



***METROPOLITAN STEEL  
CORPORATION LIMITED***

**QUARTERLY REPORT FOR THE PERIOD  
ENDED AS AT SEPTEMBER 30, 2023**



## COMPANY PROFILE

### Board of Directors

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

### Audit Committee

Mrs. Sofia Zakaria	Non executive	Chairman
Mrs. Saba Mehkari Farooqui	Executive	Member
Mr. Mehmood Ali Mehkri	Non executive	Member

### HR & Remuneration Committee

Mrs. Irshad Ali Pitafi	Non executive /Independent	Chairman
Mr. Mehmood Ali Mehkri	Non executive	Member
Mrs. Saba Mehkari Farooqui	Executive	Member
Mr. Muhammad Umar Mehkari	Executive	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 SEPTEMBER 30, 2023**

The directors of the Company are pleased to present to you their report on financial statements of the Company for the quarter ended September 30, 2023.

Your Company reported Net sales of Rs.34.510 million in the First Quarter for the period 2023-2024 with a net loss of Rs. 1.253 million before tax.

*Key financial highlights of the Company are as follows:*

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

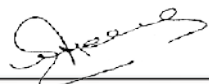
	<i>September 30 2023</i>	<i>September 30 2022</i>
Net sales	34,510	7,351
Gross (loss)/Profit	(861)	1,055
Operating loss	(2,583)	(761)
Loss before tax	(1,253)	(549)
Loss after tax	(1,199)	(145)

### **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 : 25-Oct-23  
Place : Karachi

  
Muhammad Umar Mehkari  
Chief Executive

**MSC METROPOLITAN STEEL CORPORATION LIMITED****METROPOLITAN STEEL CORPORATION LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2023**

		<i>Un-Audited</i> <i>September 30</i> <i>2023</i>	<i>Audited</i> <i>June 30</i> <i>2023</i>
	<i>Note</i>	<i>---- Rupees in '000' ----</i>	
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4 & 5	764,354	767,621
Right-of-use assets	6	148	156
Long term deposits		3,209	3,209
		<u>767,711</u>	<u>770,986</u>
<b>Current Assets</b>			
Stores, spare parts and loose tools		13,007	13,007
Stock in trade	7	52,433	60,057
Trade debts	8	33,882	29,343
Advances and other receivables		255	230
Short term deposits	9	-	22,923
Short term Investments	10	26,014	18,014
Tax refunds due from government - net	11	7,024	11,572
Interest receivable		-	79
Cash and bank balances	12	7,262	3,753
		<u>139,878</u>	<u>158,978</u>
<b>Total Assets</b>		<u><b>907,589</b></u>	<u><b>929,964</b></u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
50,000,000 Ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
<b>Issued, subscribed and paid-up capital</b>			
		<u>309,776</u>	<u>309,776</u>
<b>Capital Reserves</b>			
Revaluation surplus on property, plant and equipment	13	533,549	534,738
<b>Revenue Reserves</b>			
General reserve		80,500	80,500
Accumulated Profit /(losses)		(86,936)	(86,926)
		<u>(6,436)</u>	<u>(6,426)</u>
<b>Shareholder's Equity</b>		<u>836,889</u>	<u>838,088</u>
<b>Non-Current Liabilities</b>			
Deferred liabilities	14	29,278	29,764
<b>Current Liabilities</b>			
Trade and other payables	15	11,662	35,457
Markup accrued		3,745	3,745
Short term borrowings	16	3,520	415
Unclaimed dividends		1,273	1,273
Overdue portion of lease liabilities	17	21,222	21,222
		<u>41,422</u>	<u>62,112</u>
<b>Contingencies and Commitments</b>			
<b>Total Equity and Liabilities</b>		<u><b>907,589</b></u>	<u><b>929,964</b></u>

The annexed notes from 1 to 28 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 QUARTER ENDED SEPTEMBER 30, 2023**

