



***METROPOLITAN STEEL  
CORPORATION LIMITED***

***CONDENSED INTERIM STATEMENT OF  
FINANCIAL STATEMENT REVIEWED( UN-  
AUDITED) FOR THE HALF YEAR ENDED ON  
DECEMBER 31,2023***



## ***COMPANY PROFILE***

### ***BOARD OF DIRECTORS***

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

### ***AUDIT COMMITTEE***

Mrs. Sofia Zakaria	<b>Non Executive</b>	Chairman
Mrs. Saba Mehkari Farooqui	<b>Executive</b>	Member
Mr. Mehmood Ali Mehkri	<b>Non Executive</b>	Member

### ***HUMAN RESOURCE & REMUNERATION COMMITTEE***

Mr. Irshad Ali Pitafi	<b>Non Executive /Independent</b>	Chairman
Mr. Mehmood Ali Mehkri	<b>Non Executive</b>	Member
Mrs. Saba Mehkari Farooqui	<b>Executive</b>	Member
Mr. Muhammad Umar Mehkari	<b>Executive</b>	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 HALF YEARLY ENDED ON DECEMBER 31,2023**

The directors of the Company are pleased to present to you their report on financial statements of the Company for the Half yearly ended as on December 31 ,2023

Your Company of reported Net sales of Rs.67.786 million in the half yearly ended on December 31,2023 with a Net Profit of Rs.3.136 million before tax.

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

----- Rs In '000' -----

	<i>December 31 2023</i>	<i>December 31 2022</i>
Net sales	67,786	47,254
Gross (loss)/Profit	(1,574)	8,115
Operating (loss)/Profit	(6,357)	3,607
Profit before tax	3,136	2,882
Profit after tax	3,260	3,310

### **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-24  
Place : Karachi

**Muhammad Umar Mehkari**  
Chief Executive Officer

**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, 2023 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. 21.22 Million and Rs. 3.75 Million respectively due to non-availability of records and being old in nature and stagnant from long period. 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.

***Material Uncertainty relating to Going Concern***

We draw attention to Note 1.2 to the accompanying financial statements, which indicates that the Company has incurred gross loss of Rs. 1.57 (December 31, 2022: gross profit of Rs. 8.12) million and has incurred operating loss amounting to Rs. 6.3 (December 31, 2022: operating profit 3.61) million and its accumulated losses stood at Rs. 0.78 (June 30, 2023: Rs. 6.42) million. Further the operating cash flow for the period is also negative amounting to Rs. 9.440 (December 31, 2022: Rs. 2.349) million. These conditions along with other matters mentioned in note 1.2, indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

***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.

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, 2023, and 2022 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

The engagement partner on the review resulting in this report on interim financial statements is **Muhammad Farooq**.

**MSC METROPOLITAN STEEL CORPORATION LIMITED**

**METROPOLITAN STEEL CORPORATION LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT DECEMBER 31, 2023**

		<i>Un-Audited December 31, 2023</i>	<i>Audited June 30, 2023</i>
	<i>Note</i>	<i>---- Rupees in '000' ----</i>	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5 & 6	760,791	767,621
Right-of-use assets	6	140	156
Long term deposits		3,209	3,209
		<u>764,140</u>	<u>770,986</u>
<b>Current Assets</b>			
Stores, spare parts and loose tools		13,008	13,007
Stock in trade	7	49,916	60,057
Trade debts	8	43,082	29,343
Advances and other receivables		224	230
Short term deposits	9	17,026	22,923
Short term investments	10	8,014	18,014
Tax refunds due from government - net	11	12,214	11,572
Interest receivable		115	79
Cash and bank balances	12	6,498	3,753
		<u>150,097</u>	<u>158,978</u>
<b>Total Assets</b>		<u>914,237</u>	<u>929,964</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
50,000,000 Ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid-up capital		309,776	309,776
<b>Capital Reserves</b>			
Revaluation surplus on property, plant and equipment	13	532,360	534,738
<b>Revenue Reserves</b>			
General reserve		80,500	80,500
Accumulated losses		(81,288)	(86,926)
		(788)	(6,426)
<b>Shareholder's Equity</b>		<u>841,348</u>	<u>838,088</u>
<b>Non-Current Liabilities</b>			
Deferred liabilities	14	28,793	29,764
<b>Current Liabilities</b>			
Trade and other payables		17,857	35,437
Markup accrued		3,745	3,745
Short term borrowings	15	-	415
Unclaimed dividends		1,273	1,273
Overdue portion of lease liabilities	16	21,222	21,222
		44,097	62,112
<b>Contingencies and Commitments</b>			
<b>Total Equity and Liabilities</b>		<u>914,237</u>	<u>929,964</u>

