

**ITTEFAQ IRON INDUSTRIES LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT MARCH 31, 2019**

	Unaudited 31-Mar-19 Rupees	Audited 30-Jun-18 Rupees
<b>SHARE CAPITAL &amp; RESERVES</b>		
Share capital	1,443,433,640	1,312,212,400
Capital reserves	774,507,925	774,507,925
Equity portion of sponsors loan	17,635,104	35,606,842
Unappropriated profit	1,162,967,108	1,117,729,263
	<b>3,398,543,777</b>	<b>3,240,056,430</b>
Surplus on revaluation of fixed assets	687,008,977	705,455,113
<b>NON-CURRENT LIABILITIES</b>		
Sponsors loans-subordinated	284,219,709	266,247,971
Deferred liabilities	149,967,466	168,274,311
	<b>434,187,175</b>	<b>434,522,282</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	453,668,791	400,814,539
Finance cost payable	44,317,319	18,286,947
Short term borrowings	1,346,202,948	1,225,234,093
	<b>1,844,189,058</b>	<b>1,644,335,579</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>		
	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,363,928,987</b>	<b>6,024,369,405</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipments	1,731,153,509	1,783,130,860
Long-term security deposits	18,972,226	18,808,026
	1,750,125,735	1,801,938,886
<b>CURRENT ASSETS</b>		
Stores, spares & loose tools	365,378,342	248,995,725
Stock-in-trade	2,270,747,598	2,488,103,617
Trade debts	1,366,470,430	826,766,553
Advances, deposits, prepayments & other receivables	435,394,025	364,927,330
Taxes refundable	106,502,451	141,303,942
Cash & bank balances	69,310,406	152,333,352
	<b>4,613,803,252</b>	<b>4,222,430,519</b>
<b>TOTAL ASSETS</b>	<b>6,363,928,987</b>	<b>6,024,369,405</b>

*The annexed notes form an integral part of these condensed interim financial statements.*

  
 CHIEF EXECUTIVE

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER

**ITTEFAQ IRON INDUSTRIES LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019**

	Nine Months Ended		Quarter Ended	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Rupees	Rupees	Rupees	Rupees
Revenue - net	4,892,836,559	4,779,986,540	1,759,091,337	1,649,167,615
Cost of sales	4,416,869,187	4,355,420,180	1,582,694,686	1,499,575,778
<b>Gross profit</b>	<b>475,967,371</b>	<b>424,566,360</b>	<b>176,396,650</b>	<b>149,591,837</b>
Distribution cost	18,725,045	14,587,537	6,208,416	5,717,769
Administrative expenses	53,154,686	46,750,933	13,795,545	12,519,016
	<b>(71,879,731)</b>	<b>(61,338,470)</b>	<b>(20,003,961)</b>	<b>(18,236,785)</b>
<b>Operating profit</b>	<b>404,087,640</b>	<b>363,227,890</b>	<b>156,392,689</b>	<b>131,355,052</b>
Other income	4,089,454	7,756,350	2,699,152	1,135,706
	<b>408,177,094</b>	<b>370,984,240</b>	<b>159,091,841</b>	<b>132,490,758</b>
Finance cost	127,275,355	86,252,578	61,619,140	29,398,278
Workers profit participation fund	14,045,087	14,236,583	4,873,635	5,154,624
Workers welfare fund	6,861,498	5,409,902	2,351,755	1,958,758
	<b>(148,181,940)</b>	<b>(105,899,063)</b>	<b>(68,844,530)</b>	<b>(36,511,660)</b>
<b>Profit before taxation</b>	<b>259,995,155</b>	<b>265,085,177</b>	<b>90,247,312</b>	<b>95,979,098</b>
Taxation	(59,193,015)	(64,397,627)	(26,001,485)	(29,000,507)
<b>(Loss) after taxation for the period</b>	<b>200,802,139</b>	<b>200,687,550</b>	<b>64,245,826</b>	<b>66,978,591</b>
Earning per share	1.39	1.53	0.45	0.51

The annexed notes form an integral part of these financial statements.