		<i>Un-Audited</i> <i>September 30</i> <i>2023</i>	<i>Un-Audited</i> <i>September 30</i> <i>2022</i>
	<i>Note</i>	<i>----- Rupees in '000' -----</i>	
Sales - net	19	<b>34,510</b>	7,351
Cost of sales	20	<b>(35,370)</b>	(6,295)
<b>Gross loss</b>		<b>(861)</b>	1,055
Administrative expenses	21	<b>(1,673)</b>	(1,715)
Selling and distribution costs	22	<b>(49)</b>	(101)
		<b>(1,722)</b>	(1,816)
<b>Operating loss</b>		<b>(2,583)</b>	(761)
Finance cost	23	<b>(99)</b>	(40)
Other charges		-	-
Other income	24	<b>1,429</b>	252
<b>Loss before taxation</b>		<b>(1,253)</b>	(549)
Taxation	25	<b>54</b>	404
<b>Loss after taxation</b>		<b>(1,199)</b>	(145)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to statement of profit or loss</b>			
Revaluation surplus on property, plant and equipment - net		-	-
Deferred tax thereon - net		-	-
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive loss for the year</b>		<b>(1,199)</b>	(145)
<b>Loss per share - basic and diluted</b>		<b>(0.04)</b>	(0.0047)

*The annexed notes from 1 to 28 form an integral part of these financial statements.*

  
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Chief Executive

  
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Director



**MSC METROPOLITAN STEEL CORPORATION LIMITED**

**METROPOLITAN STEEL CORPORATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 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	
<i>Rupees in '000'</i>						
Transfer to unappropriated profit on account						
<b>Balance as at July 1, 2022</b>	<b>309,776</b>	-	<b>539,745</b>	<b>80,500</b>	<b>(78,933)</b>	<b>851,088</b>
<b>Total Comprehensive income for the year</b>						
Profit for the period-Nine month	-	-	-	-	(13,000)	(13,000)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	(13,000)	(13,000)
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net (note 17)	-	-	(5,007)	-	5,007	-
<b>Balance as at June 30, 2023</b>	<b>309,776</b>	-	<b>534,738</b>	<b>80,500</b>	<b>(86,926)</b>	<b>838,088</b>
<b>For The Quarterly September 30, 2023</b>						
Profit for the period	-	-	-	-	(1,199)	(1,199)
Other comprehensive income	-	-	-	-	-	-
Adjustment	-	-	-	-	(1,199)	(1,199)
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net (note )	-	-	(1,189)	-	1,189	-
	-	-	(1,189)	-	1,189	-
<b>Balance as at September 30, 2023</b>	<b>309,776</b>	-	<b>533,549</b>	<b>80,500</b>	<b>(86,936)</b>	<b>836,889</b>

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

The annexed notes from 1 to 28 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 SEPTEMBER 30, 2023**

	<i>Un-Audited September 30, 2023</i>	<i>Un-Audited September 30, 2022</i>
	<i>Note ----- Rupees in '000' -----</i>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) Before taxation	(1,253)	(549)
Adjustment for :	-	-
Depreciation	3,431	3,150
Finance cost	99	40
Interest on savings accounts	(12)	-
Provision for doubtful debts	-	-
Interest on TDR	(512)	-
Gain on disposal of vehicle	-	-
Adjustment	(65)	-
Realized (gain) / loss on short term investment	-	-
Cash generated/(used in) operation before working capital changes	1,688	2,641
<b>Working capital changes</b>		
<b>(Increase)/Decrease in current assets</b>		
Stock in trade	7,624	(1,409)
Trade debts	(4,539)	3,823
Advances	(25)	-
Claims recoverable	-	-
Short term deposits	22,923	(15,939)
Sales tax refundable	4,486	(2,389)
	30,469	(15,913)
<b>Decrease/ (Increase) in current liabilities</b>		
Trade and other payables	(23,796)	614
<b>Cash generated from/(used in) operations after working capital changes</b>	6,673	(15,299)
<b>Net cash generated from/(used in) operating activities</b>	8,361	(12,658)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash used in operations after working capital changes</b>	8,361	(12,658)
Finance cost paid	(99)	(40)
Taxes paid - net	(369)	(200)
<b>Net cash used in operating activities</b>	7,892	(12,898)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	-	-
Proceeds from disposal of machinery	-	-
Short term investments - net	(8,000)	-
Advances	-	-
Interest received on savings accounts and TDR	512	-
<b>Net cash generated from investing activities</b>	(7,488)	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt of short term borrowing	3,105	12,876
Repayment of short term borrowings	-	-
<b>Net cash generated from financing activities</b>	3,105	12,876
<b>Net increase / (decrease) in cash and cash equivalents</b>	3,509	(22)
<b>Cash and cash equivalent at the beginning of the year</b>	3,753	5,133
<b>Cash and cash equivalent at the end of the year</b>	7,262	5,111

