



***METROPOLITAN STEEL
CORPORATION LIMITED***

**REVIEWED INTERIM FINANCIAL
INFORMATION (CONDENSED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**



COMPANY PROFILE

Board of Directors

Mr. Mehmood Ali Mehkri	Chairman
Mr. Muhammad Umar Mehkari	Chief Executive
Mrs. Sara Mehmood Mehkri	Director
Mr. Muhammad Shakir	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

706-Progressive Plaza, Beaumont Road
Karachi.

***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 condensed interim financial statements for the half year ended December 31, 2018 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, 2018	June 30 2018
	— (Rupees in '000) —	
Sales-Net	10,169	55,287
Cost of sales	(19,322)	(86,858)
Gross loss	(9,153)	(31,571)
Administrative Expenses	(8,226)	(8,631)
Selling Expenses	(-)	(37)
Operating loss	(17,379)	(40,239)
Finance Cost	(-)	(11)
Other operating expenses	(48)	(24,736)
Other Income	32,173	45,091
Profit / (loss) before Taxation	14,746	(19,895)
Taxation	(1,934)	2,983
Profit / (loss) after taxation	12,812	(16,912)
Earnings / (Loss) per share - basic and diluted	0.414	(0.84)

In the half year your company has made sales amounting to Rs. 10.169 million as your company imported various long product at competitive prices and dispatched into the local market.

Your company suffered a gross loss of 9.153 million mainly because of depreciation charge on our building and plant and machinery amounting to 7.1 million. In the period of six months your company had to incur capital expenditure on the modernization of plant and machinery, expansion of furnaces enhancement of a load of K-Electirc and installation of SUI gas lines and substation as per company requirement.

The management is hopeful to provide the best quality products in the market at competitive prices, and because of our diversity in products we are likely to achieve profitability at a very early stage.

For and On behalf of the Board


Chief Executive Officer

Karachi

**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, 2018 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 this 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 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, advances to suppliers, accrued liabilities, advances from customers, unclaimed dividends, mark up accrued on finance lease, liabilities against assets subject to finance lease and other income totaling Rs. 161.952 million respectively due to non-availability of records and being old in nature. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Conclusion

Except for the adjustments to the interim financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the interim financial statements is 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

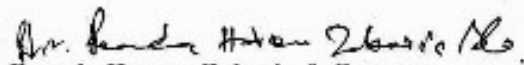
- i) Note 1.2 to the interim financial statements, which indicates that the Company has incurred gross loss of Rs. 9,211 (Dec 31, 2017: Rs. 13,997) million and has incurred after tax profit amounting to Rs. 15,268 (Dec 31, 2017: after tax loss of Rs. 35,713) million. These conditions along with other 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

The figures of the condensed interim profit or loss and other comprehensive income for the three months ended December 31, 2018 and 2017 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

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


Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi.
Dated: 27-Feb-2019



METROPOLITAN STEEL CORPORATION LIMITED

METROPOLITAN STEEL CORPORATION LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

AS AT DECEMBER 31, 2018

		December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
	Note	----- Figures in '000' -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	572,322	572,004
Long term investment	5	28,913	9,434
		<u>598,235</u>	<u>581,438</u>
Current assets			
Stores, spares and loose tools		13,185	13,185
Stock-in-trade	6	84,026	68,248
Trade debts	7	47,470	56,734
Claims recoverable	8	81,184	81,184
Advances	9	5,312	5,214
Deposits	10	3,209	80
Short term investment	11	12,287	37,879
Tax refunds due from Government	12	6,482	7,319
Cash and bank balances	13	5,302	813
		<u>226,427</u>	<u>267,624</u>
Total assets		<u>824,662</u>	<u>849,062</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised 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>509,776</u>	<u>509,776</u>
Capital reserves			
Revaluation surplus on property, plant and equipment		336,896	517,373
Unrealized gain on remeasurement of available for sale investments		(3,887)	327
		<u>333,009</u>	<u>517,700</u>
Revenue Reserves			
General reserve		80,500	80,500
Unappropriated profit		29,482	14,120
		<u>109,982</u>	<u>94,620</u>
Shareholder's equity		<u>753,767</u>	<u>742,096</u>
Non-current liabilities			
Deferred liability	14	30,297	35,187
Current liabilities			
Trade and other payables	15	15,145	43,324
Mark-up account		3,748	3,748
Short term borrowings	16	2,099	2,099
Unclaimed dividend	17	1,273	1,273
Over due portion of liabilities against assets subject to finance lease		21,338	21,338
		<u>41,598</u>	<u>71,779</u>
Contingencies and commitments	18		
Total equity and liabilities		<u>824,662</u>	<u>849,062</u>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director