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**ITTEFAQ IRON INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019**

	Nine Months Ended		Quarter Ended	
	31-Mar-19 Rupees	31-Mar-18 Rupees	31-Mar-19 Rupees	31-Mar-18 Rupees
Profit after taxation for the period	200,802,139	133,708,959	64,245,826	66,978,591
<b>Other comprehensive income</b>				
Remeasurement of defined benefit plan	-	-	-	-
Deferred tax on remeasurement of defined benefit plan				
<b>Total comprehensive income for the period</b>	<b>200,802,139</b>	<b>133,708,959</b>	<b>64,245,826</b>	<b>66,978,591</b>

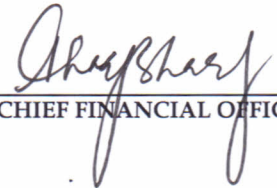
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CHIEF EXECUTIVE



DIRECTOR

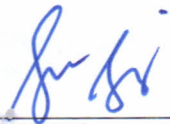


CHIEF FINANCIAL OFFICER

**ITTEFAQ IRON INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2019**

	Issued, subscribed and paid-up capital	Capital Reserve	Revenue Reserve	Equity Portion of Sponsors Loan	Total Equity
		Share premium	Unappropriated profit		
<b>R u p e e s</b>					
Balance as at July 01, 2017 Audited	1,312,212,400	774,507,925	797,968,074	49,724,864	2,934,413,263
Total comprehensive income for the period	-	-	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)	-
Incremental depreciation transferred from Surplus on Rev. of fixed assets	-	-	33,966,164	-	33,966,164
<b>Balance as at June 30, 2018 Audited</b>	<b>1,312,212,400</b>	<b>774,507,925</b>	<b>1,117,729,263</b>	<b>35,606,842</b>	<b>3,240,056,430</b>
Balance as at July 01, 2018 Audited	1,312,212,400	774,507,925	1,117,729,263	35,606,842	3,240,056,430
Total comprehensive income for the period	-	-	200,802,139	-	200,802,139
Issuance of bonous shares	131,221,240	-	(131,221,240)	-	-
Cash dividend paid on shares	-	-	(65,610,620)	-	(65,610,620)
Decrease in deferred tax due to rate change	-	-	-	-	-
Less: Unwinding of discount	-	-	17,971,738	(17,971,738)	-
Incremental depreciation transferred from Surplus on Rev. of fixed assets	-	-	23,295,828	-	23,295,828
<b>Balance as at December 31, 2019 Un-Audited</b>	<b>1,443,433,640</b>	<b>774,507,925</b>	<b>1,162,967,108</b>	<b>17,635,104</b>	<b>3,398,543,777</b>

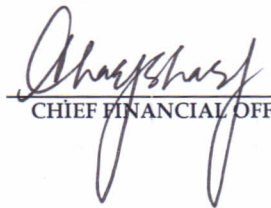
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**ITTEFAQ IRON INDUSTRIES LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2019**

