



ITTEFAQ IRON INDUSTRIES LIMITED

DIRECTOR'S REPORT

On behalf of the board of directors, I take pleasure to present condensed interim financial statements for period of three months; quarter ended September 30, 2018

The financial results are summarized as under:

Quarter Ended		
	Sept 30, 2018	Sept 30, 2017
Sale	1,460,502,747	1,600,744,218
Gross Profit	143,865,028	137,278,283
Profit/ (loss) after tax	68,309,813	38,297,180
Earnings per share	0.46	0.52

The sales turnover for three months shown Decreased of 8% from Rs.1,601 million to Rs.1,461 million in order to slowdown economic activities of last six months in the country. However, the Gross Profit for the current three months period is increase by 5 % From Rs. 137 Million to Rs. 144 Million.

The company is working on to improve results by reducing cost and better sales prices. The company is focusing on products mix which increases our profitability.

The Directors of your Company wish to thankful to the Banks for the financial support and co-operation they have extended to the company. The Directors would like to express their appreciation for the dedication and hard work of the workers, staff and members of management team.

For and on behalf of Board of Directors.

ITTEFAQ IRON INDUSTRIES LTD.

SHAHZAD JAVED
Chief Executive

Lahore: Oct 29, 2018



ITTEFAQ IRON INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2018

EQUITY& LIABILITIES

SHARE CAPITAL & RESERVES

	Sep-18 RUPEES	Sep-17 RUPEES
Authorized Share Capital	3,000,000,000	3,000,000,000
Issued Subscribed and Paid-up Share Capital	1,312,212,400	1,312,212,400
Capital Reserves	774,507,925	774,507,925
Equity Portion of Sponsors Loan	29,616,263	44,228,920
Unappropriated Profit	1,189,012,164	877,253,866
	3,305,348,752	3,008,203,111
Surplus on Revaluation of Fixed Assets	699,962,445	224,379,073

NON-CURRENT LIABILITIES

Sponsors Loans -subordinated	272,238,551	249,760,139
Deferred Liabilities	174,718,011	134,858,298
	517,916,951	275,556,103
Trade and Other Payables	20,105,592	17,744,275
Finance Cost Payable	1,153,755,860	1,028,698,600
Short Term Borrowings	-	33,342,994
Current Portion of Long Term Liabilities	-	110,637,193
Provision for Taxation	1,691,778,403	1,465,979,165

Contingencies & Commitments

ASSETS

NON-CURRENT ASSETS

Property, Plant & Equipments	1,750,630,271	1,306,352,458
Capital W.I.P	20,832,425	18,991,303
Long-Term Security Deposits	18,808,026	19,103,526

CURRENT ASSETS

Stores, Spares & Loose Tools	283,151,151	290,776,241
Stock in Trade	2,551,069,210	1,679,984,182
Trade Debts - considered good	991,865,129	967,861,710
Advances, Deposits, Prepayments & Other Receivables	329,347,831	336,415,673
Taxes Refundable	176,546,630	178,794,535
Short Term Investments	-	216,000,000
Cash & Bank Balances	21,795,489	68,900,158
	4,353,775,440	3,738,732,499
	6,144,046,162	5,083,179,786

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



ITTEFAQ IRON INDUSTRIES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Sep-18 RUPEES	Sep-17 RUPEES
Sales-Net	1,460,502,747	1,600,744,218
Cost of Sales	(1,316,637,719)	(1,463,465,935)
Gross Profit	143,865,027	137,278,283
Distribution Cost	4,908,124	4,269,223
Administrative Expenses	13,417,318	12,310,068
Operating Profit	125,539,585	120,698,992
Other Income	66,429	1,976,408
	125,606,014	122,675,400
Finance Cost	32,624,170	26,150,469
Workers Profit Participation Fund	4,649,092	4,826,247
Workers Welfare Fund	1,766,655	1,833,974
Profit Before taxation	86,566,097	89,864,711
Taxation	(20,775,863)	(21,567,530)
Profit After taxation	65,790,234	68,297,180
Earning Per Share	0.46	0.52

STATEMENT OF COMPREHENSIVE INCOME

	Sep-18 RUPEES	Sep-17 RUPEES
Profit after taxation	65,790,233	68,297,180
Other Comprehensive Income/(Loss)		
Remeasurement of defined benefits plan	-	-
Deferred tax on remeasurement of defined benefit plan	-	-
Total Comprehensive Income	65,790,233	68,297,180