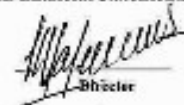
METROPOLITAN STEEL CORPORATION LIMITED

METROPOLITAN STEEL CORPORATION LIMITED CONDENSED INTERIM PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

(Amounts in thousand except for earnings / (loss) per share)	Note	Half year Ended		Quarter Ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		----- Rupees -----			
Sales - net	19	10,169	11,167	8,838	11,167
Cost of sales		(19,322)	(25,164)	(13,757)	(21,214)
Gross loss		(9,153)	(13,997)	(4,919)	(10,047)
Administrative expenses		(8,226)	(3,188)	(6,704)	(2,208)
Selling and distribution expenses		-	(165)	4	(160)
Operating loss		(17,379)	(17,350)	(11,619)	(12,415)
Other operating expenses		(48)	(45,018)	(48)	-
Other income		32,173	25,940	29,039	25,940
Profit / (loss) before taxation		14,746	(36,428)	17,372	13,525
Taxation		(1,934)	715	(1,934)	715
Profit / (loss) after taxation		12,812	(35,713)	15,438	14,240
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Effect of change in tax rate on revaluation surplus of property, plant and equipment		2,073	-	2,073	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met					
Unrealized loss on remeasurement of available for sale investment - net of deferred tax		(4,214)	-	(3,621)	-
Total comprehensive income/(loss) for the period		10,671	(35,713)	13,890	14,240
Earnings / (loss) per share - basic and diluted		0.414	(1.153)	0.498	0.460

The annexed notes from 1 to 23 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 CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	<i>Half Year Ended</i>	
	<i>December 31,</i>	<i>December 31,</i>
	<i>2018</i>	<i>2017</i>
	<i>----- Rupees in '000' -----</i>	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	14,746	(36,428)
Adjustments for:		
Depreciation	7,219	12,716
Loss on sale of long term investments	48	-
Dividend	(167)	-
Profit on short term investment	(891)	-
Liabilities written back	-	-
Write down of stock-in-trade	-	42,388
Working capital changes	20,955	18,676
(Increase) / decrease in current assets		
Stock-in-trade	11,223	11,934
Trade debts	9,264	(2,561)
Advances and other receivables	767	12,623
Deposits	(3,159)	3,630
Increase / (decrease) in current liabilities		
Trade and other payables	(30,181)	(35,270)
	(12,087)	(10,644)
	8,868	8,033
Gratuity paid	-	(206)
Taxes paid - net	(3,380)	-
Net cash generated from operating activities	5,488	7,827
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(84)	(1,832)
Addition in capital work in progress - net	(7,453)	-
Proceeds from sale of long term investments - net	25,592	(5,000)
Long term investments made	(22,112)	-
Profits on short term investment received	891	-
Dividend received	167	-
Net cash used in investing activities	(2,999)	(6,832)
C. CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
Net increase in cash and cash equivalents	2,489	995
Cash and cash equivalent at the beginning of the period	813	5,975
Cash and cash equivalent at the end of the period	3,302	6,970