The annexed notes from 1 to 22 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 COMPERHENSIVE INCOME**  
**(UN-AUDITED)**  
**FOR THE HALF YEARLY ENDED ON DECEMBER 31, 2023**

	Note	Half year ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
----- Rupees in '000' -----					
Sales - net	18	67,786	47,254	33,276	39,903
Cost of sales		(69,360)	(39,139)	(33,990)	(32,844)
Gross (loss) / profit		(1,574)	8,115	(714)	7,059
Administrative expenses	19	(4,503)	(4,172)	(2,698)	(2,457)
Selling and distribution costs		(280)	(336)	(231)	(235)
Operating (loss) / profit		(4,783)	(4,508)	(2,929)	(2,692)
Finance cost		(6,357)	3,607	(3,643)	4,367
Other charges		(130)	(48)	(31)	(8)
Other income		-	(5,512)	-	(5,512)
Profit before taxation		9,623	4,835	8,194	4,583
Taxation		3,136	2,882	4,520	3,430
Profit after taxation		124	428	70	24
Other comprehensive income		3,260	3,310	4,590	3,454
Total comprehensive income for the period		-	-	-	-
Earning per share - basic and diluted (Re.)		0.11	0.11	0.15	0.11

The annexed notes from 1 to 22 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 YEARLY ENDED ON DECEMBER 31, 2023**

	Capital		Revenue Reserves		Total
	Share capital	Revaluation surplus on property, plant and equipment	General reserve	Accumulated loss	
	Rupees in '000'				
Balance as at July 1, 2022	309,776	539,745	80,500	(78,933)	851,088
Loss for the year	-	-	-	(13,000)	(13,000)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(13,000)	(13,000)
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net (note 13)	-	(5,007)	-	5,007	-
Balance as at June 30, 2023	309,776	534,738	80,500	(86,926)	838,088
Balance as at July 1, 2023	309,776	534,738	80,500	(86,926)	838,088
Profit for the period	-	-	-	3,260	3,260
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,260	3,260
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net (note 13)	-	(2,378)	-	2,378	-
Balance as at December 31, 2023	309,776	532,360	80,500	(81,288)	841,348

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

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director



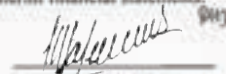
**MSC METROPOLITAN STEEL CORPORATION LIMITED**

**METROPOLITAN STEEL CORPORATION LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEARLY ENDED ON DECEMBER 31, 2023**

	<i>Un-Audited December 31, 2023</i>	<i>Un-Audited December 31, 2022</i>
	<i>Note ---- Rupees in '000' ----</i>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) Before taxation	3,136	2,882
Adjustment for :		
Depreciation	6,846	7,221
Finance cost	130	48
Interest income	(2,637)	(615)
Cash generated from operation before working capital changes	7,475	9,537
Working capital changes		
(Increase)/Decrease in current assets		
Stock in trade	10,141	(20,639)
Trade debts	(13,740)	10,247
Advances	6	-
Short term deposits	5,897	(19,988)
Sales tax - net	5,411	(2,632)
	7,715	(33,013)
Increase / (Decrease) in current liabilities		
Trade and other payables	(23,217)	22,000
Cash generated from/(used in) operations after working capital changes	(15,502)	(11,013)
Net cash used in operating activities	(8,027)	(1,476)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash used in operations after working capital changes	(8,027)	(1,476)
Finance cost paid	(5)	(48)
Taxes paid - net	(1,409)	(825)
Net cash used in operating activities	(9,441)	(2,349)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Short term investments - net	10,000	-
Interest income received	2,601	615
Net cash generated from investing activities	12,601	615
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayments) / receipts of short term borrowing	(415)	249
Net cash (used in) / generated from financing activities	(415)	249
Net increase / (decrease) in cash and cash equivalents	2,745	(1,485)
Cash and cash equivalent at the beginning of the year	3,753	5,133
Cash and cash equivalent at the end of the year	6,498	3,648

