### Registered/ Head Office

Plot No: HE 1/2 Landhi Industrial Area  
Karachi.



## **DIRECTORS REPORT FOR THE QUARTER ENDED MARCH 31, 2021**

The directors of the Company are pleased to present to you their report on financial statements of the Company for the quarter ended March 31, 2021.

Your Company of reported sales of Rs. 46.821 million till the quarter ended March 3, 2021 with a net loss of Rs. 8.515 million before tax.

Key financial highlights of the Company are as follows:

	<i>----- Rs in '000' -----</i>	
	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Net sales	<b>46,821</b>	22,048
Gross loss	<b>(5,575)</b>	(7,910)
Operating loss	<b>(10,081)</b>	(16,952)
Loss before tax	<b>(9,421)</b>	(13,475)
Loss after tax	<b>(8,515)</b>	(12,549)

### **Acknowledgement**

The Board of Directors of your Company expresses their gratitude to all stakeholders including our valued shareholders, employees, customers, suppliers and financial institutions for their encouragement and continued support to strengthen the Company.

*For and behalf of the Board of Directors*

Date :  
Place : Karachi

  
*Chief Executive Officer*



# METROPOLITAN STEEL CORPORATION LIMITED

## METROPOLITAN STEEL CORPORATION LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2021

		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	Note	----- Rupees in '000' -----	
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	571,532	592,299
Right-of-use assets	6	350	412
Long term deposits		3,209	3,209
		<u>575,091</u>	<u>595,920</u>
<b>Current Assets</b>			
Stores, spares and loose tools		13,185	13,185
Stock-in-trade	7	29,995	26,262
Trade debts	8	58,446	45,865
Claims recoverable	9	81,184	81,184
Advances and prepayments		255	200
Short term investments	10	8,014	13,910
Tax refunds due from government - net	11	8,544	10,288
Interest receivable		516	95
Cash and bank balances	12	678	15
		<u>200,817</u>	<u>191,004</u>
<b>Total Assets</b>		<u><u>775,908</u></u>	<u><u>786,924</u></u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
50,000,000 Ordinary shares of Rs. 10 each		500,000	500,000
<b>Issued, subscribed and paid-up capital</b>		<u>309,776</u>	<u>309,776</u>
<b>Capital reserves</b>			
Revaluation surplus on property, plant and equipment	13	325,341	327,560
<b>Revenue Reserves</b>			
General reserve		80,500	80,500
Accumulated loss		(17,376)	(11,080)
		<u>63,124</u>	<u>69,420</u>
<b>Shareholder's equity</b>		<u>698,241</u>	<u>706,756</u>
<b>Non-Current Liabilities</b>			
Deferred liability	14	30,138	31,044
<b>Current Liabilities</b>			
Trade and other payables	15	11,927	13,522
Markup accrued		3,745	3,745
Short term borrowings	16	9,246	9,246
Unclaimed dividend		1,273	1,273
Over due portion of lease liabilities	17	21,338	21,338
		<u>47,529</u>	<u>49,124</u>
<b>Contingencies and Commitments</b>	18		
<b>Total Equity and Liabilities</b>		<u><u>775,908</u></u>	<u><u>786,924</u></u>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director





# METROPOLITAN STEEL CORPORATION LIMITED

**METROPOLITAN STEEL CORPORATION LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**(UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED MARCH 31, 2021**

(Amounts in thousand except for earnings / (loss) per share)	Note	Nine Months Ended		Quarter Ended	
		March 31,		March 31,	
		2021	2020	2021	2020
		----- Rupees in '000' -----			
Sales - net	19	46,821	22,048	20,318	11,184
Cost of sales		(52,396)	(29,958)	(24,566)	(13,986)
<b>Gross loss</b>		<b>(5,575)</b>	<b>(7,910)</b>	<b>(4,248)</b>	<b>(2,802)</b>
Administrative expenses		(4,202)	(8,860)	(1,376)	(3,353)
Selling and distribution expenses		(304)	(182)	(71)	(52)
<b>Operating loss</b>		<b>(10,081)</b>	<b>(16,952)</b>	<b>(5,695)</b>	<b>(6,207)</b>
Finance cost		(49)	(126)	(32)	(55)
Other charges	20	(5,432)	-	-	-
Other income		6,141	3,603	138	1,800
<b>Loss profit before taxation</b>		<b>(9,421)</b>	<b>(13,475)</b>	<b>(5,589)</b>	<b>(4,462)</b>
Taxation		906	926	198	232
<b>Loss after taxation</b>		<b>(8,515)</b>	<b>(12,549)</b>	<b>(5,391)</b>	<b>(4,230)</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>(8,515)</b>	<b>(12,549)</b>	<b>(5,391)</b>	<b>(4,230)</b>
<b>Loss per share - basic and diluted</b>		<b>(0.27)</b>	<b>(0.41)</b>	<b>(0.17)</b>	<b>(0.14)</b>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director



