



***METROPOLITAN STEEL
CORPORATION LIMITED***

**REVIEWED INTERIM FINANCIAL
INFORMATION (CONDENSED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**



COMPANY PROFILE

Board of Directors

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

Audit Committee

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

Company Secretary

Mr. Abul Mojahid

Chief Accountant

Auditors

REANDA HAROON ZAKARIA & COMPANY
Chartered Accountant

Registered/ Head Office

Plot No: HE 1/2 Landhi Industrial Area
Karachi.



MSC METROPOLITAN STEEL CORPORATION LIMITED

DIRECTORS' REPORT

In the name of Allah the Most Merciful and the Most Benevolent

The directors of your company are pleased to present the Half year report and the UN-audited financial statements for the half year ended December 31, 2019 together with the independent auditors' report on review of condensed interim financial information to the members.

OPERATING AND FINANCIAL RESULTS

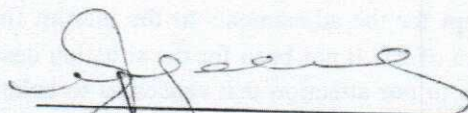
The Comparative financial results of the company are summarized below:-

	December 31, 2019	June 30 2019
	--- (Rupees in '000) ---	
Sales-Net	10,864	28,229
Cost of sales	(18,306)	(61,017)
Gross loss	(7,442)	(32,788)
Administrative Expenses	(2,423)	(7,561)
Selling Expenses	(97)	(17)
Operating loss	(9,962)	(40,366)
Finance Cost	(1)	(111)
Other operating expenses	-	-
Other Income	5,258	21,964
Profit / (loss) before Taxation	4,705	(18,513)
Taxation	1,002	(111)
Profit / (loss) after taxation	(3,703)	(18,624)
Earnings / (Loss) per share - basic and diluted	(0.12)	(0.6)

Your company booked gross loss of 3.703 million due to depreciation charges on assets.

In the period of six months your company commenced production of its product range has received positive response from the foam Industries and the Auto mobile Industry of Pakistan, the major consumers of our products. Because of recession in the economy revenue is a bit slow but with time it will pick up pace as the micro and macro economic situation of the country improves.

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, 2019 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 trade debts, claims recoverable, accrued liabilities, unclaimed dividends, mark up accrued on finance lease and liabilities against assets subject to finance lease totaling Rs. 158.30 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.

Moreover, the Company has not performed impairment testing of stores, spares and loss tools and accordingly we are unable to conclude on the accuracy of valuation of stores, spares and loose tools amounting to Rs. 13.19 Million

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 our 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) Note 1.2 to the interim financial statements, which indicates that the Company has incurred gross loss of Rs. 7.44 (December 31, 2018: Rs. 9.15) Million and has incurred after tax loss amounting to Rs. 3.70 (December 31, 2018: earned after tax profit of Rs. 16.46) Million. These conditions along with other matters set forth 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.
- ii) 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 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, 2019 and 2018 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

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

Reanda Haroon Zakaria, A/C
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 20 FEB 2020



METROPOLITAN STEEL CORPORATION LIMITED

METROPOLITAN STEEL CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2019

		December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
	Note	----- Rupees in '000' -----	
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment	5	599,426	605,111
Long term deposits		3,209	3,209
		<u>602,635</u>	<u>608,320</u>
Current Assets			
Stores, spares and loose tools		13,185	13,185
Stock-in-trade	6	19,581	14,202
Trade debts	7	47,853	47,298
Claims recoverable	8	81,184	81,184
Advances		200	200
Short term deposits	9	-	7,288
Short term investments	10	28,086	23,705
Tax refunds due from government - net	11	6,367	6,882
Interest receivable		439	62
Cash and bank balances	12	522	2,581
		<u>197,417</u>	<u>196,587</u>
Total Assets		<u><u>800,052</u></u>	<u><u>804,907</u></u>
<u>EQUITY AND LIABILITIES</u>			
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			
		<u>309,776</u>	<u>309,776</u>
Capital reserves			
Revaluation surplus on property, plant and equipment	13	329,888	332,340
Revenue Reserves			
General reserve		80,500	80,500
Unappropriated (loss) / profit		(395)	856
		<u>80,105</u>	<u>81,356</u>
Shareholder's equity		<u>719,769</u>	<u>723,472</u>
Non-Current Liabilities			
Deferred liability	14	31,995	32,997
Current Liabilities			
Trade and other payables	15	12,298	18,373
Markup accrued		3,745	3,745
Short term borrowings	16	9,634	3,709
Unclaimed dividend	17	1,273	1,273
Over due portion of liabilities against assets subject to finance lease	18	21,338	21,338
		<u>48,288</u>	<u>48,438</u>
Contingencies and Commitments			
Total Equity and Liabilities	19	<u><u>800,052</u></u>	<u><u>804,907</u></u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director