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CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Sep-18 RUPEES	Sep-17 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	86,566,097	89,864,710
Adjustments for:		
Depreciation	30,573,115	27,180,573
Provision of Gratuity	453,121	1,877,738
Gain on Sale of Fixed Asset	-	-
Finance Cost	32,624,170	26,150,469
Prior Year Adjustment	-	-
	63,660,406	55,208,780
Profit Before Working Capital Changes	150,216,503	145,073,490
Working Capital Changes	(109,537,684)	(937,076,001)
Cash Generated from/(used in) Operations	40,678,819	(792,002,511)
Taxes Paid	(39,702,304)	(38,637,443)
Finance Cost Paid	(30,805,525)	(21,490,395)
Gratuity Paid	(70,507,829)	(60,127,838)
	(29,829,010)	(852,130,349)
Net Cash from Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Assets Acquired	(8,398,238)	(848,793)
Capital Work in Progress	(20,832,425)	(16,157,055)
Short Term Investment	-	(216,000,000)
Security Deposits	(29,230,663)	(233,005,848)
Net Cash used in Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	(50,000,000)
Long Term Loans	(71,478,190)	93,226,322
Short Term Borrowings	(71,478,190)	43,226,322
Net Cash from / (used in) Financing Activities		
Net Increase / (Decrease) in Cash and Cash Equivalents	(130,537,863)	(1,041,909,875)
Cash & Cash Equivalents at the Beginning of the Year	152,333,352	1,110,810,033
Cash & Cash Equivalents at the End of the Year	21,795,489	68,900,158

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Issued Subscribed and paid up Capital	Capital	Revenue	Equity Portion of Sponsors Loan	Total Equity
		Share Premium	Accumulated Profit		
			Rupees		
Balance as on July 1, 2017	1,312,212,400	774,507,925	797,968,074	49,724,864	2,934,413,263
Total Comprehensive income for the year ended 30th June, 2018	-	-	270,406,381	-	270,406,381
Decrease in deferred Tax due to rate change	-	-	-	1,270,622	1,270,622
Less: Unwinding of discount	-	-	15,388,644	(15,388,644)	-
Issuance of shares	-	-	-	-	-
Shares issue cost	-	-	-	-	-
Incremental Depreciation transferred from Surplus on Rev. of fixed assets	-	-	33,966,164	-	33,966,164
Balance as on June 30, 2018	1,312,212,400	774,507,925	1,117,729,263	35,606,842	3,240,056,430
Total Comprehensive income for the year ended 30th September, 2018			65,790,233		65,790,233
Less: Unwinding of discount			-	5,990,579	
Issuance of shares	-	-	-		
Shares issue cost					
Provision of 5 %Dividends in Cash			-		
Incremental Depreciation transferred from Surplus on Rev. of fixed assets			5,492,668		
Balance as on September 30, 2018	1,312,212,400	774,507,925	1,189,012,164	29,616,263	3,305,846,663

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NOTES TO THE ACCOUNTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

LEGAL STATUS AND NATURE OF BUSINESS

These interim condensed financial statements are un-audited and are being submitted to the shareholders in accordance with the provisions of the companies Act 2017 and have been prepared in accordance with the requirements of international Accounting Standard (IAS)-34 "Interim Financial Reporting" as applicable in Pakistan.

The condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at June 30, 2018.

The accounting policies adopted for the preparation of this condensed interim condensed financial information are the same as those applied in the preparation of preceding Audited Financial Statements for the year ended June 30 2018.

There is no significant change in the contingencies and commitments status since the last annual balance sheet date.

Figures have been rounded off to nearest rupee.

This condensed interim financial information is authorized for issuance by the board of Directors on October 29, 2018.

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DIRECTOR



ITTEFAQ IRON INDUSTRIES LIMITED

CORPORATE INFORMATION

Board of Directors

Mian Muhammad Pervaiz Shafi
Shahzad Javed
Javed Sadiq
Khalid Mustafa
Khalida Pervaiz
Sumbleen Usman
Ayesha Fahid
Audit Committee
Javed Sadiq
Adnan Younas
Khalid Mustafa
Khalida Pervaiz
Ayesha Fahid
Company Secretary
Muhammad Shahzad Bazmi (AFPA)

Auditors

Kaleem & Co.
Chartered Accountants
H.No.134, C Link 4, St # 2
Cavalary Ground Lahore
Mills
8-KM Manga Raiwind Road
Near Rousa Stop
Tel: 042-35397001-8

Bankers

National Bank of Pakistan
Bank of Punjab
Soneri Bank Ltd.

Hr & R Committee

Javed Sadiq
Khalida Pervaiz
Sumbleen Usman
Chief Financial Officer
Amir Munir Bhatti (FCMA)

Share Registrar

M/s. Corplink (Pvt.) Ltd
Share Registrar & Corporate Consultants
Wing Arcade, 1-K, Commercial
Model Town, Lahore
Tel; 042-35916714, Fax; 042-35869037
Email: corplink786@gmail.com

Registered Office

40 B-II, Gulberg III, Lahore
Tel: 042-35765021-26, Fax; 042-35759546
Email: info@ittefaqsteel.com

Company Website

www.ittefaqsteel.com

Legal Advisor

Muhammad Shahzad Bazmi
Advocate High Court
40 B-II, Gulberg III, Lahore
Tel: 042-35765021-26, Fax; 042-35759546
Email: mshehzadbazmi@yahoo.com

Chairman
Chief Executive
Director
Director
Director
Director
Director

Chairman
Committee Sec.
Member
Member
Member

Chairman
Member
Member

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ITTEFAQ IRON INDUSTRIES LTD.

Quarterly Report Sep 30, 2018



LOOKING
BEYOND
TOMORROW