The annexed notes from 1 to 28 form an integral part of these financial statements.

  
Chief Executive

  
Director



## **MSC METROPOLITAN STEEL CORPORATION LIMITED**

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### **METROPOLITAN STEEL CORPORATION LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 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 gross loss of Rs.0.861 Million ( June :2023: 7.573) Million and has after tax loss Rs.1.199 (June 30, 2023:Rs. 13 Million) and its accumulated losses stood at September 2023 Rs.86.936 Million ( June 2023: Rs.86.926) 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 as compared to last September 30, 2022.
- 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 increased by 4.7 time as compared to last September 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 4 & 4.1. 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.



## MSC METROPOLITAN STEEL CORPORATION LIMITED

		September 2023	June 30, 2023
	Note	—Rupees in '000'—	
Operating fixed assets	4.1	764,354	767,621
		<u>764,354</u>	<u>767,621</u>

### 4.1 Operating fixed assets

Particulars	Owned							Lensed	Total
	Leasehold land	Building on leasehold land	Plant and machinery	Equipment	Furniture, fixtures and fittings	Vehicles	Computers	Vehicles	
	-----Rupees (000)-----								
Opening net book value	272,580	92,527	190,102	622	161	155	101	644	556,892
Net book value as at June 30, 2023	<u>495,600</u>	<u>125,199</u>	<u>146,201</u>	<u>276</u>	<u>131</u>	<u>80</u>	<u>34</u>	<u>156</u>	<u>767,777</u>
Quarter ended September 30, 2023									
Addition	-	-	-	-	-	-	-	-	-
Disposal									
Cost	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Depreciation charged	-	(1,565)	(1,829)	(10)	(5)	(4)	(2)	(8)	(3,423)
Net Book Value as at September 30, 2023	<u>495,600</u>	<u>123,634</u>	<u>144,472</u>	<u>266</u>	<u>126</u>	<u>76</u>	<u>32</u>	<u>148</u>	<u>764,354</u>
Rate of depreciation %	-	5%	5%	15%	15%	20%	20%	20%	

**MSC METROPOLITAN STEEL CORPORATION LIMITED**

	<i>Un-Audited</i> <b>September 30</b> 2023	<i>(Audited)</i> <b>June 30,</b> 2023
<i>Note</i>	----- Rupees in '000' -----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>		
Depreciation charge for the period	<u>3,423</u>	<u>3,150</u>
<b>Disposal - plant and machinery</b>		
Cost/book value	-	1,535
Depreciation	-	(1,475)
<b>Net Book Value</b>	<u>-</u>	<u>60</u>
Sale proceeds	-	1,500
<b>6 RIGHT-OF-USE ASSETS</b>		
Opening book value	156	264
Depreciation charge for the period	(8)	(48)
Disposal	-	(60)
Closing book value	<u>148</u>	<u>156</u>
<b>Disposal - plant and machinery</b>		
Cost/book value	-	1,535
Depreciation	-	(1,475)
<b>Net Book Value</b>	<u>-</u>	<u>60</u>
Sale proceeds	-	1,500
<b>7 STOCK-IN-TRADE</b>		
<b>Raw materials</b>		
- in hand	40,453	32,256
<b>Work in process</b>		
Finished goods	11,980	27,801
	<u>52,433</u>	<u>60,057</u>
<b>8 TRADE DEBTS</b>		
Considered good	14,331	5,267
Considered doubtful	0.0	24,076
	<u>33,882</u>	<u>29,343</u>

