



***METROPOLITAN STEEL
CORPORATION LIMITED***

FINANCIAL STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED ON MARCH 31, 2022



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 Accountant

Registered/ Head Office

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



DIRECTORS REPORT FOR THE QUARTER ENDED ON MARCH 31, 2022

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, 2022

Your Company of reported net sales of Rs.30,437 million in the Third (**March**) Quarter of year 2022 with a net loss of Rs.1,270 million before tax.

Key financial highlights of the Company are as follows:

	----- Rs in '000' -----	
	March 31, 2022	March 31, 2021
Net sales	30,437	20,318
Gross Profit/(Loss)	1,467	(4,248)
Operating Profit /(Loss)	(1,383)	(5,695)
Profit before tax	(1,270)	(5,589)
Profit after tax	(48)	(5,391)

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 : April-27-2022
Place : Karachi

Mohammad Umer Mehkari
Chief Executive

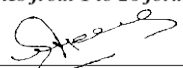


MSC METROPOLITAN STEEL CORPORATION LIMITED

METROPOLITAN STEEL CORPORATION LIMITED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	Un-Audited March 31 2022	Audited June 30 2021
	Note	----
ASSETS		
Non-Current Assets		
Property, plant and equipment	787,493	795,889
Right-of-use assets	281	330
Long term deposits	3,209	3,209
	790,982	799,428
Current Assets		
Stores, spare parts and loose tools	13,007	13,007
Stock in trade	54,861	54,151
Trade debts	55,565	48,036
Claims recoverable	81,184	81,184
Advances	430	200
Short term investments	8,014	8,014
Short term deposits	7,269	7,216
Tax refunds due from government - net	10,561	9,869
Interest receivable	331	89
Provision for taxation	1,222	-
Cash and bank balances	2,573	684
	235,018	222,450
Total Assets	1,026,000	1,021,878
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized Capital		
50,000,000 Ordinary shares of Rs. 10 each	500,000	500,000
Issued, subscribed and paid-up capital		
	309,776	309,776
Capital Reserves		
Revaluation surplus on property, plant and equipment	541,091	545,015
Revenue Reserves		
General reserve	80,500	80,500
Accumulated Profit /(losses)	3,876	(4,323)
	84,376	76,177
Shareholder's Equity	935,243	930,968
Non-Current Liabilities		
Deferred liabilities	32,359	33,962
Current Liabilities		
Trade and other payables	21,416	20,188
Markup accrued	3,745	3,745
Short term borrowings	10,626	10,404
Unclaimed dividends	1,273	1,273
Overdue portion of lease liabilities	21,338	21,338
	58,398	56,948
Contingencies and Commitments		
Total Equity and Liabilities	1,026,000	1,021,878

The annexed notes from 1 to 26 form an integral part of these financial statements.


Chief Executive


Director



MSC METROPOLITAN STEEL CORPORATION LIMITED

METROPOLITAN STEEL CORPORATION LIMITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPERHENSIVE INCOME FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

(Amounts in thousand except for earnings/(loss) per share)		Nine Months Ended		Quarter Ended	
		March 31,		March 31,	
		2022	2021	2022	2021
	Note	----- Rupees in '000' -----			
Sales - net	20	81,390	46,821	30,437	20,318
Cost of sales	21	(74,765)	(52,396)	(28,970)	(24,566)
Gross profit / (loss)		6,625	(5,575)	1,467	(4,248)
Administrative expenses		(6,130)	(4,202)	(2,713)	(1,376)
Selling and distribution costs		(385)	(304)	(137)	(71)
		(6,515)	(4,506)	(2,850)	(1,447)
Operating profit / (loss)		110	(10,081)	(1,383)	(5,695)
Finance cost		(3)	(49)	-	(32)
Other charges	22	(754)	(5,432)	-	-
Other income		2,144	6,141	113	138
Profit / (loss) before taxation		1,497	(9,421)	(1,270)	(5,589)
Taxation	23	1,661	906	1,222	198
Profit / (loss) after taxation		3,158	(8,515)	(48)	(5,391)
Profit / (loss) per share - Basic and diluted EPS		0.102	(0.27)	(0.0015)	(0.17)