# METROPOLITAN STEEL CORPORATION LIMITED

## METROPOLITAN STEEL CORPORATION LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2021

	Share capital	Capital reserve Revaluation surplus on property, plant and equipment	*Revenue reserve General reserve	Unappropriated profit / (loss)	Total
----- Rupees in '000 -----					
Balance as at July 1, 2019	309,776	332,340	80,500	856	723,472
Loss for the period	-	-	-	(12,549)	(12,549)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	(12,549)	(12,549)
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net	-	(2,267)	-	2,267	-
<b>Balance as at March 31, 2020</b>	<b>309,776</b>	<b>330,073</b>	<b>80,500</b>	<b>(9,426)</b>	<b>710,923</b>
Balance as at July 1, 2020	309,776	327,560	80,500	(11,080)	706,756
Loss for the period	-	-	-	(8,515)	(8,515)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	-	(8,515)	(8,515)
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net	-	(2,219)	-	2,219	-
<b>Balance as at March 31, 2021</b>	<b>309,776</b>	<b>325,341</b>	<b>80,500</b>	<b>(17,376)</b>	<b>698,241</b>

\* Revenue reserves can be utilized for meeting any contingencies and for distribution of profit by way of dividend.

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director



# METROPOLITAN STEEL CORPORATION LIMITED

## METROPOLITAN STEEL CORPORATION LIMITED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2021

	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	--- Rupees in '000' ---	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(9,421)	(20,857)
Adjustments for:		
Depreciation	9,483	13,683
Gain on sale of investments	(2,342)	-
Interest on saving account	-	(14)
Loss on disposal of property, plant and equipment	5,432	-
Unrealized loss on remeasurement of investments	-	301
Gain on investments	-	(2,805)
Finance cost	49	96
Interest on TDR	-	(668)
	<b>3,201</b>	<b>(10,265)</b>
<b>Working capital changes</b>		
(Increase) / decrease in current assets		
Stock-in-trade	(3,733)	(12,060)
Trade debts	(12,581)	1,433
Advances, prepayments and other receivables	1,988	-
Short term deposits	-	7,288
Sales tax refundable	-	549
Increase / (decrease) in current liabilities		
Trade and other payables	(1,595)	(4,851)
	<b>(15,921)</b>	<b>(7,641)</b>
	<b>(12,720)</b>	<b>(17,906)</b>
Finance cost paid	(49)	(96)
Taxes paid - net	(299)	(1,767)
<b>Net cash used in operating activities</b>	<b>(13,068)</b>	<b>(19,769)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition in capital work in progress	-	(1,283)
Proceeds from disposal of property, plant and equipment	5,915	-
Investments - net	8,238	12,299
Profit received on bank deposit and TDR	(421)	650
<b>Net cash generated from / (used in) investing activities</b>	<b>13,732</b>	<b>11,666</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts of short term borrowings	-	5,537
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>5,537</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>663</b>	<b>(2,566)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>15</b>	<b>2,581</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>678</b>	<b>15</b>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

***METROPOLITAN STEEL CORPORATION LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2021***

***1 LEGAL STATUS AND OPERATIONS***

- 1.1** Metropolitan Steel Corporation Limited (the Company) was incorporated on August 24, 1955 as a Public Limited Company. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is a manufacturer of steel products such as torsteel, ribbed bars, wire rods, bailing hoops, mild and special steel wires, transmission towers and cold profiles. The registered office of the Company is situated at Landhi Industrial Area, Plot # HE:1/2, Karachi.
- 1.2** During the current period, the Company has incurred gross loss of Rs. 5.575 (March 31, 2020: Rs. 7.44) Million and incurred after tax loss amounting to Rs. 8.515 (March 31, 2020: Rs. 12.549) Million resulting in accumulated losses of Rs. 17.376 (June 30, 2020: Rs. 11.08) Million.