8.1 This represents amount receivable in respect of tower plant amounting to Rs. 4.52 (2023: Rs. 4.52) Million supplied to Multan Electric Power Company Limited bearing execution no 20/20 and Rs. 19.55 (2023: Rs. 19.55) Million receivable from WAPDA bearing suit no 1058/2014. As per the legal advisor in both of these matters there is no apparent threat of further litigation and the favourable outcome is



## MSC METROPOLITAN STEEL CORPORATION LIMITED

expected. Accordingly, the Company has not made any provision in respect of the amounts in these financial statements.

	<i>Un-Audited</i> <b>September 30,</b> 2023	<i>(Audited)</i> <b>June 30,</b> 2023
<i>Note</i> ----- Rupees in '000' -----		
<b>9 SHORT TERM DEPOSITS</b>		
LC against Bill of lading	-	22,923
<b>10 SHORT TERM INVESTMENTS</b>		
<i>At fair value - through profit or loss</i>		
Listed shares	-	-
Units of mutual funds	14	14
	<b>14</b>	<b>14</b>
<i>At amortized cost</i>		
TDR	10.1 26,000	8,000
	<b>26,014</b>	<b>8,014</b>

10.1 This represents TDR having maturity of Within a year carries markup at the rate of 18.0% (June 30, 2023: 18%) per annum and is deposited in the bank as margin against bank guarantee issued in favour of Sui Southern Gas Company Limited by the bank. Interest till the cut off date is booked in these financial statements.

	<i>(Un-audited)</i> <b>September 30,</b> 2023	<i>(Audited)</i> <b>June 30,</b> 2023
<i>Note</i> ----- Rupees in '000' -----		
<b>11 TAX REFUNDS DUE FROM GOVERNMENT - NET</b>		
Income tax - net	11,591	11,653
Sales tax - net	(4,567)	(81)
	<b>7,024</b>	<b>11,572</b>

### 12 CASH AND BANK BALANCES

<i>Cash in hand</i>	-	-
<i>Cash at bank</i>		
- In current account	12.1 7,256	3,631
- In savings account	6	122
	<b>7,262</b>	<b>3,753</b>
	<b>7,262</b>	<b>3,753</b>

12.1 These carry markup at the rates ranging between 5.06% to 5.75% (June 30, 2023: 5.06% to 5.75%) 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>September 30,</i>	<i>June 30,</i>
	<i>2023</i>	<i>2023</i>
<i>Note</i>	<i>----- Rupees in '000' -----</i>	
<b>13 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Opening balance</b>		
Revaluation surplus during the year - net	<b>564,502</b>	571,554
	<b>564,502</b>	571,554
<b>Buildings on leasehold land and plant and machinery</b>		
Transferred to unappropriated profit in respect of incremental depreciation - net of deferred tax	<b>(1,189)</b>	(5,007)
Related deferred tax liability	<b>(486)</b>	(2,045)
	<b>(1,675)</b>	(7,052)
<b>Balance as at period end</b>	<b>562,827</b>	564,502
<b>Related deferred tax liability</b>	<b>(29,278)</b>	(29,764)
<b>Balance as at period end - net of deferred tax</b>	<b>533,549</b>	534,738
<b>13.1 Movement in deferred tax liability</b>		
<b>Opening balance</b>		
Effect of revaluation surplus on property, plant and equipment - net	<b>29,764</b>	31,809
Transferred to unappropriated profit in respect of incremental depreciation	-	(2,045)
	-	-
	<b>(486)</b>	-
<b>Balance as at period end</b>	<b>29,278</b>	29,764
<b>14 DEFERRED LIABILITY</b>		
Deferred tax liability - net	<b>29,278</b>	29,764

