



***METROPOLITAN STEEL
CORPORATION LIMITED***

**QUARTERLY REPORT FOR THE PERIOD
ENDED ON MARCH 31,2023**



COMPANY PROFILE

Board of Directors

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

Audit Committee

Mrs. Sara Mehmood Mehkri	Chairman
Mr. Mehmood Ali Mehkri	Member
Mrs. Saba Mehkari Farooqui	Member

HR & Remuneration Committee

Mrs. Saba Mehkari Farooqui	Chairman
Mr. Mehmood Ali Mehkri	Member
Mrs. Sara Mehmood Mehkri	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.



DIRECTOR'S REPORT FOR THE QUARTER ENDED ON MARCH 31, 2023

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, 2023.

Your Company of reported Net sales of Rs. 17.486 million in the third(March) Quarter for the period 2022-2023 with a net Profit of Rs. 0.695 million before tax.

Key financial highlights of the Company are as follows:

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

	<i>March 2023</i>	<i>March 2022</i>
Net sales	17,486	30,437
Gross Profit	696	1,467
Operating Profit	(1,185)	(1,383)
Profit before tax	695	(1,270)
Profit after tax	936	(48)

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 : 26-Apr-23
Place : Karachi

Muhammad Umar Mehkari
Chief Executive

**MSC METROPOLITAN STEEL CORPORATION LIMITED****METROPOLITAN STEEL CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023**

	<i>Un-Audited</i> <i>March 31</i> <i>2023</i>	<i>Audited</i> <i>June 30</i> <i>2022</i>
<u>ASSETS</u>	<i>Note</i> <i>---- Rupees in '000' ----</i>	
Non-Current Assets		
Property, plant and equipment	771,309	782,010
Right-of-use assets	-	264
Long term deposits	3,209	3,209
	<u>774,518</u>	<u>785,483</u>
Current Assets		
Stores, spare parts and loose tools	13,007	13,007
Stock in trade	69,781	52,665
Trade debts	27,190	49,966
Claims recoverable	-	-
Advances	470	430
Short term investments	8,014	8,014
Short term deposits	29,699	-
Tax refunds due from government - net	13,906	9,684
Interest receivable	71	71
Cash and bank balances	4,251	5,133
	<u>166,389</u>	<u>138,969</u>
Total Assets	<u>940,909</u>	<u>924,452</u>
<u>EQUITY AND LIABILITIES</u>		
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	538,524	539,745
Revenue Reserves		
General reserve	80,500	80,500
Accumulated Profit /(losses)	(80,400)	(78,933)
	<u>100</u>	<u>1,567</u>
Shareholder's Equity	<u>848,400</u>	<u>851,088</u>
Non-Current Liabilities		
Deferred liabilities	31,311	31,809
Current Liabilities		
Trade and other payables	30,327	15,199
Markup accrued	3,745	3,745
Short term borrowings	4,629	-
Unclaimed dividends	1,273	1,273
Overdue portion of lease liabilities	21,223	21,338
	<u>61,197</u>	<u>41,555</u>
Contingencies and Commitments		
Total Equity and Liabilities	<u>940,909</u>	<u>924,452</u>

The annexed notes from 1 to 30 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, 2023

(Amounts in thousand except for earnings/(loss) per share)	Note	Nine Months Ended March 31,		Quarter Ended March 31,	
		2023	2022	2023	2022
----- Rupees in '000' -----					
Sales - net	20	64,741	50,953	17,486	30,437
Cost of sales	21	(55,929)	(45,795)	(16,790)	(28,970)
Gross profit / (loss)		8,812	5,158	696	1,467
Administrative expenses	22	(5,939)	(3,417)	(1,767)	(2,713)
Selling and distribution costs	23	(450)	(248)	(114)	(137)
		(6,389)	(3,665)	(1,881)	(2,850)
Operating profit / (loss)		2,423	1,493	(1,185)	(1,383)
Finance cost	24	(63)	(3)	(15)	-
Other charges	25	(5,532)	(754)	(20)	-
Other income	26	6,750	2,031	1,915	113
Profit / (loss) before taxation		3,578	2,767	695	(1,270)
Taxation	27	669	439	241	1,583
Profit / (loss) after taxation		4,247	3,206	936	313
Profit / (loss) per share - Basic and diluted EPS		0.137	0.10	0.0302	(0.17)

The annexed notes from 1 to 30 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 DECEMBER 31, 2022 & QUARTER ENDED MARCH 31, 2023

