



DIRECTORS' REPORT FOR THE YEAR ENDED JUNE 30, 2025

To the Members,

The Board of Directors of Metropolitan Steel Corporation Limited has the honor to present this Annual Report, together with the audited financial statements of the Company for the year ended June 30, 2025.

1. OPERATIONAL AND FINANCIAL REVIEW

The principal activity of the Company remains the manufacturing and sale of steel wire products. The current fiscal year 2024-2025 was marked by a challenging economic landscape characterized by slow and stagnant economic activity, with the country's GDP growing at approximately 2.68%.

The steel wire industry faced significant headwinds, including a sharp increase in energy prices and detrimental smuggling activities, which adversely affected the pricing structure of domestically produced goods. A steep fall in international prices, particularly from China—our primary source of raw materials—led to a 15%-20% decrease in the average price of our products, further intensifying competitive pressures.

Alhamdulillah, despite these macroeconomic hardships, the market remained receptive to your Company. However, the Company faced stern economic pressures due to sluggish demand for steel products.

Key Performance Indicators:

Particulars	2025	2024
Net Revenue	Rs. 100.748 million	Rs. 122.475 million
Loss Before Taxation	Rs. 13.010 million	Rs. 23.754 million
Loss After Taxation	Rs. 12.423 million	Rs. 23.341 million

The decrease in capacity utilization by approximately 2.52% is a direct result of the subdued market demand. While the Company reported a net loss of Rs. 12.423 million, it is noteworthy that this represents a reduction in losses compared to the previous year, reflecting management's continued efforts in cost control and operational efficiency.

2. MATERIAL EVENTS AND COMMITMENTS

During the year, no material event occurred that has a significant impact on the Company's operations or financial position, other than the industry-wide challenges of price erosion, smuggling, and increased energy costs as detailed above.

3. CORPORATE SOCIAL RESPONSIBILITY POLICY

Your company focuses on wheat distribution in low income deprived areas of our city, reflecting our corporate values in action. In recognition of our role as a responsible corporate citizen, Metropolitan Steel Corporation Ltd. provided funds totalling Rupees Seven Lakh Sixty-One Thousand (Rs. 761,000) for CSR initiatives as tangible relief to vulnerable families.

In addition to the distribution of wheat, we also allocated funds to the following established Charity Organizations:

1. **Baitussalam Welfare Trust (BWT):** A non-profit relief and development organization dedicated to alleviating human suffering.
2. **Shaukat Khanum Memorial Cancer Hospital and Research Centres (SKMCH&RC):** State-of-the-art cancer centres located in Lahore and Peshawar.

METROPOLITAN STEEL CORPORATION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPERHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 ----- Rupees in '000' -----	2024
Revenue	24	100,747	122,475
Cost of sales	25	(112,430)	(139,688)
Gross loss		(11,683)	(17,213)
Administrative expenses	26	(17,649)	(10,333)
Selling and distribution costs	27	(76)	(623)
Operating loss		(17,725)	(10,956)
Finance cost	28	(205)	(192)
Other Charges	29	(1,415)	-
Other income	30	18,018	4,607
Loss before income tax and minimum tax		(13,010)	(23,754)
Minimum tax	31	(1,259)	(1,531)
Loss before income tax		(14,269)	(25,285)
Income Tax	32	1,846	1,943
Loss after income taxation		(12,423)	(23,342)
Other comprehensive income for the year			
(a) Items to be classified subsequently to the statement of profit or loss		-	-
(b) Items that will not be reclassified subsequently to statement of profit or loss - Revaluation surplus on property, plant and equipment - net		42,559	-
Total comprehensive loss for the year		30,136	(23,342)
Loss per share - basic and diluted (Rupees)	33	(0.40)	(0.75)

The annexed notes from 1 to 47 form an integral part of these financial statements.