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive

Director



MSC METROPOLITAN STEEL CORPORATION LIMITED

METROPOLITAN STEEL CORPORATION LIMITED **STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)** **FOR THE HALF YEARLY & QUARTER ENDED MARCH 31, 2022**

	<i>Capital Reserves</i>			<i>Revenue Reserves</i>		
	<i>Share capital</i>	<i>Unrealized gain on remeasurement of investments at fair value through other comprehensive income</i>	<i>Revaluation surplus on property, plant and equipment</i>	<i>General reserve</i>	<i>Unappropriated profit</i>	<i>Total</i>
	<i>----- Rupees in '000' -----</i>					
Balance as at July 1, 2020	309,776	-	327,560	80,500	(11,080)	706,756
Total Comprehensive income for the year						
Profit for the period	-	-	-	-	(8,515)	(8,515)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	(8,515)	(8,515)
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net (note 17)	-	-	(2,219)	-	2,219	-
Balance as at March 31, 2021	309,776	-	325,341	80,500	(17,376)	698,241
Balance as at July 01, 2021	309,776		545,015	80,500		
Profit for the period	-	-	-	-	(48)	(48)
Other comprehensive income	-	-	-	-	(48)	(48)
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net (note)			(3,924)		3,924	-
	-	-	(3,924)	-	3,924	-
Balance as at March 31, 2022	309,776	-	541,091	80,500	3,876	935,243

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

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive Officer

Director



MSC METROPOLITAN STEEL CORPORATION LIMITED

METROPOLITAN STEEL CORPORATION LIMITED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED MARCH 31, 2022

Un-Audited Audited
March 31, June 30
2022 2021
Note ---- Rupees in '000' ----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit/(loss) Before taxation	(1,270)	1,071
Adjustment for:		
Depreciation	3,084	12,490
Finance cost	-	57
Interest on savings accounts	-	(4)
Bad debts	-	2,033
adjustment	325	
Interest on TDR	-	(559)
Loss on disposal of machinery	-	5,378
Provision for obsolete items of stores and spares	-	178
Realized (gain) / loss on short term investment	-	(2,296)
Cash generated/(used in) operation before working capital changes	2,139	18,348
Working capital changes		
(Increase)/Decrease in current assets		
Stock in trade	(710)	(27,889)
Trade debts	(7,529)	(4,204)
Short term deposits	(54)	(7,216)
Sales tax refundable	(692)	1,234
	(8,985)	(38,075)
Decrease/ (Increase) in current liabilities		
Trade and other payables	1,228	6,666
Cash generated from/(used in) operations after working capital changes	(7,757)	(31,409)
Net cash generated from/(used in) operating activities	(5,619)	(13,061)

A. CASH FLOWS FROM OPERATING ACTIVITIES

Cash used in operations after working capital changes	34	(5,619)	(13,061)
Finance cost paid		-	(57)
Taxes paid - net		(56)	(2,046)
Net cash used in operating activities		(5,675)	(15,164)

B. CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure incurred	(868)	-
Proceeds from disposal of machinery	-	5,915
Short term investments - net	8,192	8,192
Interest received on savings accounts and TDR	18	569
Net cash generated from investing activities	7,342	14,676

C. CASH FLOWS FROM FINANCING ACTIVITIES

Receipt of short term borrowing	222	1,158
Repayment of short term borrowings	-	-
Net cash generated from financing activities	222	1,158
Net increase / (decrease) in cash and cash equivalents	1,889	669
Cash and cash equivalent at the beginning of the year	684	15
Cash and cash equivalent at the end of the year	2,573	684

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive

Director



MSC METROPOLITAN STEEL CORPORATION LIMITED

METROPOLITAN STEEL CORPORATION LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2022

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 high carbon 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 The geographical location and addresses of business units are as under:

Location	Address
Registered office and Manufacturing facility	Landhi Industrial Area, Plot # HE:1/2

1.3 During the Quarter, the Company has earned gross profit of Rs.1467 Million (March 2021: incurred gross loss of Rs.4248) Million and has earned after tax loss amounting to Rs. 0.048 Million (March 2021: incurred after tax loss of Rs.5391) Million and its accumulated Profit /(losses) stood at March 31 2022 Rs.3876 (June 2021: Losses Rs.4323) Million.