These conditions along with other matters set forth indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

However, the management of the Company has prepared these condensed interim financial statements on going concern basis due to the following reasons:

- a)** The Company has revived its business by resuming production activities. Further, the Company has incurred capital expenditure of Rs. 51.15 (June 30, 2020: Rs. 51.15) Million till the reporting date.
- b)** Moreover, the Company has started operations through sale of its products to various projects, retailers and Companies. The prices of Company's products are competitive and the management is of the view that the Company will generate sufficient revenues in the subsequent years that will be used to complete the civil works related to installation of wire plants and procurement of materials.

***2 BASIS OF PREPARATION***

- 2.1** These condensed interim financial statements of the Company for the six months period ended December 31, 2019 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (The Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.
- 2.2** These condensed interim financial statements are unaudited but subject to limited scope review by auditors. These condensed interim financial statements do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2020.
- 2.3** These condensed interim financial statements have been prepared under historical cost convention.
- 2.4** These condensed interim financial statements are presented in Pakistani Rupees, which is also the Company's functional currency.

2.5 The comparative condensed interim statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2020, whereas the comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the unaudited condensed interim financial statements for the six months ended March 31, 2020.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2020.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Company's operation and are therefore not detailed in these condensed interim financial statements.

### **4 ESTIMATES**

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2020.



# **MSC METROPOLITAN STEEL CORPORATION LIMITED**

	<i>(Un-audited)</i> <b>March 31,</b> <b>2021</b>	<i>(Audited)</i> <b>June 30,</b> <b>2020</b>
<i>Note</i>	----- Rupees in '000' -----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>		
Depreciation charge for the period	<u><b>9,421</b></u>	<u>13,580</u>
<b>Disposal - plant and machinery</b>		
Cost	<b>23,352</b>	-
Depreciation	<b>(12,005)</b>	-
<b>Net Book Value</b>	<u><b>11,347</b></u>	<u>-</u>
Sale proceeds	<u><b>5,915</b></u>	<u>-</u>
<b>6 RIGHT-OF-USE ASSETS</b>		
Opening book value	<b>412</b>	515
Depreciation charge for the period	<b>(62)</b>	(103)
Closing book value	<u><b>350</b></u>	<u>412</u>
<b>7 STOCK-IN-TRADE</b>		
<b>Raw materials</b>		
- in hand	<b>17,885</b>	10,439
<b>Work in process</b>	-	538
<b>Finished goods</b>	<u><b>12,110</b></u>	<u>15,285</u>
	<u><b>29,995</b></u>	<u>26,262</u>
<b>8 TRADE DEBTS</b>		
Considered good	8.1 <u><b>58,446</b></u>	<u>45,865</u>

**8.1** This includes amount receivable in respect of tower plant amounting to Rs. 24.55 (June 30, 2020: Rs. 24.55) Million supplied to Multan Electric Power Company Limited and Rs. 19.55 (June 30, 2020: Rs. 19.55) Million receivable from WAPDA, which were challenged by the Company in the Honorable High Court of Sindh. The decision on these law suits has not been rendered till the issuance of these condensed interim financial statements. Based on legal advice, the management is confident that the final outcome of these cases will be decided in favour of the Company, accordingly, no provision has been made against these receivables.

		<i>(Un-audited)</i> <b>March 31,</b> <b>2021</b>	<i>(Audited)</i> <b>June 30,</b> <b>2020</b>
<b>9 CLAIMS RECOVERABLE</b>	<b>Note</b>	<b>----- Rupees in '000' -----</b>	
Considered good		<b>81,184</b>	81,184
Considered doubtful	9.1	<b>118,810</b>	118,810
		<b>199,994</b>	199,994
Less: provision for doubtful debts		<b>(118,810)</b>	(118,810)
		<b>81,184</b>	81,184

**9.1** This represents amount recoverable in respect of excise duty paid by the Company on billets supplied by Pakistan Steel Mills Corporation (Private) Limited during the period commencing 1989-90 to 1991-92 pursuant to SRO 732(1)/89, which was challenged (Suit no. 745/1992) by the Company in the Honourable High Court of Sindh during 1992. The said suit was dismissed by the single Judge bench of Honourable High Court of Sindh on June 01, 2016. The Company has made appeal (HCA/308/2016) against the decision before the Honourable High Court of Sindh, which is pending till the issuance of these condensed interim financial statements. Based on the legal advice, the management of the Company is confident that the final outcome of the case will be decided in favour of the Company. Accordingly, the Company has not made any further provision in respect of the amount in these condensed interim financial statements.