**MSC METROPOLITAN STEEL CORPORATION LIMITED**

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>September 30,</i>	<i>June 30,</i>
	<i>2023</i>	<i>2023</i>
<i>Note</i>	<i>----- Rupees in '000' -----</i>	
<b>14.1 Deferred tax liability - net</b>		
<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	(70)	-
Liabilities against assets subject to finance lease	(6,188)	(6,154)
Business losses	(8,181)	(8,565)
Unabsorbed tax depreciation	(203,957)	(203,511)
	<u>(227,428)</u>	<u>(285,260)</u>
<i>Taxable temporary differences</i>		
Accelerated tax depreciation	22,419	34,152
Deferred tax asset - net	14.2 (205,009)	(251,108)
Deferred tax asset not recognized	205,009	251,108
	<u>-</u>	<u>-</u>
<i>Taxable temporary differences</i>		
Revaluation surplus on property, plant and equipment	29,278	29,764
	<u>29,278</u>	<u>29,764</u>

14.2 Deferred tax asset as at September 30, 2023 to the extent of Rs. 205.01 (June 30, 2023: Rs. 251.108) 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>September 30,</i>	<i>June 30,</i>
	<i>2023</i>	<i>2023</i>
<i>Note</i>	<i>----- Rupees in '000' -----</i>	
<b>15 TRADE AND OTHER PAYABLES</b>		
Trade creditors	76	975
Bills /Lc Payable	-	22,766
Accrued liabilities	15.1 11,239	11,310
Advance from customers	70	70
Payable to EOBI	-	-
Withholding tax payable	43	102
Others	233	233
	<u>11,662</u>	<u>35,457</u>

15.1 Includes director's remuneration payable amounting to Rs.9.459 (June 30, 2023: Rs.9.735 ) Million.

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>September 30,</i>	<i>June 30,</i>
	<i>2023</i>	<i>2023</i>
<i>Note</i>	<i>----- Rupees in '000' -----</i>	
<b>16 SHORT TERM BORROWINGS</b>		
From director - unsecured	16.1 3,520	415

16.1 Represents interest free loan obtained from director of the Company to meet the working capital



## MSC METROPOLITAN STEEL CORPORATION LIMITED

requirements and is payable on demand.

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>September 30,</i>	<i>June 30,</i>
	<i>2023</i>	<i>2023</i>
<i>Note</i>	<i>----- Rupees in '000' -----</i>	

### 17 OVER DUE PORTION OF LEASE LIABILITIES

Over due portion of lease liabilities	17.1	<u>21,222</u>	<u>21,338</u>
---------------------------------------	------	---------------	---------------

**17.1** Liabilities against assets subject to finance lease represent liabilities for vehicles acquired under finance lease agreements. Financing rates ranging from 14.00% to 22.00% (June 30, 2023: 14.00% to 22.00%) per annum have been used as discounting factors.

### 18 CONTINGENCIES AND COMMITMENTS

#### 18.1 Contingencies

**18.1.1** The contingencies to which the Company is exposed are discussed in note 8.1 to these financial statements.

**18.1.3** Guarantee in favour of Sui Sothern Gas Company Limited issued by the Bank on behalf of the Company amounted to Rs. 8.00 (June 30, 2023: Rs. 8.00) Million.

#### 18.2 Commitments

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

	<i>(Un-audited)</i>	<i>(Un-audited)</i>
	<i>September 30,</i>	<i>September 30,</i>
	<i>2023</i>	<i>2022</i>
	<i>----- Rupees in '000' -----</i>	

### 19 SALES - NET

Sales	41,112	8,601
Less: sales tax	(6,602)	(1,250)
	<u>34,510</u>	<u>7,351</u>

	<i>(Un-audited)</i>	<i>(Un-audited)</i>
	<i>September 30,</i>	<i>September 30,</i>
	<i>2023</i>	<i>2022</i>
	<i>----- Rupees in '000' -----</i>	

### 20 COST OF SALES

Raw materials consumed	12,476	3,143
Salaries, wages and other benefits	725	1,127
Roll & plastic, acid & chemical, Pullies & sheet	428	1,128
Dies	5	-