These conditions 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 financial statements on going concern basis due to the following reasons:

- a)** The Company has revived its business by resuming production activities and its sales are increasing. Further, the Company has incurred capital expenditure of Rs. 51.304 (2020: Rs. 51.149) 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.
- c)** The company is now on growing phase as our sales has been increased by 335% as compared to last sept Quarter. The Company has no bank liability and is in process of identifying new customers, therefore the management is very confident that future will be very bright for the Company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the international Accounting Standard Boards (IASB) as notified under the Companies Act, 2017.
- Provision of and directives issued under the Companies Act, 2017.



MSC METROPOLITAN STEEL CORPORATION LIMITED

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- long and short term investments are stated at the fair values;
- leasehold land, buildings on leasehold land and plant and machinery which have been classified under property, plant and equipment and are stated at revalued amounts; and
- stock in trade which have been stated at net realizable value.

These financial statements have been prepared under the accrual basis of accounting except for the cash flow information.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year:

3.1 Property, plant and equipment and depreciation

3.1.1 Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for leasehold land which is stated at revalued amount and buildings on leasehold land and plant and machinery which are stated at revalued amount less accumulated depreciation and accumulated impairment losses. Cost of property, plant and equipment comprises the acquisition cost and directly attributable cost of bringing the assets to its working condition.

Depreciation is charged to income applying the reducing balance method, using the rates stated in note 5.1. Depreciation on addition is charged from the month the asset is available for use, whilst no depreciation is charged in the month in which the asset is disposed off.

The assets' residual values, and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the reporting date.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is charged to statement of profit or loss.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any and consists of expenditure incurred and advances made in the course of their construction and installation. Transfers are made to relevant category of operating fixed assets when they are available for intended use.

3.2 Revaluation surplus on property, plant and equipment

Revaluation surplus is recorded in other comprehensive income and accumulated to the Revaluation surplus on property, plant and equipment in equity. However, to the extent that it reverses a revaluation



deficit of the same asset previously recognized in profit or loss, the increase is recognized in statement of profit or loss. A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the revaluation surplus on property, plant and equipment.

An annual transfer from the revaluation surplus on property, plant and equipment to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation on the asset's original cost. Upon disposal, any surplus relating to the particular asset being sold is transferred to unappropriated profit.

		March 31 2022	June 30, 2021
	Note	-----Rupees in '000'-----	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	736,344	744,740
Capital work in progress - civil works		51,149	51,149
		<u>787,492.65</u>	<u>795,889</u>

6.1 Operating fixed assets

Particulars	Owned							Leased	Total
	Leasehold land	Building on leasehold land	Plant and machinery	Equipment	Furniture, fixtures and fittings	Vehicles	Computers	Vehicles	
	----- Rupees (000) -----								
Net book value as at Dec 31, 2021	495,600	84,803	157,467	353	161	112	47	-	738,543
Quarter ended March 31, 2022									
Addition	-	598	269	-	-	-	-	-	868
Disposal									
Cost	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Depreciation charged	-	(1,068)	(1,972)	(13)	(6)	(6)	(2)	-	(3,067)
Net Book Value as on March 31, 2022	495,600	84,333	155,764	340	155	106	45	-	736,344
Rate of depreciation %	-	5%	5%	15%	15%	20%	20%	20%	