		<i>(Un-audited)</i> <b>March 31,</b> <b>2021</b>	<i>(Audited)</i> <b>June 30,</b> <b>2020</b>
<b>10 SHORT TERM INVESTMENTS</b>	<b>Note</b>	<b>----- Rupees in '000' -----</b>	
<b>At fair value - through profit or loss</b>			
Listed shares	10.1	-	5,896
Units of mutual funds		<b>14</b>	14
		<b>14</b>	5,910
<b>At amortized cost</b>			
TDR	10.2	<b>8,000</b>	8,000
		<b>8,014</b>	13,910

**10.1 Listed shares**

	<i>(Un-audited)</i> <b>December 31,</b> <b>2020</b>	<i>(Audited)</i> <b>June 30,</b> <b>2020</b>	
<b>Number of shares</b>			
-	639,500	Siddiqsons Tin Plate Limited	-
			5,896

**10.2** This represents TDR having maturity of 1 year carries markup at the rate of 7.00% (June 30, 2020: 7.00%) per annum and is deposited in the bank as margin against bank guarantee issued in favour of Sui Southern Gas Company Limited by the bank. Interest till the cut off date is booked in these financial statements.

	<i>(Un-audited)</i> <i>March 31,</i> <i>2021</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i>
<i>Note</i>	----- Rupees in '000' -----	

**11 TAX REFUNDS DUE FROM GOVERNMENT - NET**

Income tax - net	7,861	7,562
Sales tax - net	683	2,726
	<u>8,544</u>	<u>10,288</u>

**12 CASH AND BANK BALANCES**

<i>Cash in hand</i>	0	-
<i>Cash at bank</i>		
- In current account	30	-
- In savings account	648	15
	<u>678</u>	<u>15</u>
	<u>678</u>	<u>15</u>

12.1 These carry markup at the rates ranging between 5.06% to 5.75% (June 30, 2020: 5.01% to 7.01%) per annum. The deposits are placed with bank under Islamic banking arrangements.

	<i>(Un-audited)</i> <i>March 31,</i> <i>2021</i>	<i>(Audited)</i> <i>June 30,</i> <i>2020</i>
<i>Note</i>	----- Rupees in '000' -----	

**13 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT**

<i>Opening balance</i>	358,604	365,338
<i>Buildings on leasehold land and plant and machinery</i>		
Transferred to unappropriated profit in respect of incremental depreciation - net of deferred tax	(2,219)	(4,781)
Related deferred tax liability	(906)	(1,953)
	<u>(3,125)</u>	<u>(6,734)</u>
<i>Balance as at period end</i>	355,479	358,604
<i>Related deferred tax liability</i>	(30,138)	(31,044)
<i>Balance as at period end - net of deferred tax</i>	<u>325,341</u>	<u>327,560</u>

**13.1 Movement in deferred tax liability**

<i>Opening balance</i>	31,044	32,997
Transferred to unappropriated profit in respect of incremental depreciation	(906)	(1,953)
<i>Balance as at period end</i>	<u>30,138</u>	<u>31,044</u>

**14 DEFERRED LIABILITY**

Deferred tax liability - net	14.1 <u>30,138</u>	<u>31,044</u>
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# METROPOLITAN STEEL CORPORATION LIMITED

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- Rupees in '000' -----	
<b>14.1 Deferred tax liability - net</b>			
<b>Deductible temporary differences</b>			
Provisions for stores, spares and loose tools		(8,980)	(8,980)
Provisions for claims recoverable		(34,455)	(34,455)
Liabilities against assets subject to finance lease		(6,188)	(6,188)
Business losses		(68,970)	(68,257)
Unabsorbed tax depreciation		(199,810)	(199,810)
		(318,403)	(317,690)
<b>Taxable temporary differences</b>			
Accelerated tax depreciation		66,838	66,997
Deferred tax asset - net	14.2	(251,565)	(250,693)
Deferred tax asset not recognized		251,565	250,693
		-	-
<b>Taxable temporary differences</b>			
Revaluation surplus on property, plant and equipment		30,138	31,044

**14.2** Deferred tax asset as at December 31, 2020 to the extent of Rs. 251.57 (June 30, 2020: Rs. 250.69) Million has not been recognized as the Company does not expect to generate sufficient taxable profits in foreseeable future against which such benefits can be utilized.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- Rupees in '000' -----	
<b>15 TRADE AND OTHER PAYABLES</b>			
Trade creditors		-	20
Accrued liabilities	15.1	7,363	8,911
Payable to EOBI		4,331	4,331
Temporary overdraft		-	21
Others		233	239
		11,927	13,522

**15.1** Includes director's remuneration payable amounting to Rs. 5.44 (June 30, 2020: Rs. 6.43) Million.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- Rupees in '000' -----	
<b>16 SHORT TERM BORROWINGS</b>			
From director - unsecured	16.1	9,246	9,246

**16.1** Represents interest free loan obtained from director of the Company to meet the working capital requirements and is payable on demand.