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director



**METROPOLITAN STEEL CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	<i>Capital Reserve</i>			<i>*Revenue Reserve</i>		
	<i>Share Capital</i>	<i>Unrealized gain/(loss) on remeasurement of available for sale investments</i>	<i>Revaluation surplus on property, plant and equipment</i>	<i>General Reserve</i>	<i>(Accumulated losses) / unappropriated profit</i>	<i>Total</i>
	<i>-----Rupees in '000-----</i>					
Balance as at July 1, 2017 - as originally reported	309,776	-	-	80,500	23,118	668,887
Effect of revaluation surplus on property, plant and equipment	-	-	255,493	-	-	-
Balance as at July 01, 2017 - Restated	309,776	-	255,493	80,500	23,118	668,887
Loss for the period	-	-	-	-	(35,713)	(35,713)
Other comprehensive income	-	-	-	-	1,670	1,670
Total Comprehensive loss for the period	-	-	-	-	(34,043)	(34,043)
Transfer from revaluation surplus on property, plant and equipment to unappropriated profit on account of incremental depreciation - net	-	-	(1,670)	-	1,670	-
Balance as at December 31, 2017 - Restated	309,776	-	253,823	80,500	(9,255)	634,844
Balance as at July 1, 2018	309,776	327	337,373	80,500	14,120	742,096
Profit for the period	-	-	-	-	12,812	12,812
Other comprehensive income	-	(4,214)	2,073	-	-	(2,141)
Total Comprehensive loss for the period	-	(4,214)	2,073	-	12,812	10,671
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	29,482	752,767

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

The annexed notes from 1 to 23 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, 2018

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, hailing hoops, mild and special steel wires, transmission towers and cold profiles. The registered office of the Company is situated at 706, Progressive Plaza Beaumont Road, Karachi.

1.2 During the current period, the Company has incurred gross loss of Rs. 9,153 (December 31, 2017 : Rs. 13,997) million and earned after tax profit amounting to Rs. 12,812 (December 31, 2017 : after tax loss of Rs. 35,713) million resulting in accumulated profit of Rs. 29,482 (June 30, 2018: 14,120) million. However, with respect to business cycle of the Company, production activities have completely been shut down.

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)** Further, 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. 22,565 million till the reporting date. During the period, Sui Gas and Electricity connections were approved by the relevant authorities.
- b)** Moreover, the Company has started generating revenues through sale of its stock-in-trade to various buyers at competitive prices and the management is of the view that the Company will generate sufficient revenues in subsequent years that will be used to complete the civil works related to installation of above mentioned wire plants and procurement of materials.
- c)** The company has made long term investments amounting to Rs. 25,913 million for revenue generation and has short term investments amounting to Rs. 12,287 million to meet working capital requirements by disposing them once the production activities will be resumed.

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements of the Company for the six months period ended December 31, 2018 has 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, 2018.
- 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, 2018, whereas the comparative condensed interim profit or loss and other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been extracted from the unaudited condensed interim financial statements for the six months ended December 31, 2017.

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, 2018.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2018 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.

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 and liabilities and 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 recognised 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, 2018 except as follows.

Change in accounting estimate:

During the current period, the Company has changed the accounting estimate with respect to the rate of depreciation of buildings on lease hold land and plant and machinery. Previously, the rate of depreciation was 10% per annum which has been decreased to 5% per annum. The Company estimates that the revised rate reflects the manner in which economic benefits from using the assets are consumed. Had the estimate not been



METROPOLITAN STEEL CORPORATION LIMITED

changed, the depreciation charge for the period would have been increased by Rs. 7.066 million with corresponding decrease in profit before tax. The impact of change in accounting estimate could not be determined with respect to future periods as additions and disposals of buildings on leasehold land and plant and machinery for future periods would affect the amount of change in accounting estimate.

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, 2018.

(Un-audited) (Audited)
December 31, June 30,
2018 2018
Note ---- Rupees in '000'----

4 PROPERTY, PLANT AND EQUIPMENT

Following additions were made during the period

- Plant and machinery	-	90
- Vehicles	84	-
- Capital work in progress - civil works	7,453	7,635
	<u>7,537</u>	<u>7,725</u>

<i>Revaluation surplus - net</i>	<u>-</u>	<u>98,821</u>
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<i>Depreciation charged for the period</i>	<u>7,219</u>	<u>31,435</u>
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5 LONG TERM INVESTMENTS

Available for sale - in quoted shares at fair value

Carrying value	31,952	8,973
Unrealized (loss) / gain on remeasurement	(6,039)	461
	<u>25,913</u>	<u>9,434</u>