	Capital Reserves		Revenue Reserves		Total	
	Share capital	Unrealized gain on remeasurement of investments at fair value through other comprehensive income	Revaluation surplus on property, plant and equipment	General reserve		Unappropriated profit
----- Rupees in '000' -----						
Balance as at July 1, 2021	309,776	-	545,015	80,500	-	935,291
Total Comprehensive income for the year						
Profit for the period-Nine month	-	-	-	-	(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 17)	-	-	(3,924)	-	3,924	-
Balance as at March 31, 2022	309,776	-	541,091	80,500	3,876	935,243
Balance as at July 01, 2022	309,776		539,745	80,500	(78,933)	851,088
For The Quarterly March 31, 2023						
Profit for the period	-	-	-	-	936	936
Other comprehensive income	-	-	-	-	(3,623)	(3,623)
Adjustment	-	-	-	-	(2,687)	(2,687)
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net (note)	-	-	(1,220)	-	1,220	-
	-	-	(1,220)	-	1,220	-
Balance as at March 31, 2023	309,776	-	538,524	80,500	(80,400)	848,400

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

The annexed notes from 1 to 30 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, 2023**

Un-Audited *Audited*
March 31, *June 30*
2023 *2022*
Note *---- Rupees in '000' ----*

CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) Before taxation		695	(79,848)
Adjustment for :			
Depreciation		3,506	15,226
Finance cost		15	69
Interest on savings accounts			(34)
Provision for doubtful debts		-	81,184
Director loan waived			(18,550)
Interest on TDR		-	(431)
Gain on disposal of vehicle		(1,379)	
Adjustment		3,402	
Realized (gain) / loss on short term investment		-	159
Cash generated/(used in) operation before working capital changes		6,239	(2,225)
Working capital changes			
(Increase)/Decrease in current assets			
Stock in trade		(17,116)	1,486
Trade debts		22,776	(1,930)
Short term deposits		(29,699)	7,216
Sales tax refundable		(3,754)	710
		(27,793)	7,252
Decrease/ (Increase) in current liabilities			
Trade and other payables		15,128	(4,989)
Cash generated from/(used in) operations after working capital changes		(12,665)	2,263
Net cash generated from/(used in) operating activities		(6,425)	38
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations after working capital changes	34	(6,425)	(69)
Finance cost paid		(15)	
Taxes paid - net		(677)	(2,710)
Net cash used in operating activities		(7,118)	(2,741)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		-	(1,281)
Proceeds from disposal of machinery		1,500	
Short term investments - net		-	(159)
Advances		40	
Interest received on savings accounts and TDR		67	483
Net cash generated from investing activities		1,607	(956)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of short term borrowing		4,629	8,146
Repayment of short term borrowings		-	
Net cash generated from financing activities		4,629	8,146
Net increase / (decrease) in cash and cash equivalents		(882)	4,449
Cash and cash equivalent at the beginning of the year		5,133	684
Cash and cash equivalent at the end of the year		4,251	5,133

The annexed notes from 1 to 30 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, 2023

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:

<i>Location</i>	<i>Address</i>
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.0.696 Million (March 2022: incurred gross Profit of Rs.1.467) Million and has earned after tax Profit amounting to Rs.0.936 Million (March 2022: incurred after tax profit of Rs.0.313) Million and its accumulated losses stood at March 31 2023 Rs. 80.400 Million (June 2022: Losses Rs.78.933) 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 nil (2022: Rs.1.281) 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's sales is reduced by 58% as compared to last March Quarter 2022. 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.

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 June 30,
2023 2022
-----Rupees in '000'-----

4 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	4.1	771,309	782,010
		<u>771,309</u>	<u>782,010</u>

4.1 Operating fixed assets

Particulars	Owned					Leased			Total
	Leasehold land	Building on leasehold land	Plant and machinery	Equipment	Furniture, fixtures and fittings	Vehicles	Computers	Vehicles	
Net book value as at Dec 31, 2022	495,600	128,493	150,151	301	142	90	38	-	774,815
Quarter ended March 31, 2023									
Addition	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-
Depreciation	-	-	(1,877)	(11)	(5)	(5)	(2)	-	(3,506)
Depreciation charged	-	(1,606)	-	-	-	-	-	-	-
Net Book Value as on March 31, 2023	495,600	126,887	148,274	290	137	85	36	-	771,309
Rate of depreciation %	-	5%	5%	15%	15%	20%	20%	20%	20%



MSC METROPOLITAN STEEL CORPORATION LIMITED

	<i>(Un-audited)</i> March 31, 2023	<i>(Audited)</i> June 30, 2022
<i>Note</i> ----- Rupees in '000' -----		
5 PROPERTY, PLANT AND EQUIPMENT		
Depreciation charge for the period	<u>3,506</u>	<u>15,226</u>
Disposal - plant and machinery		
Cost/book value	238	-
Depreciation	<u>-</u>	<u>-</u>
Net Book Value	<u>238</u>	<u>-</u>
Sale proceeds	<u>1,500</u>	<u>-</u>
6 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>
7 STOCK-IN-TRADE		
Raw materials		
- in hand	50,772	38,761
Work in process	-	-
Finished goods	<u>19,009</u>	<u>13,904</u>
	<u>69,781</u>	<u>52,665</u>
8 TRADE DEBTS		
Considered good	7,639	7,258
Considered doubtful	8.1 <u>19,551</u>	<u>42,707</u>
	<u>27,190</u>	<u>49,966</u>

8.1 This includes amount receivable from WAPDA Rs. 19.55 (June 30, 2022: Rs. 19.55) Million 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.