*(Un-audited)*      *(Audited)*  
**March 31,**      **June 30,**  
**2021**      **2019**  
*Note*      **----- Rupees in '000'-----**

## 17 OVER DUE PORTION OF LEASE LIABILITIES

Over due portion of lease liabilities	17.1	21,338	21,338
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**17.1** Liabilities against assets subject to finance lease represent liabilities for vehicles acquired under finance lease agreements. Financing rates ranging from 14.00% to 22.00% (June 30, 2020: 14.00% to 22.00%) per annum have been used as discounting factors.

The amounts of the future lease payments and the periods in which these payments will become due are as follows:

	<i>Mar-21</i>			<i>Jun-20</i>		
	<i>Minimum lease payments</i>	<i>Financial charges allocated to future periods</i>	<i>Principal</i>	<i>Minimum lease payments</i>	<i>Financial charges allocated to future periods</i>	<i>Principal</i>
	<b>----- Rupees in '000'-----</b>			<b>----- Rupees in '000'-----</b>		
Up to one year	-	-	-	21,338	-	21,338

## 18 CONTINGENCIES AND COMMITMENTS

### 18.1 Contingencies

**18.1.1** The Company has filed various appeals in respect of demands made by the Central Excise and Sales Tax Department amounting to Rs. 2.80 (June 30, 2020: Rs. 2.80) Million with respect to sales tax and central excise duty for the years 1990 to 1997. These were heard by the relevant authority and final decision in this regard is pending. Based on the legal advice, the management of the Company is confident that the final outcome of the appeals will be decided in favour of the Company. Accordingly, no provision has been made in the financial statements.

**18.1.2** Claims of Rs. 1.81 (June 30, 2020: Rs. 1.81) Million together with interest thereon have been filed against the Company and a former associated undertaking for recovery of a bank loan advanced to that undertaking. The Company has not accepted this claim.

**18.1.3** Guarantee in favour of Sui Sothern Gas Company Limited issued by the Bank on behalf of the Company amounted to Rs. 8.00 (June 30, 2020: Rs. 8.00) Million.

### 18.2 Commitments

There were no commitments binding on the Company as on the reporting date.



# **METROPOLITAN STEEL CORPORATION LIMITED**

## **19 SALES - NET**

	<i>Nine Months Ended</i>		<i>Quarter Ended</i>	
	<i>Mar-21</i>	<i>Mar-20</i>	<i>Mar-21</i>	<i>Mar-20</i>
	<i>----- Rupees in '000' -----</i>			
Sales	<b>54,781</b>	25,796	<b>23,772</b>	13,085
Less: sales tax	<b>(7,960)</b>	(3,748)	<b>(3,454)</b>	(1,901)
	<b>46,821</b>	22,048	<b>20,318</b>	11,184

## **20 OTHER CHARGES**

Loss on disposal of plant and machinery	<b>5,432</b>	-
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## **21 TRANSACTIONS WITH RELATED PARTIES**

Related parties include major shareholders, associated undertakings, key management personnel and their close family members. Period end balances of related parties are disclosed in relevant notes to these condensed interim financial statements. Following transactions occurred during the period:

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2021</i>	<i>2020</i>
	<i>----- Rupees in '000' -----</i>	
<b>Mr. Mehmood Ali Mehkri</b>		
Short term borrowings repaid during the period	-	21,326
Short term borrowings obtained during the period	-	15,789


## **22 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on \_\_\_\_\_ by the board of directors of the Company.

## **23 GENERAL**

**23.1** Figures in these condensed interim financial statements have been rounded off to the nearest rupee.

**23.1** Prior year's figures in these condensed interim financial statements have been re-arranged / re-classified, where necessary, for better presentation.

  
**Chief Executive Officer**

  
**Director**

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**Plot # HE-1/2, Landhi Industrial Area,**  
**Karachi.**