5.1

5.1 At fair value through profit or loss

<i>Dec 31,</i>	<i>June 30,</i>		<i>(Un-audited)</i>	<i>(Audited)</i>
<i>2018</i>	<i>2018</i>		<i>Dec 31,</i>	<i>June 30,</i>
			<i>2018</i>	<i>2018</i>
<i>Number of Shares</i>			<i>---- Rupees in '000'----</i>	
850,000	-	Fauji Cement Company Limited	17,791	-
		Pakistan International Bulk		
750,000	-	Terminal Limited	8,122	-
-	95,400	Fauji Fertilizer Company Ltd	-	9,434
			<u>25,913</u>	<u>9,434</u>

**MSC METROPOLITAN STEEL CORPORATION LIMITED****6 STOCK-IN-TRADE**

Raw materials	74,108	85,330
Less: Provision for write down of stock to net realizable value	(20,082)	(20,082)
	<u>54,026</u>	<u>65,248</u>

7 TRADE DEBTS

Considered good	7.1	<u>47,470</u>	<u>56,734</u>
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7.1 This amount includes receivable in respect of tower plant amounting to Rs. 24,555 (June 30, 2018: Rs. 24,555) million supplied to Multan Electric Power Company Limited and Rs. 19,551 (June 30, 2018: Rs. 19,551) million receivable from WAPDA, which were challenged by the Company in the Honourable High Court of Sindh. The decision in these law suits has not been rendered till the issuance of this condensed interim financial report. The legal advisor of the company has given opinion of favourable outcome, accordingly, no provision has been made against these receivables.

8 CLAIMS RECOVERABLE

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
Note	----	Rupees in '000'-----
Considered good	199,994	199,994
Considered doubtful	8.1 (118,810)	(118,810)
	<u>81,184</u>	<u>81,184</u>

8.1 This amount represents recoverable in respect of excise duty aggregating Rs. 81,184 million 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 by the Company in the Honourable High Court of Sindh during 1992. The said suit was dismissed by the single Judge bench of Honourable Court of Sindh on June 01, 2016. The company has made appeal against the decision before the Honourable High Court of Sindh. The management of the company expects favourable outcome on the basis of appeal grounds. Accordingly, the company has not made provision in this condensed interim financial report.

9 ADVANCES**Considered good****Advances**

- suppliers	27	3,085
- against transfer of land	5,085	1,929
- others	200	200
	<u>5,312</u>	<u>5,214</u>



METROPOLITAN STEEL CORPORATION LIMITED

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	---- Rupees in '000' ----	
10 DEPOSITS		
Deposits		
With CDC	50	50
With K-Electric	3,159	-
	<u>3,209</u>	<u>50</u>
11 SHORT TERM INVESTMENT		
At fair value through profit or loss	12,287	37,879

Name of investee	As at 1 July, 2018	Invested during the year	Sales / redemptions during the year	As at 31 December, 2018	Unrealized gain as at 31 December, 2018	Fair value as at 31 December, 2018
----- Rs. in 000 -----						
Al-Ameen Islamic Cash Fund	37,879	1,000	27,500	11,379	896	12,275
Al-Ameen Islamic Sovereign Fund	-	12	-	12	-	12
	<u>37,879</u>	<u>1,012</u>	<u>27,500</u>	<u>11,391</u>	<u>896</u>	<u>12,287</u>

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note ---- Rupees in '000' ----	
12 TAX REFUNDS DUE FROM GOVERNMENT		
Income tax refundable	691	-
Sales tax refundable	5,761	7,317
	<u>6,452</u>	<u>7,317</u>

13 CASH AND BANK BALANCES

Cash in hand	1	13
Cash at bank - in current accounts	3,301	800
	<u>3,302</u>	<u>813</u>

13.1

13.1 These carry markup at the rate ranging between 2.4% to 4% per annum (June 30, 2018: 2.25% to 2.5% per annum). The deposits are placed with bank under Islamic banking arrangements.