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, 2019

(Amounts in thousand except for earnings / (loss) per share)	Note	Half year Ended		Quarter Ended	
		December 31,		December 31,	
		2019	2018	2019	2018
----- Rupees in '000' -----					
Sales - net	20	10,864	10,169	9,830	8,838
Cost of sales		(18,306)	(19,322)	(13,109)	(13,757)
Gross loss		(7,442)	(9,153)	(3,279)	(4,919)
Administrative expenses	21	(2,423)	(4,578)	(1,429)	(3,056)
Selling and distribution expenses		(97)	-	(93)	-
Operating loss		(9,962)	(13,731)	(4,801)	(7,975)
Finance cost		(1)	-	(1)	-
Other operating expenses		-	(48)	-	(48)
Other income		5,258	32,173	4,925	29,039
(Loss) / profit before taxation		(4,705)	18,395	123	21,017
Taxation		1,002	(1,934)	1,002	(1,934)
(Loss) / profit after taxation		(3,703)	16,461	1,125	19,083
Other comprehensive income:					
Items that will not be reclassified subsequently to statement of profit or loss					
Effect of change in tax rate on revaluation surplus of property, plant and equipment		-	2,073	-	2,073
Unrealized loss on remeasurement of investment at fair value through other comprehensive income - net of deferred tax		-	(4,214)	-	(3,621)
Total comprehensive (loss) / income for the period		(3,703)	14,320	1,125	17,535
(Loss) / earnings per share - basic and diluted		(0.12)	0.53	0.04	0.62

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director



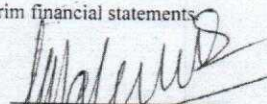
MSC METROPOLITAN STEEL CORPORATION LIMITED

METROPOLITAN STEEL CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	<i>Half Year Ended</i>	
	<i>December 31,</i>	<i>December 31,</i>
	<i>2019</i>	<i>2018</i>
	<i>----- Rupees in '000' -----</i>	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before tax	(4,705)	14,746
Adjustments for:		
Depreciation	6,843	7,219
Loss on sale of investments	-	(843)
Unrealized gain on remeasurement of investments	(4,381)	-
Dividend	-	(167)
Finance cost	1	-
Profit on bank deposit and TDR	(393)	-
	<u>(2,635)</u>	<u>20,955</u>
Working capital changes		
(Increase) / decrease in current assets		
Stock-in-trade	(5,379)	11,222
Trade debts	(555)	9,264
Advances	-	767
Short term deposits	7,288	(3,159)
Increase / (decrease) in current liabilities		
Trade and other payables	(4,859)	(30,181)
	<u>(3,505)</u>	<u>(12,087)</u>
	(6,140)	8,868
Finance cost paid	(1)	-
Taxes paid - net	(701)	(3,380)
Net cash (used in) / generated from operating activities	<u>(6,842)</u>	<u>5,488</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-	(84)
Addition in capital work in progress	(1,158)	(7,453)
Investments - net	-	4,371
Dividend received	-	167
Profit on bank deposit and TDR received	16	-
Net cash used in investing activities	<u>(1,142)</u>	<u>(2,999)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of short term borrowings	5,925	-
Net cash generated from financing activities	<u>5,925</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents	(2,059)	2,489
Cash and cash equivalents at the beginning of the period	2,581	813
Cash and cash equivalents at the end of the period	<u>522</u>	<u>3,302</u>

The annexed notes from 1 to 24 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, 2019

	Capital Reserve		*Revenue Reserve		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 / (loss)
----- Rupees in '000 -----						
Balance as at July 1, 2018	309,776	327	337,373	80,500	14,120	742,096
Profit for the period	-	-	-	-	14,320	14,320
Other comprehensive income	-	(4,214)	2,073	-	-	(2,141)
Total comprehensive income for the period	-	(4,214)	2,073	-	14,320	12,179
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net	-	-	(2,550)	-	2,550	-
Balance as at December 31, 2018	309,776	(3,887)	336,896	80,500	30,990	754,275
Balance as at July 1, 2019	309,776	-	332,340	80,500	856	723,472
Loss for the period	-	-	-	-	(3,703)	(3,703)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(3,703)	(3,703)
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net	-	-	(2,453)	-	2,453	-
Balance as at December 31, 2019	309,776	-	329,888	80,500	(395)	719,769

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

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director



MSC METROPOLITAN STEEL CORPORATION LIMITED

***METROPOLITAN STEEL CORPORATION LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019***

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.
- 1.2 During the current period, the Company has incurred gross loss of Rs. 7.44 (December 31, 2018: Rs. 9.15) Million and incurred after tax loss amounting to Rs. 3.70 (December 31, 2018: earned after tax profit of Rs. 16.46) Million resulting in accumulated losses of Rs. 0.40 (June 30, 2019: accumulated profits of Rs. 0.86) Million.