The annexed notes from 1 to 22 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 YEARLY ENDED ON DECEMBER 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** During the period ended December 31, 2023, the Company has incurred a gross loss of Rs. 1.57 (December 31, 2022: gross profit of Rs. 8.12) million and has incurred operating loss amounting to Rs. 6.3 (December 31, 2022: operating profit 3.61) and its accumulated losses stood at Rs.0.78 million ( June 2023: Rs.6.42) 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 condensed interim financial statements on going concern basis due to the following reasons:

- a) The Company has revived its business by resuming production activities with the focus on strict control on cost of sales, exploring new ways of production with the reduced cost, improvisation of production facilities, increase in sale volume/sale prices by offering its products to various projects/retail companies. The management is of the view that the Company will generate sufficient revenues and will be profitable in the subsequent years.
- b) The company has no external debt requirements and in case of any requirements, the directors are committed to provide direct financial support to the company, either by injecting their own funds as a loan or equity investment. This can improve the company's liquidity and financial position.

**2 BASIS OF PREPARATION**

**2.1** These condensed interim financial statements of the Company for the six months period ended December 31, 2023 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, 2023.

**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, 2023, 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, 2022.

### **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, 2023.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2023 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, 2023.

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, 2023.



**MSC METROPOLITAN STEEL CORPORATION LIMITED**

	(Un-audited) (Audited)								
	2023	2022							
	December 31	June 30							
	-- Rupees in '000' --								
<b>PROPERTY, PLANT AND EQUIPMENT</b>									
Operating fixed assets	51	760,791    767,621							
<b>A. Operating fixed assets</b>									
	<b>Owned</b>							<b>Right - of - use assets</b>	
<b>Particulars</b>	<b>Leasehold land</b>	<b>Buildings on leasehold land</b>	<b>Plant and machinery</b>	<b>Equipment</b>	<b>Furniture, fixtures and fittings</b>	<b>Vehicles</b>	<b>Computers</b>	<b>Total</b>	<b>Vehicles</b>
----- Rupees in '000' -----									
<b>Year ended June 30, 2023</b>									
Opening net book value	495,600	131,785	154,001	323	134	100	42	782,010	364
Less: disposal	-	-	-	-	-	-	-	-	1,533
Cost / Revalued amount	-	-	-	-	-	-	-	-	(1,475)
Accumulated depreciation	-	-	-	-	-	-	-	-	60
Depreciation charged	-	(6,589)	(7,700)	(49)	(23)	(20)	(8)	(14,389)	(48)
<b>Net book value as at June 30, 2023</b>	<b>495,600</b>	<b>125,199</b>	<b>146,301</b>	<b>276</b>	<b>131</b>	<b>80</b>	<b>34</b>	<b>767,621</b>	<b>156</b>
<b>Period ended December 31, 2023</b>									
Depreciation charged	-	(3,136)	(3,658)	(21)	(19)	(8)	(3)	(6,830)	(14)
<b>Net book value as at December 31, 2023</b>	<b>495,600</b>	<b>122,069</b>	<b>142,643</b>	<b>255</b>	<b>121</b>	<b>72</b>	<b>31</b>	<b>760,791</b>	<b>140</b>
<b>At June 30, 2022</b>									
Cost / revalued amount	495,600	138,724	162,106	3,843	3,539	4,119	1,185	809,116	3,069
Accumulated depreciation	-	(13,325)	(15,805)	(3,567)	(3,406)	(4,039)	(1,151)	(41,495)	(2,913)
<b>Net book value</b>	<b>495,600</b>	<b>125,399</b>	<b>146,301</b>	<b>276</b>	<b>131</b>	<b>80</b>	<b>34</b>	<b>767,621</b>	<b>136</b>
<b>At December 31, 2022</b>									
Cost / revalued amount	495,600	138,724	162,106	3,843	3,539	4,119	1,185	809,116	3,069
Accumulated depreciation	-	(16,655)	(19,463)	(3,599)	(3,438)	(4,947)	(1,154)	(48,325)	(2,929)
<b>Net book value</b>	<b>495,600</b>	<b>122,069</b>	<b>142,643</b>	<b>255</b>	<b>121</b>	<b>72</b>	<b>31</b>	<b>760,791</b>	<b>140</b>
<b>Rate of depreciation %</b>	<b>-</b>	<b>5%</b>	<b>8%</b>	<b>15%</b>	<b>15%</b>	<b>20%</b>	<b>20%</b>	<b>-</b>	<b>20%</b>