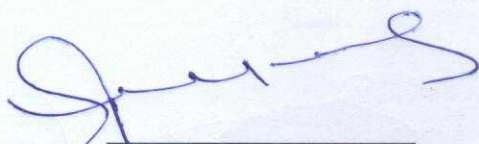

 Chief Executive Officer


 Director

METROPOLITAN STEEL CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	<i>Capital Reserves</i>		<i>Revenue Reserves</i>		<i>Total</i>
	<i>Share capital</i>	<i>Revaluation surplus on property, plant and equipment</i>	<i>General reserve</i>	<i>Unappropriated loss</i>	
----- <i>Rupees in '000'</i> -----					
Balance as at June 30, 2023	309,776	534,738	80,500	(86,926)	838,088
Total Comprehensive income for the year					
Loss for the year	-	-	-	(23,342)	(23,342)
Other comprehensive income	-	-	-	-	-
	-	-	-	(23,342)	(23,342)
Transfer to unappropriated profit on account of disposal of investment - at fair value through other comprehensive income	-	(4,756)	-	4,756	-
Balance as at June 30, 2024	309,776	529,982	80,500	(105,512)	814,746
Total Comprehensive income for the year					
Loss for the year	-	-	-	(12,423)	(12,423)
Other comprehensive income -					
Revaluation Surplus - net of tax	-	42,559	-	-	42,559
	-	42,559	-	(12,423)	30,136
Transfer on account of incremental depreciation - net of tax	-	(4,519)	-	4,519	-
Balance as at June 30, 2025	309,776	568,022	80,500	(113,416)	844,882

The annexed notes from 1 to 47 form an integral part of these financial statements.



 Chief Executive Officer



 Director



METROPOLITAN STEEL CORPORATION LTD.

4. BOARD OF DIRECTORS OF THE COMPANY

The board of directors of the company as of 30 June 2025 consist of:

Total Number of Directors
Men
Women

7
3
4

The names and composition of the board of directors as of 30 June 2025 are as follows:

Category	Names
<u>Non-Executive Directors</u>	Mr. Mehmood Ali Mehkri Mrs. Uzma Mehmood Ali Mehkri Mrs. Sara Mehmood Mehkri
<u>Independent Directors</u>	Mr. Irshad Ali Pitafi * Mr. Abdul Rahim Suriya Mr. Tahir Mahmood **
<u>Executive Directors</u>	Mr. Muhammad Umar Mehkari Mrs. Saba Mehkri
<u>Female Directors</u>	Mrs. Uzma Mehmood Ali Mehkri Mrs. Sara Mehmood Mehkri Mrs. Saba Mehkri

* Resignation accepted on September 19, 2025

** Appointed on September 19, 2025

5. MODIFICATION IN THE AUDITOR'S REPORT

The External Auditors of the Company have provided modified opinion on the state and affairs of the Company and the same is disclosed in the annual report. With respect to the modifications in the Auditor's report our responses are follows:

- The auditors has issued qualified opinion on trade debts, unclaimed dividends, lease liability and markup accrued thereon and liabilities written back.
- Trade Debts are disputed in court (Suit No. 1058/2014). The legal advisor of the Company is of the view that these shall be recovered. However, the auditor recommends to write off.
- Lease Liability and markup accrued thereon already paid by the Company. The creditor has filed a claim (Suit No. 172/2017). Supporting documents evidencing payment have been provided to the Court.
- Unclaimed Dividends are subject to reconciliation and verification.
- Liabilities written back appropriately accounted for as per applicable standards.

6. ADEQUACY ON INTERNAL CONTROLS

The Company has a sound system of internal controls. The controls have been effectively implemented and are consistently monitored. The Company has maintained proper books of accounts.



METROPOLITAN STEEL CORPORATION LTD.

7. REMUNERATION OF DIRECTORS

The board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and the Code of Corporate Governance Regulations 2018. The remuneration of the directors is approved by the Board itself. However in accordance with the Regulations and the Act it is ensured that no Director takes part in the proceedings of the meeting deciding its own remuneration. The Company only pays remuneration to CEO only and the Directors are paid meeting fee for the meetings attended during the year. The details of which are disclosed in the notes to the Financial Statements. (Note 36)

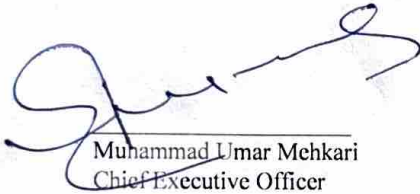
8. FUTURE OUTLOOK

The Board foresees the local markets stabilizing after absorbing the impacts of past floods and the recent economic slowdown. Management anticipates a steady increase in demand, a rise in capacity utilization, and more stable pricing in the upcoming fiscal year 2025-2026.

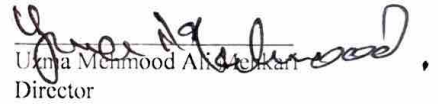
9. AUDITORS

The auditors, Reanda Haroon Zakaria Associates, have expressed their willingness to continue in office. A resolution for their re-appointment and the determination of their remuneration will be proposed at the forthcoming Annual General Meeting.

For and on behalf of the Board of Directors



Muhammad Umar Mehkari
Chief Executive Officer



Uzma Mehmood Anjum
Director

October 03, 2025