These conditions along with other matters set forth 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 plan to revive its business on its own land of 4.13 Acres by resuming production activities in the foreseeable future by installing production plants namely Cold Profile, Mild Steel Wire and Special Steel Wire. In this respect, the Company has incurred capital expenditure of Rs. 51.02 (June 30, 2019: 49.87) Million till the reporting date.
- b) Moreover, the Company has commenced its operational activities as appearing in statement of profit or loss.

2 BASIS OF PREPARATION

- 2.1 These condensed interim financial statements of the Company for the six months period ended December 31, 2019 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, 2019.
- 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, 2019, 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, 2018.

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, 2019.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2019 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, 2019.

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, 2019.



METROPOLITAN STEEL CORPORATION LIMITED

	(Un-audited)	(Audited)
	December 31,	June 30,
	2019	2019
5 PROPERTY, PLANT AND EQUIPMENT	<i>Note</i> ----- Rupees in '000' -----	
<i>Following additions were made during the period</i>		
- Leasehold land	-	12,710
- Vehicles	-	84
- Capital work in progress - civil works	<u>1,158</u>	<u>34,754</u>
	<u>1,158</u>	<u>47,548</u>
<i>Depreciation charge for the period</i>		
	<u>6,843</u>	<u>14,441</u>

6 STOCK-IN-TRADE

Raw materials

- in hand	19,581	6,772
- in transit	-	7,431
	<u>19,581</u>	<u>14,202</u>

7 TRADE DEBTS

Considered good	7.1	<u>47,853</u>	<u>47,298</u>
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7.1 This includes amount receivable in respect of tower plant amounting to Rs. 24.55 (June 30, 2019: Rs. 24.55) Million supplied to Multan Electric Power Company Limited and Rs. 19.55 (June 30, 2019: Rs. 19.55) Million receivable from WAPDA, 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 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.

	(Un-audited)	(Audited)
	December 31,	June 30,
	2019	2019
8 CLAIMS RECOVERABLE	<i>Note</i> ----- Rupees in '000' -----	
Considered good	81,184	81,184
Considered doubtful	8.1	118,810
	<u>199,994</u>	<u>199,994</u>
Less: Provision for doubtful debts	<u>(118,810)</u>	<u>(118,810)</u>
	<u>81,184</u>	<u>81,184</u>

8.1 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 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 financial statements.



MSC METROPOLITAN STEEL CORPORATION LIMITED

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>December 31,</i>	<i>June 30,</i>
	<i>2019</i>	<i>2019</i>
	<i>Note ----- Rupees in '000' -----</i>	
11 TAX REFUNDS DUE FROM GOVERNMENT - NET		
Income tax - net	4,308	3,607
Sales tax - net	2,059	3,275
	<u>6,367</u>	<u>6,882</u>

12 CASH AND BANK BALANCES

<i>Cash in hand</i>		24	-
<i>Cash at bank</i>			
- In current account	12.1	323	2,580
- In savings account		175	2
		<u>498</u>	<u>2,581</u>
		<u>522</u>	<u>2,581</u>

12.1 These carry markup at the rates ranging between 5.01% to 7.01% (June 30, 2019: 5.01% to 6.26%) 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>2019</i>	<i>2019</i>	
	<i>Note ----- Rupees in '000' -----</i>		
13 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT			
<i>Opening balance</i>		365,337	372,426
<i>Buildings on leasehold land and plant and machinery</i>			
Transferred to unappropriated profit in respect of incremental depreciation - net of deferred tax		(2,453)	(5,033)
Related deferred tax liability		(1,002)	(2,056)
		<u>(3,454)</u>	<u>(7,089)</u>
<i>Balance as at period end</i>		361,883	365,337
<i>Related deferred tax liability</i>	13.1	(31,995)	(32,997)
<i>Balance as at period end - net of deferred tax</i>		<u>329,888</u>	<u>332,340</u>

13.1 Movement in deferred tax liability

<i>Opening balance</i>		32,997	35,053
Transferred to unappropriated profit in respect of incremental depreciation		(1,002)	(2,056)
<i>Balance as at period end</i>		<u>31,995</u>	<u>32,997</u>