	<i>Un-Audited</i>	<i>Audited</i>
	<i>December 31</i>	<i>June 30,</i>
	<i>2023</i>	<i>2023</i>
<i>Note</i>	<i>----- Rupees in '000' -----</i>	
<b>5.2 PROPERTY, PLANT AND EQUIPMENT</b>		
Depreciation charge for the period	<u>6,830</u>	<u>7,221</u>
<i>Disposal - plant and machinery</i>		
Cost/book value	-	1,535
Depreciation	-	(1,475)
<i>Net Book Value</i>	<u>-</u>	<u>60</u>
Sale proceeds	<u>-</u>	<u>1,500</u>
<b>6 RIGHT-OF-USE ASSETS</b>		
Opening book value	156	264
Depreciation charge for the period	(16)	(48)
Disposal	-	(60)
Closing book value	<u>140</u>	<u>156</u>
<i>Disposal - plant and machinery</i>		
Cost/book value	-	1,535
Depreciation	-	(1,475)
<i>Net Book Value</i>	<u>-</u>	<u>60</u>
Sale proceeds	<u>-</u>	<u>1,500</u>
<b>7 STOCK-IN-TRADE</b>		
<i>Raw materials</i>		
- in hand	32,248	32,256
<i>Finished goods</i>	<u>17,668</u>	<u>27,801</u>
	<u>49,916</u>	<u>60,057</u>
<b>8 TRADE DEBTS</b>		
Considered good	19,006	5,267
Considered doubtful	8.1 <u>24,076</u>	<u>24,076</u>
	<u>43,082</u>	<u>29,343</u>
<b>8.1</b>	<p><i>K.J</i> 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 expected. Accordingly, the Company has not made any provision in respect of the amounts in these financial statements.</p>	