METROPOLITAN STEEL CORPORATION LIMITED

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	---- Rupees in '000'----	
14 DEFERRED LIABILITY			
Deferred tax liability - net		30,297	35,187
14.1 Deferred tax liability - net			
<i>Deductible temporary differences</i>			
Provisions for stores, spares and loose tools		(8,670)	(8,980)
Provisions for stock-in-trade		(5,623)	(5,824)
Provisions for claims recoverable		(33,267)	(34,455)
Liabilities against assets subject to finance lease		(5,975)	(6,188)
Tax losses		(302,778)	(313,592)
Minimum tax impact		(4,744)	(4,744)
		(361,057)	(373,783)
<i>Taxable temporary differences</i>			
Accelerated tax depreciation		69,224	65,263
Deferred tax asset - net	14.2	(291,833)	(308,520)
Deferred tax asset not recognized		291,833	308,520
		-	-
<i>Taxable temporary differences</i>			
Revaluation surplus on property, plant and equipment		31,988	35,053
Unrealized (loss) / gain on remeasurement of investment available for sale		(1,691)	134
		30,297	35,187
14.2 Deferred tax asset as at December 31, 2018 to the extent of Rs. 291.833 (June 30, 2018: Rs. 308.520) 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.			
		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	---- Rupees in '000'----	
15 TRADE AND OTHER PAYABLES			
Trade creditors	15.1	-	1,100
Accrued liabilities	15.2	5,178	35,494
Advance from customers		2,892	1,583
Income tax payable		-	98
Payable to EOBI		4,331	4,331
Other		742	718
		13,143	43,324

**MSC METROPOLITAN STEEL CORPORATION LIMITED**

15.1 During the period, the amount has been written back as the management consider it no more payable.

15.2 Includes Director remuneration payable amounting to Rs. 2.385 (June 30, 2018: Rs. 1.5) million.

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>December 31,</i>	<i>June 30,</i>
	<i>2018</i>	<i>2018</i>
<i>Note</i>	<i>--- Rupees in '000'---</i>	

16 SHORT TERM BORROWINGS

From Director - unsecured	16.1	<u>2,099</u>	<u>2,099</u>
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16.1 Represents interest free loan obtained from director of the company to meet the working capital requirement and is payable on demand.

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>December 31,</i>	<i>June 30,</i>
	<i>2018</i>	<i>2018</i>
<i>Note</i>	<i>--- Rupees in '000'---</i>	

17 UNCLAIMED DIVIDEND

17.1	<u>1,273</u>	<u>1,273</u>
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17.1 According to section 244 of the Companies Act, 2017, all unclaimed dividend for a period of three years shall be credited to Federal Government account after serving 90 days' notice to shareholders. No such notice is serve by the company as company is in process of identifying the shareholder and then accordingly procedure will be adopted.

18 CONTINGENCIES AND COMMITMENTS**18.1 Contingencies**

There were no changes in contingencies since the last audited financial statements.

18.2 Commitments

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

<i>Half year Ended</i>		<i>Quarter Ended</i>	
<i>Dec-18</i>	<i>Dec-17</i>	<i>Dec-18</i>	<i>Dec-17</i>
<i>--- Rupees in '000'---</i>			

19 SALES - NET

Sales	11,898	13,134	11,898	13,134
Less: Sales tax	(1,729)	(1,967)	(1,729)	(1,967)
	<u>10,169</u>	<u>11,167</u>	<u>10,169</u>	<u>11,167</u>



MSC METROPOLITAN STEEL CORPORATION LIMITED

20 TRANSACTIONS WITH RELATED PARTIES

Related parties include major shareholders, associated undertakings, key management personnel and their close family members. Period end balances of related parties are disclosed in relevant notes to these condensed interim financial statements. Following transactions occurred during the period:

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>December 31,</i>	<i>June 30,</i>
	<i>2018</i>	<i>2018</i>
	<i>---- Rupees in '000'----</i>	
<i>Key management personnel</i>		
<i>Mrs. Uzma Mahmood Ali Mehkri</i>		
Short term borrowing obtained during the period	<u>600</u>	<u>-</u>
Short term borrowing repaid during the period	<u>600</u>	<u>-</u>

21 CORRESPONDING FIGURES

Corresponding figures have been re-arranged / reclassified, whenever necessary, for the purpose of compliance, comparison and better presentation.

22 GENERAL

Figures have been rounded-off to the nearest thousands of rupees.

23 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **27-Feb-2019** by the Board of Directors of the Company.


Chief Executive Officer


Director

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