MSC METROPOLITAN STEEL CORPORATION LIMITED

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>December 31,</i>	<i>June 30,</i>
		<i>2019</i>	<i>2019</i>
	<i>Note</i>	<i>----- Rupees in '000' -----</i>	
14 DEFERRED LIABILITY			
Deferred tax liability - net	14.1	<u>31,995</u>	<u>32,997</u>
14.1 Deferred tax liability - net			
<i>Deductible temporary differences</i>			
Provisions for stores, spares and loose tools		(8,980)	(8,980)
Provisions for claims recoverable		(34,455)	(34,455)
Liabilities against assets subject to finance lease		(6,188)	(6,188)
Business losses		(65,560)	(62,610)
Unabsorbed tax depreciation		<u>(199,431)</u>	<u>(198,948)</u>
		<u>(314,614)</u>	<u>(311,181)</u>
<i>Taxable temporary differences</i>			
Accelerated tax depreciation		67,636	70,103
Deferred tax asset - net	14.2	<u>(246,978)</u>	<u>(241,078)</u>
Deferred tax asset not recognized		<u>246,978</u>	<u>241,078</u>
		<u>-</u>	<u>-</u>
<i>Taxable temporary differences</i>			
Revaluation surplus on property, plant and equipment		<u>31,995</u>	<u>32,997</u>

14.2 Deferred tax asset as at December 31, 2019 to the extent of Rs. 246.98 (June 30, 2019: Rs. 241.08) 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>December 31,</i>	<i>June 30,</i>
		<i>2019</i>	<i>2019</i>
	<i>Note</i>	<i>----- Rupees in '000' -----</i>	
15 TRADE AND OTHER PAYABLES			
Bills payable		-	7,431
Trade creditors		880	-
Accrued liabilities	15.1	6,657	6,132
Payable to EOBI		4,331	4,331
Temporary overdraft		-	4
Wht payable		193	238
Others		237	237
		<u>12,298</u>	<u>18,373</u>

15.1 Includes director's remuneration payable amounting to Rs. 5.29 (June 30, 2019: Rs. 4.63) Million.



MSC METROPOLITAN STEEL CORPORATION LIMITED

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>December 31,</i>	<i>June 30,</i>
		<i>2019</i>	<i>2019</i>
	<i>Note</i>	<i>----- Rupees in '000' -----</i>	
16 SHORT TERM BORROWINGS			
From Director - unsecured	16.1	<u>9,634</u>	<u>3,709</u>

16.1 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>2019</i>	<i>2019</i>
	<i>Note</i>	<i>----- Rupees in '000' -----</i>	
17 UNCLAIMED DIVIDEND			
	17.1	<u>1,273</u>	<u>1,273</u>

17.1 According to section 244 of the Companies Act, 2017, dividend which remain unclaimed or unpaid for a period of three years from the date it is due and payable shall be credited to Federal Government account after serving 90 days' notice to shareholders. No such notice is served by the Company till the reporting date as Company is in process of identifying the shareholders' and then accordingly procedure will be adopted.

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>December 31,</i>	<i>June 30,</i>
		<i>2019</i>	<i>2019</i>
	<i>Note</i>	<i>----- Rupees in '000' -----</i>	
18 OVER DUE PORTION OF LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Over due portion of liabilities against assets subject to finance lease	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% to 22 % (June 30, 2019: 14% to 22 %) 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-19</i>			<i>Jun-19</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 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, 2019: 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, 2019: 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, 2019: 8.00) Million.

19.2 Commitments

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

	Half year Ended		Quarter Ended	
	Dec-19	Dec-18	Dec-19	Dec-18
----- Rupees in '000'-----				
Sales	12,711	11,898	11,501	11,898
Less: Sales tax	(1,847)	(1,729)	(1,671)	(1,729)
	10,864	10,169	9,830	10,169

20 SALES - NET

21 ADMINISTRATIVE EXPENSES

An amount of Rs. 3.65 Million had been reclassified to property, plant and equipment as at June 30, 2019 as a result comparative figures of December 31, 2018 has been reclassified for better presentation.

22 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:

Key management personnel

Mrs. Uzma Mehmood Ali Mehkri

(Un-audited) (Audited)
December 31, June 30,
2019 2019
----- Rupees in '000'-----

Short term borrowing obtained during the period

Short term borrowing repaid during the period

-	600
-	600



MSC METROPOLITAN STEEL CORPORATION LIMITED

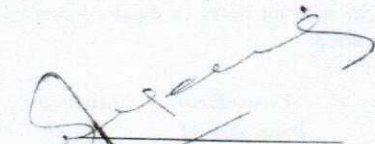
	<i>(Un-audited)</i> <i>December 31,</i> <i>2019</i>	<i>(Audited)</i> <i>June 30,</i> <i>2019</i>
	----- Rupees in '000' -----	
Mr. Mehmood Ali Mehkri		
Short term borrowings repaid during the period	5,863	-
Short term borrowings obtained during the period	<u>11,788</u>	<u>3,709</u>
Mr. Omer Mehkri		
Short term borrowings obtained during the period	-	129
Short term borrowings repaid during the period	-	113
Short term borrowings waived during the period	-	<u>2,114</u>

23 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 20 FEB 2020 by the Board of Directors of the Company.

24 GENERAL

- 24.1 Figures in these condensed interim financial statements have been rounded off to the nearest rupee.
- 24.1 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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