## MSC METROPOLITAN STEEL CORPORATION LIMITED

	<i>Un-Audited</i>	<i>Audited</i>								
	<i>December 31</i>	<i>June 30,</i>								
	<i>2023</i>	<i>2023</i>								
<i>Note</i>	<i>----- Rupees in '000' -----</i>									
<b>9 SHORT TERM DEPOSITS</b>	<u>17,026</u>	<u>22,923</u>								
<b>10 SHORT TERM INVESTMENTS</b>										
<i>At fair value - through profit or loss</i>										
Units of mutual funds	<u>14</u>	<u>14</u>								
<i>At amortized cost</i>										
TDR	10.1 <u>8,000</u>	<u>18,000</u>								
	<u>8,014</u>	<u>18,014</u>								
<b>10.1</b> 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>	<i>Audited</i>								
	<i>December 31</i>	<i>June 30,</i>								
	<i>2023</i>	<i>2023</i>								
<i>Note</i>	<i>----- Rupees in '000' -----</i>									
<b>11 TAX REFUNDS DUE FROM GOVERNMENT - NET</b>										
Income tax - net	<u>12,214</u>	<u>11,653</u>								
<b>12 CASH AND BANK BALANCES</b>										
<i>Cash at bank</i>										
- In current account	12.1 <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="text-align: right;">5,863</td><td style="text-align: right;">3,631</td></tr><tr><td style="text-align: right;">635</td><td style="text-align: right;">122</td></tr><tr><td style="text-align: right;">6,498</td><td style="text-align: right;">3,753</td></tr><tr><td style="text-align: right;">6,498</td><td style="text-align: right;">3,753</td></tr></table>	5,863	3,631	635	122	6,498	3,753	6,498	3,753	
5,863	3,631									
635	122									
6,498	3,753									
6,498	3,753									
- In savings account										
	<u>6,498</u>	<u>3,753</u>								
<b>12.1</b> 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.										



	<i>Un-Audited</i>	<i>Audited</i>
	<i>December 31</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>		
<i>Opening balance</i>		
Revaluation surplus during the year - net	<u>564,502</u>	<u>571,554</u>
	<u>564,502</u>	<u>571,554</u>
<i>Buildings on leasehold land and plant and machinery</i>		
Transferred to unappropriated profit in respect of incremental depreciation - net of deferred tax	<u>(2,378)</u>	<u>(5,007)</u>
Related deferred tax liability	<u>(971)</u>	<u>(2,045)</u>
	<u>(3,349)</u>	<u>(7,052)</u>
<i>Balance as at period end</i>	<u>561,153</u>	<u>564,502</u>
<i>Related deferred tax liability</i>	<u>13.1 (28,793)</u>	<u>(29,764)</u>
<i>Balance as at period end - net of deferred tax</i>	<u>532,360</u>	<u>534,738</u>
<b>13.1 Movement in deferred tax liability</b>		
<i>Opening balance</i>		
Effect of revaluation surplus on property, plant and equipment - net	<u>29,764</u>	<u>31,809</u>
Transferred to unappropriated profit in respect of incremental depreciation	<u>(971)</u>	<u>(2,045)</u>
<i>Balance as at period end</i>	<u>28,793</u>	<u>29,764</u>
<b>14 DEFERRED LIABILITY</b>		
Deferred tax liability - net	<u>14.1 28,793</u>	<u>29,764</u>
<b>14.1 Deferred tax liability - net</b>		
<i>Deductible temporary differences</i>		
Provisions for stores, spares and loose tools	<u>(9,032)</u>	<u>(9,032)</u>
Provisions for claims recoverable	<u>-</u>	<u>(57,998)</u>
Provisions for Bad debts	<u>(70)</u>	<u>-</u>
Liabilities against assets subject to finance lease	<u>(6,188)</u>	<u>(6,154)</u>
Business losses	<u>(5,991)</u>	<u>(8,565)</u>
Unabsorbed tax depreciation	<u>(203,342)</u>	<u>(203,511)</u>
	<u>(224,623)</u>	<u>(285,260)</u>
<i>Taxable temporary differences</i>		
Accelerated tax depreciation	<u>22,360</u>	<u>34,152</u>
Deferred tax asset - net	<u>14.2 (202,263)</u>	<u>(251,108)</u>
Deferred tax asset not recognized	<u>202,263</u>	<u>251,108</u>
	<u>-</u>	<u>-</u>
<i>Taxable temporary differences</i>	<u>28,793</u>	<u>29,764</u>
Revaluation surplus on property, plant and equipment	<u>28,793</u>	<u>29,764</u>
<b>14.2 Deferred tax asset as at December 31, 2023 to the extent of Rs. 202.26 (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.</b>		