MSC METROPOLITAN STEEL CORPORATION LIMITED

	(Un-audited) March 31, 2022	(Audited) June 30, 2021
Note	----- Rupees in '000' -----	
5 PROPERTY, PLANT AND EQUIPMENT		
Depreciation charge for the period	<u>3,067</u>	<u>12,408</u>
Disposal - plant and machinery		
Cost	-	23,352
Depreciation	-	(12,059)
Net Book Value	<u>-</u>	<u>11,293</u>
Sale proceeds	<u>-</u>	<u>5,915</u>
6 RIGHT-OF-USE ASSETS		
Opening book value	330	412
Depreciation charge for the period	<u>(50)</u>	<u>(82)</u>
Closing book value	<u>281</u>	<u>330</u>
7 STOCK-IN-TRADE		
Raw materials		
- in hand	20,971	36,215
Work in process	-	-
Finished goods	<u>33,890</u>	<u>10,721</u>
	<u>54,861</u>	<u>46,936</u>
8 TRADE DEBTS		
Considered good	8.1 <u>55,565</u>	<u>48,036</u>
<p>8.1 This includes amount receivable in respect of tower plant amounting to Rs. 24.55 (June 30, 2021: Rs. 24.55) Million supplied to Multan Electric Power Company Limited and Rs. 19.55 (June 30, 2021: 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.</p>		



MSC METROPOLITAN STEEL CORPORATION LIMITED

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
9 CLAIMS RECOVERABLE	Note	----- Rupees in '000' -----	
Considered good		81,184	81,184
Considered doubtful	9.1	118,810	118,810
		199,994	199,994
Less: provision for doubtful debts		(118,810)	(118,810)
		<u>81,184</u>	<u>81,184</u>

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.

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
10 SHORT TERM DEPOSITS	Note	----- Rupees in '000' -----	

Margin deposited against LCs		<u>7,269</u>	<u>7,216</u>
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11 SHORT TERM INVESTMENTS

At fair value - through profit or loss

Listed shares		-	-
Units of mutual funds		14	14
		<u>14</u>	<u>14</u>

At amortized cost

TDR	11.1	8,000	8,000
		<u>8,014</u>	<u>8,014</u>

11.1 This represents TDR having maturity of 1 year carries markup at the rate of 7.00% (June 30, 2021: 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.

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
12 TAX REFUNDS DUE FROM GOVERNMENT - NET	Note	----- Rupees in '000' -----	

Income tax - net		8,785	8,377
Sales tax - net		1,776	1,492
		<u>10,561</u>	<u>9,869</u>



MSC METROPOLITAN STEEL CORPORATION LIMITED

13 CASH AND BANK BALANCES

<i>Cash in hand</i>	-	-
<i>Cash at bank</i>		
- In current account	26	670
- In savings account	2,546	14
	2,573	684
	2,573	684

13.1 These carry markup at the rates ranging between 5.06% to 5.75% (June 30, 2021: 5.01% to 7.01%) per annum. The deposits are placed with bank under Islamic banking arrangements.

(Un-audited) (Audited)
March 31, June 30,
2022 2021
Note ----- Rupees in '000' -----

14 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

<i>Opening balance</i>	578,977	358,604
Revaluation surplus during the year - net	-	227,291
	578,977	585,895
<i>Buildings on leasehold land and plant and machinery</i>		
Transferred to unappropriated profit in respect of incremental depreciation - net of deferred tax	(3,924)	(4,912)
Related deferred tax liability	(1,603)	(2,006)
	(5,527)	(6,918)
<i>Balance as at period end</i>	573,450	578,977
<i>Related deferred tax liability</i>	(32,359)	(33,962)
<i>Balance as at period end - net of deferred tax</i>	541,091	545,015

14.1 Movement in deferred tax liability

<i>Opening balance</i>	33,962	31,044
Effect of revaluation surplus on property, plant and equipment - net		4,924
Transferred to unappropriated profit in respect of incremental depreciation	(1,603)	(2,006)
<i>Balance as at period end</i>	32,359	33,962

15 DEFERRED LIABILITY

Deferred tax liability - net	15.1	32,359	33,962
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MSC METROPOLITAN STEEL CORPORATION LIMITED

