



QUARTERLY REPORT

March 31, 2017

Fateh Industries Limited

442 Mirpurkhas Road, Hyderabad Pakistan

Fateh Industries Limited

442, Mirpurkhas Road, Hyderabad

BOARD'S REVIEW TO THE SHAREHOLDERS

The Directors of your Company present before you the Quarterly Accounts (3rd Quarter) Un-Audited Balance Sheet and Profit & Loss Account alongwith the Cash Flow Statement for the period ended March 31, 2017.

The Company has achieved sales of Rs.56.91 million whereas earned Gross Profit of Rs.3.85 million during nine months of the financial year under review. After Administration and Selling expenses of Rs.4.80 million, Company incurred Operating Loss of Rs.0.95 million. After exchange gain of Rs. 1.22 million, Financial and Other charges of Rs.0.39 million, Company incurred loss before taxation of Rs. 0.11 million. The accumulated losses are stand at Rs. 256.38 million. Loss per share is Rs.0.06.

The Board as part of its periodic reviews of the matter of contingent assets of the Company with regard to stuck up funds from Russian Federation against Sea Freight Compensation that are disclosed in note 17 in the financial statements for the year ended June 30, 2016 has decided to derecognize the same from its books of account in view of the uncertainty of the recovery thereof that appears to loom for a unforeseeable future period and expressed apprehension from the way it has come to a stands till that this may be realized as it has no control over the sovereign state that has to pay this amount and there is no way in its control with which it can break the stalemate.

The Board unanimously decided to derecognize the same.

for and on behalf of the Board



SAEED ALAM
Chief Executive

Hyderabad: April 24, 2017

BALANCE SHEET

As at March 31, 2017
(Un-Audited)

	<u>31-03-2017</u> <u>RUPEES</u>	<u>30-06-2016</u> <u>RUPEES</u>
<u>Capital & Liabilities</u>		
Authorized Capital		
10,000,000 ordinary shares of Rs. 10/- each	100,000,000	100,000,000
Shareholders' Equity		
Issued, subscribed and paid up share capital	20,000,000	20,000,000
Investment revaluation reserve	897,574	763,023
Unappropriated loss	(256,384,828)	(256,274,130)
	(235,487,254)	(235,511,107)
Current Liabilities		
Trade and others payables	104,076,033	115,846,247
Short term running finances	182,907,981	173,013,981
Provision for Taxation	62,820	62,820
	287,046,834	288,923,048
Total	51,559,580	53,411,941
<u>Property & Assets</u>		
Operating Fixed Assets	20,260,539	21,556,072
Long Term Investments	915,141	780,590
Current Assets		
Stores, spare parts and loose tools	0	0
Stock-in-trade	1,818,957	11,945,148
Trade debts	19,420,537	5,730,597
Advances, deposits and prepayments	2,076,452	7,724,110
Other receivables	3,555,778	4,161,818
Cash and bank balance	3,512,176	1,513,606
	30,383,900	31,075,279
	51,559,580	53,411,941

Hyderabad: April 24, 2017



SAEED ALAM
Chief Executive



RAUF ALAM
Director

PROFIT AND LOSS ACCOUNT

For the 3rd Quarter ended March 31, 2017
(Un-Audited)

	JAN-MAR 2017 RUPEES	JUL-MAR 2017 RUPEES	JAN-MAR 2016 RUPEES	JUL-MAR 2016 RUPEES
Sales	9,410,455	56,909,311	29,419,766	86,127,680
Cost of sales	9,664,536	53,058,111	27,480,186	81,383,097
Gross (Loss)/Profit	(254,081)	3,851,200	1,939,580	4,744,583
Administration expenses	934,048	2,590,357	3,470,803	8,863,475
Selling & distribution expenses	556,145	2,212,112	690,274	2,679,077
	1,490,193	4,802,469	4,161,077	11,542,552
Operating Loss	(1,744,274)	(951,269)	(2,221,497)	(6,797,969)
Other Income	0	11,003	0	8,726
Exchange (Loss)/Gain	(55,385)	1,220,209	351,767	(319,319)
	(55,385)	1,231,212	351,767	(310,593)
Financial expenses	84,640	330,641	115,519	379,913
Other Charges	0	60,000	0	60,000
	84,640	390,641	115,519	439,913
Loss before Taxation	(1,884,299)	(110,698)	(1,985,249)	(7,548,475)
Provision for taxation	0	0	0	0
Loss after Taxation	(1,884,299)	(110,698)	(1,985,249)	(7,548,475)
Other comprehensive income/(Loss)	8,460	134,551	42,573	(30,954)
Unrealized gain/(loss) on revaluation of investment - available for sale				
Total Comprehensive (Loss)/income	(1,875,839)	23,853	(1,942,676)	(7,579,429)
Loss per share	(0.94)	(0.06)	(0.99)	(3.77)