		<i>Un-Audited</i>	<i>Audited</i>
		<i>December 31</i>	<i>June 30,</i>
		<i>2023</i>	<i>2023</i>
	<i>Note</i>	<i>----- Rupees in '000' -----</i>	
<b>15 SHORT TERM BORROWINGS</b>			
From director - unsecured	15.1	<u>-</u>	<u>415</u>
15.1 Represents interest free loan obtained from director of the Company to meet the working capital requirements and is payable on demand.			
		<i>Un-Audited</i>	<i>Audited</i>
		<i>December 31</i>	<i>June 30,</i>
		<i>2023</i>	<i>2023</i>
	<i>Note</i>	<i>----- Rupees in '000' -----</i>	
<b>16 OVER DUE PORTION OF LEASE LIABILITIES</b>			
Over due portion of lease liabilities	16.1	<u>21,222</u>	<u>21,338</u>
16.1 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.			
<b>17 CONTINGENCIES AND COMMITMENTS</b>			
<b>17.1 Contingencies</b>			
17.1.1 The contingencies to which the Company is exposed are discussed in note 8.1 to these financial statements.			
17.1.3 Guarantee in favour of Sui Sothem Gas Company Limited issued by the Bank on behalf of the Company amounted to Rs. 8.00 (June 30, 2023: Rs. 8.00) Million.			
<b>17.2 Commitments</b>			
There were no commitments binding on the Company as on the reporting date.			
		<i>Un-Audited</i>	
		<i>Half year ended</i>	
		<i>Dec-23</i>	<i>Dec-22</i>
		<i>Un-Audited</i>	
		<i>Quarter ended</i>	
		<i>Dec-23</i>	<i>Dec-22</i>
		<i>----- Rupees in '000' -----</i>	
<b>18 SALES - NET</b>			
Sales		81,035	51,612
Less: sales tax		<u>(13,249)</u>	<u>(4,357)</u>
		<u>67,786</u>	<u>47,254</u>
		39,923	43,011
		<u>(6,647)</u>	<u>(3,108)</u>
		<u>33,276</u>	<u>39,903</u>





	<i>Un-Audited</i>		<i>Un-Audited</i>	
	<i>Half year ended</i>		<i>Quarter ended</i>	
	<i>Dec-23</i>	<i>Dec-22</i>	<i>Dec-23</i>	<i>Dec-22</i>
	<i>----- Rupees in '000' -----</i>			
<b>19 ADMINISTRATIVE EXPENSES</b>				
Salaries, wages and other benefits	1,438	1,227	738	506
Chief executive and directors' remuneration	2,075	1,500	1,305	-
Utilities	156	67	-	41
Depreciation	75	79	38	43
Travelling and conveyance	60	43	42	26
Legal and Professional charges	186	995	145	318
Entertainment	1	-	-	-
Donations	149	220	72	-
Advertisement	37	-	-	-
Auditors' remuneration	132	-	-	-
Fees and subscription	100	-	74	-
Medical	58	-	-	-
Miscellaneous	36	42	31	23
	<u>4,503</u>	<u>4,172</u>	<u>2,445</u>	<u>956</u>
<b>20 TRANSACTIONS WITH RELATED PARTIES</b>				
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>Un-Audited</i>	
		<i>December 31</i>	<i>December 31</i>	
		<i>2023</i>	<i>2022</i>	
		<i>----- Rupees in '000' -----</i>		
<i>Mr. Mehmood Ali Mehkri</i>		<u>3,587</u>	<u>-</u>	
Short term borrowings adjusted during the year				
Short term borrowings repaid during the year		<u>-</u>	<u>4,059</u>	
Short term borrowings obtained during the period		<u>3,172</u>	<u>4,307</u>	
<i>Mr. Usar Mehkari</i>		<u>9,619</u>	<u>8,715</u>	
Amount payable in respect of salary				
<b>21 DATE OF AUTHORIZATION FOR ISSUE</b>				
These condensed interim financial statements were authorized for issue on <u>27/Feb/2024</u> by the board of directors of the Company.				



**22 GENERAL**

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

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

*Chief Executive Officer*

01/3

*Director*

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