MSC METROPOLITAN STEEL CORPORATION LIMITED

		(Un-audited)	(Audited)
		March 31, 2023	June 30, 2022
	Note	----- Rupees in '000' -----	
9 CLAIMS RECOVERABLE			
Considered good		81,184	81,184
Considered doubtful	9.1	118,810	118,810
		199,994	199,994
Less: provision for doubtful debts		(199,994)	(199,994)
		<u>-</u>	<u>-</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)	(Audited)
		March 31, 2023	June 30, 2022
	Note	----- Rupees in '000' -----	
10 SHORT TERM DEPOSITS			
Margin deposited against LCs		<u>29,699</u>	<u>-</u>

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, 2022: 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)	(Audited)
		March 31, 2023	June 30, 2022
	Note	----- Rupees in '000' -----	
12 TAX REFUNDS DUE FROM GOVERNMENT - NET			
Income tax - net		9,370	8,902
Sales tax - net		4,536	782
		<u>13,906</u>	<u>9,684</u>



MSC METROPOLITAN STEEL CORPORATION LIMITED

13 CASH AND BANK BALANCES

<i>Cash in hand</i>		70	-
<i>Cash at bank</i>			
- In current account		4,170	591
- In savings account	13.1	11	4,542
		4,181	5,133
		4,251	5,133

13.1 These carry markup at the rates ranging between 5.06% to 5.75% (June 30, 2022: 5.01% to 7.01%) per annum. The deposits are placed with bank under Islamic banking arrangements.

(Un-audited) (Audited)
March 31, June 30,
2023 2022
Note ----- Rupees in '000' -----

14 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

<i>Opening balance</i>		571,554	578,977
Revaluation surplus during the year - net		-	227,291
		571,554	806,268
<i>Buildings on leasehold land and plant and machinery</i>			
Transferred to unappropriated profit in respect of incremental depreciation - net of deferred tax		(1,220)	(5,270)
Related deferred tax liability		(498)	(2,153)
		(1,719)	(7,423)
<i>Balance as at period end</i>		569,835	571,554
<i>Related deferred tax liability</i>	14.1	(31,311)	(31,809)
<i>Balance as at period end - net of deferred tax</i>		538,524	539,745

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		(498)	(2,153)
<i>Balance as at period end</i>		31,311	31,809

15 DEFERRED LIABILITY

Deferred tax liability - net	15.1	31,311	31,809
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**MSC METROPOLITAN STEEL CORPORATION LIMITED**

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2023</i>	<i>2022</i>
<i>Note</i>	<i>----- Rupees in '000' -----</i>	
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)
Liabilities against assets subject to finance lease	(6,188)	(6,188)
Business losses	(2,365)	(8,056)
Unabsorbed tax depreciation	(202,818)	(202,818)
	(220,403)	(284,092)
<i>Taxable temporary differences</i>		
Accelerated tax depreciation	22,390	22,626
Deferred tax asset - net	(198,014)	(261,466)
Deferred tax asset not recognized	198,014	261,466
	-	-
<i>Taxable temporary differences</i>		
Revaluation surplus on property, plant and equipment	31,311	31,809

15.2 *Deferred tax asset as at March 31, 2023 to the extent of Rs. 198.01 (June 30, 2022: Rs. 261.466) 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.*

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2023</i>	<i>2022</i>
<i>Note</i>	<i>----- Rupees in '000' -----</i>	
16 TRADE AND OTHER PAYABLES		
Trade creditors	167	
Bills /Lc Payable	6,775	
Accrued liabilities	13,405	10,635
Advance from customers	5,346	
Payable to EOBI	4,331	4,331
Withholding tax payable	69	
Others	233	233
	30,327	15,199

16.1 *Includes director's remuneration payable amounting to Rs.9.442 (June 30, 2022: Rs. 7.22) Million.*

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2023</i>	<i>2022</i>
<i>Note</i>	<i>----- Rupees in '000' -----</i>	
17 SHORT TERM BORROWINGS		
From director - unsecured	1,589	-

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**

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>March 31,</i>	<i>June 30,</i>
		<i>2023</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>21,223</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.