	31-Mar-2019 Rupees	31-Mar-2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	259,995,155	265,085,177
Adjustments for:		
Depreciation	91,997,682	84,233,158
Provision for gratuity	8,833,537	7,721,192
Gain on sale of fixed asset	(960,961)	(884,974)
Finance cost	127,275,355	-
	<b>227,145,613</b>	<b>177,321,954</b>
Profit before working capital changes	<b>487,140,768</b>	<b>442,407,131</b>
<b>Working capital changes</b>		
(Increase)/decrease in		
Stores, spares & loose tools	(116,382,617)	(157,485,059)
Stock-in- trade	217,356,019	(702,692,079)
Trade debts	(539,703,877)	(313,044,149)
Advances, deposits, prepayments & other receivables	(70,466,695)	(46,795,035)
	<b>(509,197,170)</b>	<b>(1,220,016,322)</b>
Increase/(decrease) in		
Trade and other payables	52,854,253	96,584,962
Cash generated from operations	<b>30,797,850</b>	<b>(681,024,229)</b>
Taxes paid	(49,529,574)	(126,462,204)
Finance cost paid	(101,244,983)	(71,927,123)
Gratuity paid	(4,510,828)	(2,856,994)
	<b>(155,285,385)</b>	<b>(201,246,321)</b>
Net cash flow from operating activities	<b>(124,487,535)</b>	<b>(882,270,550)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed assets acquired	(24,773,566)	(41,518,237)
Capital work in progress	(27,060,503)	(10,773,854)
Proceeds from disposal of fixed assets	2,373,000	2,519,900
Short term investments	-	-
Security deposits	(164,200)	295,500
Net cash used in investing activities	<b>(49,625,269)</b>	<b>(49,476,691)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(29,878,997)	-
Long term loans	-	(83,342,994)
Short term borrowings	120,968,855	(53,325,699)
Net cash from/(used in) financing activities	<b>91,089,858</b>	<b>(135,668,693)</b>
Net increase/(decrease) in cash and cash equivalents	<b>(83,022,946)</b>	<b>(1,067,415,934)</b>
Cash & cash equivalents at the beginning of the year	152,333,352	5,316,850
Cash & cash equivalents at the end of the Quarter	<b>69,310,406</b>	<b>17,627,149</b>

  
 CHIEF EXECUTIVE

  
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**ITTEFAQ IRON INDUSTRIES LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2019**

1 This condensed interim financial information of the company for the nine months period ended March 31, 2019 is un-audited and 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. In case requirements differ, the provisions or directives of the companies Act 2017 shall prevail.

This condensed interim financial information is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange (PSX) vide relevant provisions of Companies Act 2017.

This condensed interim financial information is presented in PKR which is also the company's functional currency.

The comparative condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2019 are also included in this condensed interim financial information.

The comparative condensed interim financial information of the company does not include all the information and disclosures required for full financial statements, and should be read in conjunction with the Company's audited annual financial statements for the year ended June 30 2018.

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding audited annual financial statements of the company for the year ended June 30, 2018, except for the changes resulting from the initial recognition of standards, amendments or interpretations to existing standards. However, amendments /improvements and new interpretations of approved accounting standards effective during the period, if any, were not relevant to the company's operations and do not have any material impact on the accounting policies of the company.

**2 CONTINGENCIES & COMMITMENTS**

For the tax period of September 2016 to June 2017, a Show Cause Notice dated 09.11.2017 was issued by Deputy Commissioner Inland Revenue, E & C Unit 20, Zone-III, LTU, Lahore alleging that the Company has not further tax under section 3(1A) of the Sales Tax Act, 1990 at the rate of 2% on the supplies made to unregistered persons. Against the aforesaid order, Company filed WP No. 105986/2017 before the Honorable Lahore High Court, Lahore, which was decided in favour of the Company vide judgment dated 19.12.2017. This judgment was challenged by the department vide appeal No. 135102/2018 before the Division Bench of Lahore High Court, which is pending adjudication. The administration of the Company is pursuing the above-said case diligently, and there is likelihood of its success in the said case.

Through WP No. 180139/2018, the Company has challenged the legality and validity of the demand of regulatory duty imposed by the Federal Government through notification No. S.R.O. 568(I)/2014 dated 26th June, 2014 on the import of billets through a demand notice dated 29/04/15 for the tax period of 2014-15. The said petition is pending before the Lahore High Court, Lahore and interim relief against recovery has also been granted to the Company. The administration of the Company is pursuing the above-said case diligently, and there is likelihood of its success in the said case.

**3 Commitments**

3.1 (a) Letter of credit of Rs 42 Million as on March 31, 2019.

3.2 (b) Commitment include bank guarantee of 18.2 Million to SNGPL and FWO.

4 Figures have been rounded off to nearest rupee.

**5 DATE OF AUTHORIZATION**

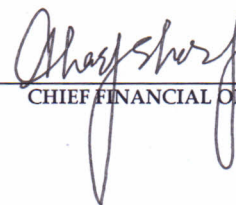
This interim financial information has been approved by the Board of Directors of the Company and authorized for issue on April 25, 2019.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER