



***METROPOLITAN STEEL
CORPORATION LIMITED***

**CONDENSED INTERIM STATEMENT OF
FINANCIAL STATEMENT REVIEWED (UN-AUDITED)
FOR THE HALF YEAR ENDED ON DECEMBER 31, 2022**



COMPANY PROFILE

Board of Directors

Mr. Mehmood Ali Mehkri	Chairman
Mr. Muhammad Umar Mehkari	Chief Executive
Mrs. Sara Mehmood Mehkri	Director
Mr. Asim Siddiqui	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. Asim Siddiqui	Member

HR & Remuneration Committee

Mr. Asim Siddiqui	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 HALF YEARLY ENDED ON DECEMBER 31, 2022

The directors of the Company are pleased to present to you their report on financial statements of the Company for the six months ended December 31, 2022

Your Company of reported Net sales of Rs.47.254 million in the first six months ended on December 31,2022 for the period 2022-2023 with a net Profit of Rs.2.882 million before tax.

Key financial highlights of the Company are as follows:

----- Rs in '000' -----

	<i>December 31, 2022</i>	<i>June 30, 2022</i>
Net sales	47.254	100.734
Gross Profit/(Loss)	8.115	(17.650)
Operating Profit /(Loss)	3.607	(24.735)
Profit before tax	2.882	(79.848)
Profit after tax	3.310	(79.880)

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 : 27-FEB-2023
Place : Karachi

Muhammad Umar Mehkari
Chief Executive



**TO THE MEMBERS OF METROPOLITAN STEEL CORPORATION LIMITED
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Metropolitan Steel Corporation Limited** (“the Company”) as at December 31, 2022 and the related 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, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

We were unable to substantiate stores and spares, trade debts, unclaimed dividends, lease liabilities, and markup accrued on lease liabilities amounting to Rs. 13.01 Million, Rs. 19.55 Million, Rs. 1.27 Million, Rs. 21.34 Million and Rs. 3.75 Million respectively due to non-availability of records and being old in nature. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Conclusion

Except for the adjustments to the interim financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to the attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



Emphasis of Matter(s)

We draw attention to

- i) The fact that the interim financial statements are not authenticated by the Chief Financial Officer as required by the Companies Act, 2017 because the same was not appointed till the date of authorization of the accompanying interim financial statements.
- ii) Note no. 20.1 of the financial statements which highlight the matter of sales to unregistered persons & also highlight the fact that discussions are in process to collect the sales tax amount from the unregistered persons and bear the remaining sales tax amount by the company but the proportion of the liability cannot be determined at this stage.

Our conclusion is not qualified in respect of the above matters.

Other matter(s)

The figures of the condensed interim statement of profit or loss and other comprehensive income for the three months ended December 31, 2022, and 2021 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

The engagement partner on the review resulting in this report on interim financial statements is **Farhan Ahmed Memon**.



Reanda Haroon Zakaria & Company
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

Dated: 27 FEB 2023

UDIN: RR2022101478Wbslikov

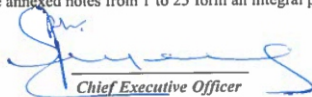


MSC METROPOLITAN STEEL CORPORATION LIMITED

METROPOLITAN STEEL CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2022

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
ASSETS			
----- Rupees in '000' -----			
Non-Current Assets			
Property, plant and equipment	6	774,815	782,010
Right-of-use assets	7	238	264
Long term deposits		<u>3,209</u>	<u>3,209</u>
		778,262	785,483
Current Assets			
Stores, spares and loose tools		13,007	13,007
Stock-in-trade	8	73,304	52,665
Trade debts	9	39,719	49,966
Advances and other receivables		430	430
Short term deposits	10	19,988	-
Short term investments	11	8,014	8,014
Tax refunds due from government - net	12	12,545	9,684
Interest receivable		71	71
Cash and bank balances	13	<u>3,648</u>	<u>5,133</u>
		170,727	138,969
Total Assets		<u><u>948,989</u></u>	<u><u>924,452</u></u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
50,000,000 Ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital			
		309,776	309,776
Capital reserves			
Revaluation surplus on property, plant and equipment	14	537,242	539,745
Revenue Reserves			
General reserve		80,500	80,500
Accumulated loss		<u>(73,120)</u>	<u>(78,933)</u>
		7,380	1,567
Shareholder's equity		854,398	851,088
Non-Current Liabilities			
Deferred liability	15	30,786	31,809
Current Liabilities			
Trade and other payables	16	37,199	15,199
Markup accrued		3,745	3,745
Short term borrowings	17	249	-
Unclaimed dividend		1,273	1,273
Over due portion of lease liabilities	18	<u>21,338</u>	<u>21,338</u>
		63,805	41,555
Contingencies and Commitments	19		
Total Equity and Liabilities		<u><u>948,989</u></u>	<u><u>924,452</u></u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director

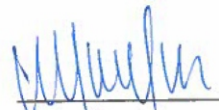
**MSC METROPOLITAN STEEL CORPORATION LIMITED**

METROPOLITAN STEEL CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

(Amounts in thousand except for earnings / (loss) per share)	Note	Half year ended		Quarter ended	
		December 31,		December 31,	
		2022	2021	2022	2021
----- Rupees in '000' -----					
Sales - net	20	47,254	50,953	39,903	27,763
Cost of sales		(39,139)	(45,795)	(32,844)	(27,434)
Gross profit		8,115	5,158	7,059	329
Administrative expenses	21	(4,172)	(3,417)	(2,457)	(1,994)
Selling and distribution expenses		(336)	(248)	(235)	(178)
Operating profit		3,607	1,493	4,367	(1,843)
Finance cost		(48)	(3)	(8)	(3)
Other charges		(5,512)	(754)	(5,512)	(754)
Other income		4,835	2,031	4,583	1,891
Profit / (loss) before taxation		2,882	2,767	3,430	(709)
Taxation	22	428	439	24	(613)
Profit / (loss) after taxation		3,310	3,206	3,454	(1,322)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the period		3,310	3,206	3,454	(1,322)
Earnings / (loss) per share - basic and diluted		0.11	0.10	0.11	(0.04)

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director

**MSC METROPOLITAN STEEL CORPORATION LIMITED**

METROPOLITAN STEEL CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	<u>Capital reserve</u>		<u>*Revenue reserve</u>		<u>Total</u>
	<u>Share capital</u>	<u>Revaluation surplus on property, plant and equipment</u>	<u>General reserve</u>	<u>Accumulated profit / (loss)</u>	
----- Rupees in '000 -----					
Balance as at July 1, 2021	309,776	545,015	80,500	(4,323)	930,968
Loss for the period	-	-	-	(79,880)	(79,880)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(79,880)	(79,880)
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net	-	(5,270)	-	5,270	-
Balance as at June 30, 2022	309,776	539,745	80,500	(78,933)	851,088
Balance as at July 1, 2022	309,776	539,745	80,500	(78,933)	851,088
Profit for the period	-	-	-	3,310	3,310
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,310	3,310
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net	-	(2,503)	-	2,503	-
Balance as at December 31, 2022	309,776	537,242	80,500	(73,120)	854,398

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

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

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Chief Executive Officer

Director

**MSC METROPOLITAN STEEL CORPORATION LIMITED**

METROPOLITAN STEEL CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	<i>Half year ended</i>	
	<i>December 31,</i>	
	<i>2022</i>	<i>2021</i>
	<i>--- Rupees in '000' ---</i>	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,882	2,767
Adjustments for:		
Depreciation	7,221	6,305
Loss on sale of investments	-	159
Finance cost	48	3
Profit on bank deposit and TDR	(615)	(252)
	<u>9,717</u>	<u>8,981</u>
Working capital changes		
(Increase) / decrease in current assets		
Stock-in-trade	(20,639)	18,238
Trade debts	10,247	(584)
Advances, other receivables and sales tax	-	3,588
Short term deposits	(19,988)	(16,419)
Sales tax	(2,813)	-
Increase / (decrease) in current liabilities		
Trade and other payables	22,000	(4,644)
	<u>(11,194)</u>	<u>179</u>
	(1,476)	9,160
Finance cost paid	(48)	(3)
Taxes paid - net	(825)	(989)
Net cash generated from operating activities	<u>(2,349)</u>	<u>8,168</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	-	(75)
Investments - net	-	(159)
Profit on bank deposit and TDR and reversal of duty	615	10
Net cash generated from / (used in) investing activities	<u>615</u>	<u>(223)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	249	(3,236)
Net cash generated from / (used in) financing activities	<u>249</u>	<u>(3,236)</u>
Net increase in cash and cash equivalents	(1,485)	4,708
Cash and cash equivalents at the beginning of the period	5,133	684
Cash and cash equivalents at the end of the period	<u>3,648</u>	<u>5,392</u>

The annexed notes from 1 to 25 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 DECEMBER 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 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.

2 BASIS OF PREPARATION

- 2.1** These condensed interim financial statements of the Company for the six months period ended December 31, 2022 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, 2022.
- 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, 2021, 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 December 31, 2021.

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, 2022.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2021 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, 2022.

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, 2022.



MSC METROPOLITAN STEEL CORPORATION LIMITED

5 PROPERTY, PLANT AND EQUIPMENT	December 31, 2022		June 30, 2022						
	Note		---- Rupees in '000' ----						
Operating fixed assets	5.1		774,815	782,010					
5.1 Operating fixed assets			774,815	782,010					
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 June 30, 2022	495,600	131,788	154,001	325	154	100	42	-	782,010
Half Year ended Dec 31, 2022									
Addition	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Depreciation charged	-	(3,295)	(3,850)	(24)	(12)	(10)	(4)	-	(7,195)
Net Book Value as on Dec 31, 2022	495,600	128,493	150,151	301	142	90	38	-	774,815
Rate of depreciation %	-	5%	5%	15%	15%	20%	20%	20%	



MSC METROPOLITAN STEEL CORPORATION LIMITED

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>December 31,</i>	<i>June 30,</i>
	<i>2022</i>	<i>2022</i>
<i>Note</i>	<i>----- Rupees in '000' -----</i>	
6 PROPERTY, PLANT AND EQUIPMENT		
<i>Following additions were made during the period</i>		
- Furniture and fixtures	-	82
- Building on leasehold land	-	598
- Plant and machinery	-	601
<i>Depreciation charge for the period</i>	<u>7,195</u>	<u>15,160</u>
7 RIGHT-OF-USE ASSETS		
Opening book value	264	330
Depreciation charge for the period	<u>(26)</u>	<u>(66)</u>
Closing book value	<u>238</u>	<u>264</u>
<i>Depreciation rate</i>	<u>20%</u>	<u>20%</u>
8 STOCK-IN-TRADE		
<i>Raw materials</i>		
- In hand	36,788	38,761
- In transit	<u>19,988</u>	-
	56,776	38,761
<i>Finished goods</i>	<u>16,528</u>	<u>13,903</u>
	<u>73,304</u>	<u>52,665</u>
9 TRADE DEBTS		
Considered good-net	9.1 <u>39,719</u>	<u>49,966</u>
9.1	This includes amount receivable in respect of tower plant amounting to Rs. 23.16 (June 30, 2022: Rs. 23.16) Million supplied to Multan Electric Power Company Limited bearing execution no 20/20 and Rs. 19.55 (June 30, 2022: Rs. 19.55) Million receivable from WAPDA bearing suit no 1058/2014. The decision on these law suits has not been rendered till the issuance of these condensed interim financial statements. Based on legal advice, in both of these matters there is no apparent threat of further litigation and the favourable outcome is expected. Accordingly, the Company has not made any provision in respect of these amounts in these condensed interim financial statements.	
9.2	Subsequent to the period, the company has received amounting to Rs. 18.65 million from Multan Electric Power Company Limited and impairment of Rs.4.51 million is recorded as expense in these financial statements.	



MSC METROPOLITAN STEEL CORPORATION LIMITED

	<i>(Un-audited)</i> <i>December 31,</i> <i>2022</i>	<i>(Audited)</i> <i>June 30,</i> <i>2022</i>
<i>Note ----- Rupees in '000' -----</i>		
10 SHORT TERM DEPOSITS		
Margin deposited against LCs	<u>19,988</u>	<u>-</u>
11 SHORT TERM INVESTMENTS		
<i>At fair value - through profit or loss</i>		
Units of mutual funds	14	14
<i>At amortized cost</i>		
TDR	11.1 <u>8,000</u>	<u>8,000</u>
	<u>8,014</u>	<u>8,014</u>

11.1 This represents TDR having maturity of 1 year carries markup at the rate of 6.00% (June 30, 2022: 7.33%) 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 condensed interim financial statements.

	<i>(Un-audited)</i> <i>December 31,</i> <i>2022</i>	<i>(Audited)</i> <i>June 30,</i> <i>2022</i>
<i>Note ----- Rupees in '000' -----</i>		
12 TAX REFUNDS DUE FROM GOVERNMENT - NET		
Income tax - net	8,950	8,902
Sales tax refundable - net	<u>3,595</u>	<u>782</u>
	<u>12,545</u>	<u>9,684</u>

13 CASH AND BANK BALANCES

Cash in hand	70	-
<i>Cash at bank</i>		
- In current account	27	591
- In savings account	13.1 <u>3,551</u>	<u>4,542</u>
	<u>3,578</u>	<u>5,133</u>
	<u>3,648</u>	<u>5,133</u>

13.1 These carry markup at the rates ranging between 2.55% to 6.9% (June 30, 2022: 3.05% to 5.45%) per annum. The deposits are placed with bank under Islamic banking arrangements.



MSC METROPOLITAN STEEL CORPORATION LIMITED

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>December 31,</i>	<i>June 30,</i>
	<i>2022</i>	<i>2022</i>
<i>Note</i>	<i>----- Rupees in '000' -----</i>	
14 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT		
<i>Opening balance</i>	571,554	578,977
Revaluation surplus during the period - net	-	-
	<u>571,554</u>	<u>578,977</u>
<i>Buildings on leasehold land and plant and machinery</i>		
Transferred to unappropriated profit in respect of incremental depreciation - net of deferred tax	(2,503)	(5,270)
Related deferred tax liability	(1,023)	(2,153)
	<u>(3,526)</u>	<u>(7,423)</u>
<i>Balance as at period end</i>	568,028	571,554
<i>Related deferred tax liability</i>	14.1 (30,786)	(31,809)
<i>Balance as at period end - net of deferred tax</i>	<u>537,242</u>	<u>539,745</u>
14.1 Movement in deferred tax liability		
<i>Opening balance</i>	31,809	33,962
Effect of revaluation surplus on property, plant and equipment - net		-
Transferred to unappropriated profit in respect of incremental depreciation	(1,023)	(2,153)
<i>Balance as at period end</i>	<u>30,786</u>	<u>31,809</u>
15 DEFERRED LIABILITY		
Deferred tax liability - net	15.1 <u>30,786</u>	<u>31,809</u>
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	-	(57,998)
Provisions for bad debts	(1,306)	-
Lease liabilities	(6,188)	(6,188)
Business losses	(4,022)	(8,056)
Unabsorbed tax depreciation	(202,818)	(202,818)
	<u>(223,367)</u>	<u>(284,092)</u>
<i>Taxable temporary differences</i>		
Accelerated tax depreciation	22,390	22,626
Deferred tax asset - net	15.2 (200,977)	(261,466)
Deferred tax asset not recognized	200,977	261,466
	<u>-</u>	<u>-</u>
<i>Taxable temporary differences</i>		
Revaluation surplus on property, plant and equipment	<u>30,786</u>	<u>31,809</u>

15.2 Deferred tax asset as at December 31, 2022 to the extent of Rs. 200.98 (June 30, 2022: Rs. 261.47) 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.



MSC METROPOLITAN STEEL CORPORATION LIMITED

		<i>(Un-audited)</i> <i>December 31,</i> <i>2022</i>	<i>(Audited)</i> <i>June 30,</i> <i>2022</i>
	<i>Note</i>	<i>----- Rupees in '000' -----</i>	
16 TRADE AND OTHER PAYABLES			
Bills/LC		19,988	-
Trade creditors		303	-
Withholding tax Payable		46	-
Accrued liabilities	16.1	12,298	10,635
Payable to EOBI		4,331	4,331
Others		233	233
		<u>37,199</u>	<u>15,199</u>

16.1 Includes director's remuneration payable amounting to Rs. 8.72 (June 30, 2022: Rs. 7.22) Million.

		<i>(Un-audited)</i> <i>December 31,</i> <i>2022</i>	<i>(Audited)</i> <i>June 30,</i> <i>2022</i>
	<i>Note</i>	<i>----- Rupees in '000' -----</i>	
17 SHORT TERM BORROWINGS			
From directors - unsecured	17.1	<u>249</u>	-

17.1 Represents interest free loan obtained from directors of the Company to meet the working capital requirements and are payable on demand.

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

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, 2022: 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>Dec-22</i>			<i>Jun-22</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>
	<i>----- Rupees in '000' -----</i>			<i>----- Rupees in '000' -----</i>		
Up to one year	21,338	-	21,338	21,338	-	21,338



MSC METROPOLITAN STEEL CORPORATION LIMITED

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 The contingencies to which the Company is exposed are discussed in note 9 to these condensed interim financial statements.

19.1.2 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, 2022: Rs. 8.00) Million.

19.2 Commitments

19.2.1 Commitments under Letter of Credit for import of raw materials amounted to Rs.19.99 (June 30, 2022: nil) Million.

	Note	Half year ended		Quarter ended	
		Dec-22	Dec-21	Dec-22	Dec-21
----- Rupees in '000' -----					
20 SALES - NET					
Sales	20.1	51,612	59,113	43,011	31,981
Less: sales tax		(4,357)	(8,160)	(3,107)	(4,218)
		<u>47,254</u>	<u>50,953</u>	<u>39,903</u>	<u>27,763</u>

20.1 This includes sales of Rs. 21.62 million to unregistered persons from whom sales tax is yet to be collected and the liability will be recorded upon finalization of the proportion to be borne by the company & proportion to be borne by the unregistered persons.

	Note	(Un-audited)	(Audited)
		December 31, 2022	June 30, 2022
----- Rupees in '000' -----			
21 ADMINISTRATIVE EXPENSES			
Salaries		1,227	2,385
Chief executive and directors' remuneration		1,500	2,060
Depreciation		79	166
Travelling and conveyance		43	-
Donations	21.1	220	-
Auditors' remuneration		-	925
Fees and subscription & Legal and professional charges		995	1,029
Utilities		67	-
Miscellaneous		42	101
		<u>4,172</u>	<u>6,666</u>

21.1 None of the directors or their spouses have any interest in the donee's fund

22 TAXATION

Current	645	1,350
Prior	(50)	835
Deferred	(1,023)	(2,153)
	<u>(428)</u>	<u>32</u>



MSC METROPOLITAN STEEL CORPORATION LIMITED

23 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>December 31,</i>	<i>June 30,</i>
	<i>2022</i>	<i>2022</i>
	<i>----- Rupees in '000' -----</i>	
Mr. Mehmood Ali Mehkri - Director		
Short term loan repaid during the period	<u>4,059</u>	<u>54</u>
Short term loan obtained during the period	<u>-</u>	<u>8,200</u>
Short term loan obtained during the period	<u>4,307</u>	<u>18,550</u>
Mr. Omar Mehkari - Director		
Amount payable in respect of salary	<u>8,715</u>	<u>7,215</u>

24 DATE OF AUTHORIZATION FOR ISSUE

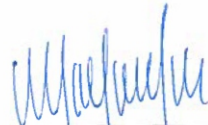
These condensed interim financial statements were authorized for issue on **February 27, 2023** by the Board of Directors of the Company.

25 GENERAL

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

25.2 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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