Notes:

- Fateh Industries Limited** is incorporated in Pakistan as a public limited company and is listed on the Pakistan Stock Exchange Limited. The Company is engaged mainly in the manufacturing and sale of footwear of all kinds.
- These accounts are un-audited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (I.A.S-34) as applicable in Pakistan.
- The accounting policies and methods of computation adopted by the Company for preparation of these accounts are the same as those applied for the annual accounts.
- No provision for taxation is made in the accounts since there were no operating activities and the company is in loss. However, the final tax liability will be calculated at the end of the year after consideration of assessment completed and the available tax credits.
- Figures in these accounts have been rounded off to the nearest rupee.
- These accounts are authorized by the Board for issue on 24th April, 2017.



SAEED ALAM
Chief Executive



RAUF ALAM
Director

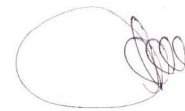
Hyderabad: April 24, 2017

CASH FLOW STATEMENT
For the 3rd Quarter ended March 31, 2017

	31-Mar-17 RUPEES	31-Mar-16 RUPEES
A. CASH FROM OPERATING ACTIVITIES		
Net Loss before taxation	(110,698)	(7,548,475)
Adjustment for :		
Depreciation	1,499,533	1,687,051
Other Income	(11,003)	(8,726)
Exchange (Gain)/Loss	(1,220,209)	319,319
	268,321	1,997,644
Operating Profit/(Loss) before working capital	157,623	(5,550,831)
Changes in Working Capital		
(Increase) / decrease in current assets		
Trade debts	(13,689,940)	(11,988,053)
Stock in Trade	10,126,191	(2,905,355)
Advances, deposits & prepayments	5,647,659	(1,422,847)
Other receivables	606,040	0
Increase / (decrease) in current liabilities		
Trade and other payables	(11,770,214)	17,010,210
	(9,080,265)	693,955
Cash generated from operations	(8,922,642)	(4,856,876)
Other Income	11,003	8,726
Exchange Gain/(Loss)	1,220,209	(319,319)
	(7,691,429)	(5,167,468)
B. CASH FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(204,000)	0
C. CASH FROM FINANCING ACTIVITIES		
	9,894,000	0
	9,894,000	0
Changes in cash and equivalents during the period	1,998,570	(5,167,468)
Cash and equivalent at the beginning	1,513,606	5,789,404
Cash and equivalent at the end	3,512,176	621,936



SAEED ALAM
Chief Executive



RAUF ALAM
Director

Hyderabad: April 24, 2017

Statement of Changes in Equity

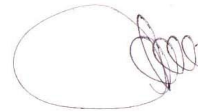
For the 3rd Quarter ended March 31, 2017

Amount in Rupees.

	<u>Share Capital</u>	<u>Surplus on Revaluation of Investment</u>	<u>Accumulated (Loss)</u>	<u>Total</u>
Balance as on July 1, 2015	20,000,000	702,363	(247,377,547)	(226,675,184)
Loss upto March 31, 2016	0	(30,954)	(7,548,475)	(7,579,429)
Balance as on March 31, 2016	20,000,000	671,409	(254,926,022)	(234,254,613)
Balance as on July 1, 2016	20,000,000	763,023	(256,274,130)	(235,511,107)
Loss upto March 31, 2017	0	134,551	(110,698)	23,853
Balance as on March 31, 2017	20,000,000	897,574	(256,384,828)	(235,487,254)



SAEED ALAM
Chief Executive



RAUF ALAM
Director

Hyderabad: April 24, 2017