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, 2022: 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, 2022: 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

	<i>Nine Months Ended</i>		<i>Quarter Ended</i>	
	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2021</i>
	<i>----- Rupees in '000' -----</i>			
Sales	<u>72,245</u>	95,784	<u>20,633</u>	36,671
Less: sales tax	<u>(7,504)</u>	(14,394)	<u>(3,147)</u>	(6,234)
	<u>64,741</u>	81,390	<u>17,486</u>	30,437



MSC METROPOLITAN STEEL CORPORATION LIMITED

	<i>March 31</i> <i>2023</i>	<i>June 30</i> <i>2022</i>
	-----000-----	
21 COST OF SALES		
Raw materials consumed	11,610	90,575
Salaries and wages	887	6,159
Roll, plastic, acid, pullies and chemical	747	3,125
Dies	24	-
Powder	42	-
Utilities	2,239	5,443
Fuel and power	100	-
Repairs and maintenance	69	871
Depreciation	3,464	15,042
Postage, telegrams and telephone	-	121
Printing and stationery	-	122
Insurance	89	108
Obsolete stock	-	-
Security charges	-	-
Cost of goods manufactured	19,271	121,566
Work in process		
Opening stock	-	-
Closing stock	-	-
	-	-
Finished goods		
Opening stock	16,528	10,721
Closing stock	(19,009)	(13,903)
	(2,481)	(3,182)
	16,790	118,384
21.1 Raw materials consumed		
Opening stock	38,788	36,215
Purchases	23,594	93,121
	62,382	129,336
Closing stock	(50,772)	(38,761)
	11,610	90,575

	<i>March 31</i> <i>2023</i>	<i>June 30</i> <i>2022</i>
22 ADMINISTRATIVE EXPENSES		
Salaries	743	2,385
Chief executive and directors' remuneration	778	2,060
Depreciation	38	166
Postage, telegrams and telephone	28	-
Legal and Professional charges	15	-
Entertainment	-	-
Donations	-	-
Auditors' remuneration	162	925
Fees and subscription	-	1,029
Miscellaneous	3	101
	1,767	6,666

**MSC METROPOLITAN STEEL CORPORATION LIMITED**

	<i>March 31</i> <i>2023</i>	<i>June 30</i> <i>2022</i>
23 SELLING AND DISTRIBUTION EXPENSES		
Depreciation	4	18
Forwarding and transportation	110	401
	<u>114</u>	<u>419</u>
	<i>March 31</i> <i>2023</i>	<i>June 30</i> <i>2022</i>
24 FINANCE COST		
LC Charges	15	-
Bank charges and commission	0.282	69
	<u>15</u>	<u>69</u>
	<i>March 31</i> <i>2023</i>	<i>June 30</i> <i>2022</i>
25 OTHER CHARGES		
Provision for obsolete items of stores and spares	-	-
Loss on sale of machinery	-	-
Bad debts	20	81,184
	<u>20</u>	<u>81,184</u>
	<i>March 31</i> <i>2023</i>	<i>June 30</i> <i>2022</i>
26 OTHER INCOME		
<i>Income from financial assets</i>		
Interest on savings account	18	34
Interest on TDR	49	431
Realized (loss) / gain on investment at fair value - through profit or loss	-	(159)
Gain on sale of vehicle	1,843	-
Other income -Purchase discount	6	-
	<u>1,915</u>	<u>307</u>
<i>Income from non - financial assets</i>		
Director loan written back	-	18,550
Scrap sales	-	7,284
	-	25,834
	<u>-</u>	<u>26,140</u>
26.1 Scrap sales		
Gross	-	8,740
Less: sales tax	-	(1,457)
	<u>-</u>	<u>7,284</u>
	<i>(Un-audited)</i> <i>March 31,</i> <i>2023</i>	<i>(Audited)</i> <i>June 30,</i> <i>2022</i>



MSC METROPOLITAN STEEL CORPORATION LIMITED

27 TAXATION

Current	258	1,350
Prior	-	835
Deferred	(498)	(2,153)
	<u>(241)</u>	<u>32</u>

28 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:

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	----- Rupees in '000' -----	
Mr. Mehmood Ali Mehkri		
Short term borrowings repaid during the period	<u>250</u>	<u>54</u>
Short term borrowings obtained during the period	<u>1,590</u>	<u>8,200</u>
Mr. Umar Mehkari		
Short term borrowings repaid during the period	<u>-</u>	<u>-</u>
Short term borrowings obtained during the period	<u>-</u>	<u>-</u>

29 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **DATED:26-April-2023** by the board of directors of the Company.

30 GENERAL

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

30.2 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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