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- Rupees in '000' -----	
15.1 Deferred tax liability - net			
<i>Deductible temporary differences</i>			
Provisions for stores, spares and loose tools		(9,032)	(9,032)
Provisions for claims recoverable		(34,455)	(34,455)
Liabilities against assets subject to finance lease		(6,188)	(6,188)
Business losses		(30,112)	(42,954)
Unabsorbed tax depreciation		(200,579)	(200,579)
		<u>(280,366)</u>	<u>(293,208)</u>
<i>Taxable temporary differences</i>			
Accelerated tax depreciation		22,089	22,727
Deferred tax asset - net	15.2	(258,277)	(270,481)
Deferred tax asset not recognized		258,277	270,481
		<u>-</u>	<u>-</u>
<i>Taxable temporary differences</i>			
Revaluation surplus on property, plant and equipment		<u>32,359</u>	<u>33,962</u>
15.2 Deferred tax asset as at December 31, 2020 to the extent of Rs. 258.28 (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, 2022	(Audited) June 30, 2021
	Note	----- Rupees in '000' -----	
16 TRADE AND OTHER PAYABLES			
Trade creditors		27	20
Accrued liabilities	16.1	14,624	8,385
Advance from customers		2,194	-
Payable to EOBI		4,331	4,331
Temporary overdraft		-	-
Others		239	235
		<u>21,416</u>	<u>12,971</u>
16.1 Includes director's remuneration payable amounting to Rs.6.812 (June 30, 2021: Rs. 6.43) Million.			
		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- Rupees in '000' -----	
17 SHORT TERM BORROWINGS			
From director - unsecured	17.1	<u>10,626</u>	<u>10,404</u>
17.1 Represents interest free loan obtained from director of the Company to meet the working capital requirements and is payable on demand.			



MSC METROPOLITAN STEEL CORPORATION LIMITED

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- Rupees in '000' -----	
18 OVER DUE PORTION OF LEASE LIABILITIES			
Over due portion of lease liabilities	18.1	21,338	21,338

18.1 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.

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 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, 2021: 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.

19.1.2 Claims of Rs. 1.81 (June 30, 2021: 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.

19.1.3 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, 2021: Rs. 8.00) Million.

19.2 Commitments

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

20 SALES - NET

Sales
Less: sales tax

Nine Months Ended		Quarter Ended	
March 31	March 31	March 31	March 31
2022	2021	2022	2021
----- Rupees in '000' -----			
95,784	54,781	36,671	23,772
(14,394)	(7,960)	(6,234)	(3,454)
81,390	46,821	30,437	20,318



MSC METROPOLITAN STEEL CORPORATION LIMITED

	<i>March 31</i> <i>2022</i>	<i>June 30</i> <i>2021</i>
	<i>-----000-----</i>	
21 COST OF SALES		
Raw materials consumed	34,915	52,433
Salaries and wages	1,270	4,182
Roll, plastic, acid, pullies and chemical	791	1,385
Powder	74	-
Utilities	1,703	4,793
Fuel and power	3	-
Repairs and maintenance	237	629
Depreciation	3,030	12,339
Postage, telegrams and telephone	-	111
Printing and stationery	-	126
Insurance	55	-
Obsolete stock	-	-
Security charges	-	67
Cost of goods manufactured	42,078	76,065
Work in process		
Opening stock	-	538
Closing stock	-	-
	-	538
Finished goods		
Opening stock	20,782	15,285
Closing stock	(33,890)	(10,721)
	(13,108)	4,564
	28,970	81,167
21.1 Raw materials consumed		
Opening stock	15,131	10,439
Purchases	40,755	78,209
	55,886	88,648
Closing stock	(20,971)	(36,215)
	34,915	52,433
22 OTHER CHARGES		
Provision for obsolete items of stores and spares	-	178
Loss on sale of machinery	-	5,378
Bad debts	-	2,033
	-	7,589
	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2022</i>	<i>2021</i>
23 TAXATION		
Current	380	1,158
Prior	-	74
Deferred	(1,603)	(2,006)
	(1,222)	(774)

24 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>2022</i>	<i>2021</i>
	<i>----- Rupees in '000' -----</i>	
Mr. Mehmood Ali Mehkri		
Short term borrowings repaid during the period	-	-
Short term borrowings obtained during the period	<u>2,400</u>	<u>1,158</u>
Mr. Umar Mehkari		
Short term borrowings repaid during the period	-	-
Short term borrowings obtained during the period	<u>1,059</u>	<u>-</u>

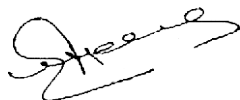
25 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **DATED:27-April-2022** by the board of directors of the Company.

26 GENERAL

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

26.1 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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