**MSC METROPOLITAN STEEL CORPORATION LIMITED**

Powder	-	-
Cylinder and binding wire	-	22
Utilities	2,240	2,112
Fuel and power	-	-
Repairs and maintenance	213	227
Depreciation	3,389	3,561
Postage, telegrams and telephone	-	-
Printing and stationery	-	-
Insurance	73	32
<b>Cost of goods manufactured</b>	<b>19,549</b>	<b>11,351</b>
<b>Work in process</b>		
Opening stock	-	-
Closing stock	-	-
<b>Finished goods</b>		
Opening stock	27,801	13,903
Closing stock	(11,980)	(18,959)
	<b>15,821</b>	<b>(5,056)</b>
	<b>35,370</b>	<b>6,295</b>
<b>20.1 Raw materials consumed</b>		
Opening stock	32,256	38,761
Purchases	20,673	4,914
	52,929	43,675
Closing stock	(40,453)	(40,531)
	<b>12,476</b>	<b>3,144</b>

(Un-audited) (Un-audited)  
September 30, September 30,  
2023 2022  
----- Rupees in '000' -----

**21 ADMINISTRATIVE EXPENSES**

Salaries, wages and other benefits	700	721
Chief executive and directors' remuneration	770	-
Depreciation	37	36
Travelling and conveyance	18	17
Legal and Professional charges	41	657
Entertainment	-	-
Utilities	-	26
Donations	77	220
Auditors' remuneration	-	20
Fees and subscription	26	-

**MSC METROPOLITAN STEEL CORPORATION LIMITED**

Miscellaneous	<u>5</u>	<u>19</u>
	<u>1,673</u>	<u>1,715</u>

*(Un-audited)*    *(Un-audited)*  
*September 30,*    *September 30,*  
*2023*                *2022*  
----- Rupees in '000' -----

**22 SELLING AND DISTRIBUTION EXPENSES**

Depreciation	4	36
Forwarding and transportation	<u>45</u>	<u>65</u>
	<u>49</u>	<u>101</u>

*(Un-audited)*    *(Un-audited)*  
*September 30,*    *September 30,*  
*2023*                *2022*  
----- Rupees in '000' -----

**23 FINANCE COST**

LC Charges	98	2
Bank charges and commission	<u>2</u>	<u>38</u>
	<u>99</u>	<u>40</u>

*(Un-audited)*    *(Un-audited)*  
*September 30,*    *September 30,*  
*2023*                *2022*  
----- Rupees in '000' -----

**24 OTHER INCOME*****Income from financial assets***

Interest on savings account	12	28
Interest on TDR	512	225
Realized (loss) / gain on investment at fair value - through profit or loss	-	-
Exchange gain	<u>905</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>1,429</u>	<u>252</u>





## MSC METROPOLITAN STEEL CORPORATION LIMITED

### Income from non - financial assets

Director loan written back	-	-
Gain on disposal of right of use asset	-	-
Purchase discount	1	-
Liabilities written back	26.1	-
Scrap sales	-	-
	<u>1</u>	<u>-</u>

26.1 This amount include the reversal of EOB of Rs. 4.33 million and cancellation of banker's cheque against liquidation inquiry of Rs. 4.22 million as well as other accrued expenses of Rs. 2.55 million but not payable.

(Un-audited) (Un-audited)  
September 30, September 30,  
2023 2022  
----- Rupees in '000' -----

### 25 TAXATION

Current	431	108
Prior	-	-
Deferred	(486)	(511)
	<u>(54)</u>	<u>(402)</u>

### 26 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) (Audited)  
September 30, June 30,  
2023 2023  
----- Rupees in '000' -----

#### Mr. Mehmood Ali Mehkri

Short term borrowings repaid during the period	-	4,683
Short term borrowings obtained during the period	<u>3,105</u>	<u>5,098</u>

#### Mr. Umar Mehkari

Amount payable in respect of salary	<u>9,459</u>	<u>9,735</u>
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### 27 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **DATED:25-October-2023** by the board of directors of the Company.



**28 GENERAL**

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

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

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*Chief Executive Officer*

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*Director*

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