



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of Shareholders of **FATEH INDUSTRIES LIMITED** will be held on Thursday, 30th October, 2014 at 9:30 a.m. at the registered office of the Company at Mirpurkhas Road, Hyderabad to transact the following business:

1. To confirm the minutes of the last Extraordinary General Meeting held on 26th June, 2014.
2. To receive, consider and adopt the Audited Accounts of the Company and the Directors' and Auditors' Reports thereon for the year ended 30th June, 2014.
3. To appoint Auditors for the year 2014-2015 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

By order of the Board
for **FATEH INDUSTRIES LIMITED**

Hyderabad.
2nd October, 2014

Ghous Muhammad Khan
Company Secretary

NOTES :

1. The share transfer books of the Company will remain closed for 7 days from 24th to 30th October, 2014 (both days inclusive).
2. Any member of the Company who is entitled to attend and vote may appoint any other member of the Company as his/her Proxy to attend and vote in his/her stead.
3. Proxies in order to be effective must be received by the Company at the Registered Office not later than 48 hours before the time of holding the meeting.
4. Shareholders are required to notify the change of their address if any, immediately
5. CDC account holders will further have to follow the guidelines as laid down in Circular No.1, dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.



COMPANY PROFILE

BOARD OF DIRECTORS

CHIEF EXECUTIVE

Mr. Saeed Alam

DIRECTORS

Mr. Rauf Alam

Mr. Aftab Alam

Mr. Faraz Alam

Mr. Ashhar Alam

Mr. Jamal Alam

Mr. Aneek Alam

COMPANY SECRETARY

Mr. Ghous Muhammad Khan

CHIEF FINANCIAL OFFICER

Mr. Muhammad Ishaque Essani

AUDIT COMMITTEE

Mr. Rauf Alam

Mr. Aftab Alam

Mr. Faraz Alam

HR&R COMMITTEE

Mr. Faraz Alam

Mr. Ashhar Alam

Mr. Jamal Alam

AUDITORS

M/s. Hafizullah & Co.

Chartered Accountants

SHARE REGISTRAR

M/s. F.D. Registrar Services (SMC-Pvt) Ltd.

Saima Trade Tower-A, Karachi.

BANKERS

Askari Bank Limited

Bank AL-Habib Limited

Habib Bank Limited

REGISTERED OFFICE / PLANT

442-Mirpurkhas Road,

Hyderabad.

Tel: (92-22) 3886263-67

Fax: (92-22) 3886268

Email: fswl@fateh1.com

Web: www.fatehindustriesgroup.com



DIRECTORS' REPORT **For the year ended June 30, 2014**

The Board of Directors present their report and financial statements of the Company alongwith Auditors' Report for the year ended June 30, 2014.

The business activities had already started in the year 2012 which were suspended since 2000. The Company has achieved sales of Rs. 70.97 million during the year as compared to Rs.17.34 million in the preceding year. The Gross Profit is realized at Rs.2.08 million whereas after Administration and Selling Expenses, Operating Loss is Rs.5.08 million. Company earned profit in respect of exchange gain of Rs.2.34 million and reversal of provision of doubtful debts of Rs.87.81 resulting Profit before taxation of Rs.84.30 million whereas profit after provision of taxation is Rs.82.69 million. Net Profit carried forward to balance sheet is Rs. 82.96 million. Earning per share is Rs. 41.35

The accounts of the company are prepared on going concern basis as the management of the company is committed to continue its financial support to extend of business activities in full swing and putting all efforts to make the business profitable within its limited resources. The management will also continue its efforts for recovery of stuck up funds from the Russian Government. During the year the management of the Company has paid Rs. 14.48 million to its old creditors from their own resources.

The Board of Directors would like to inform the members of the Company that during the year Company has applied for delisting from the Karachi Stock Exchange, for which formal application has been submitted to the Exchange in November, 2013. The application is still under process with the Exchange.

Compliance with the Code of Corporate Governance (CCG):

The requirements of Code of Corporate Governance set out by Karachi Stock Exchange in their listing rules, relevant for the year ended June 30, 2014, have been duly complied with, except for those disclosed in statement of compliance with CCG. The Directors confirm the compliance of Corporate Governance, statement to this effect is annexed.

Statement on Corporate and Financial Reporting Framework

- The financial statements, prepared by the management of the Company, presents fairly its state of affairs, cash flows and changes in equity;
- Proper books of accounts have been maintained by the Company;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- The International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed;
- The System on internal control is sound in design;
- There are no significant doubts upon the company's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
- Operating and financial data for the last six years is as under; (000)

Description	2008	2009	2010	2011	2012	2013	2014
Sales	0	0	0	0	8,490	17,342	70,971
Gross Profit / (Loss)	0	0	0	0	1,171	2,531	2,085
Selling & Administration Expenses	6,187	6,401	35,475	3,653	3,624	5,088	7,175
Profit/(Loss) before Taxation	1,120	5,733	(31,499)	(3,314)	5,582	(111,848)	84,301
Profit/(Loss) after Taxation	1,120	5,733	(31,499)	(3,314)	5,497	(112,089)	82,698
Authorized Capital	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Paid up Capital	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Shareholder's equity	(168,669)	(162,980)	(194,463)	(197,776)	(192,270)	(304,171)	(221,206)
Fixed Assets	36,845	33,514	30,517	27,821	25,395	23,212	22,112
Total Assets	158,824	168,160	138,416	136,301	144,447	42,322	47,237

- No trading of shares have been carried out by the Chief Executive, Directors, Chief Financial Officer, Company Secretary, their spouses and minor children;



- During the year six (06) meetings of the Board of Directors were held. The attendance of each Director is as follows:

S.NO.	NAME OF DIRECTOR	MEETING ATTENDED
1.	Mr. Rauf Alam	06
2.	Mr. Aftab Alam	06
3.	Mr. Saeed Alam	06
4.	Mr. Faraz Alam	05
5.	Mr. Ashhar Alam	06
6.	Mr. Jamal Alam (Not attended due to High Court Order)	Nil
7.	Mr. Aneek Alam (Not attended due to High Court Order)	Nil

- Pattern of Shareholding required under section 236 of the Companies Ordinance, 1984 is annexed;
- Outstanding taxes and levies are given in the relevant notes to the audited financial statements;anc
- No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relate and the date of directors' report.

Auditors' Observation

1. On the issue of going concern, as such the management of the Company has already started the business activities during preceding year and will continue its efforts for recovery of stuck up funds receivable from Russian Federation. The Government of Pakistan and Russian Government are discussing the matter for settlement of the claims of the Pakistani exporters toward sea freight compensation operation. The Government of Pakistan has frozen the account of the Russian Government maintained with NBP, Karachi till the settlement of the claims of the Pakistani exporters in accordance with the order of Honorable High Court of Sindh. A draft protocol has been finalized which is likely to be signed within due course of time.

The Company has also filed suit before the Honorable High Court of Sindh against the Pakistan Government and Russian Government for recovery of stuckup funds for sea freight compensation of USD 19,377,337.34 plus USD 21,599,457.00 (towards interest from 01.01.992 to 31.03.2005) as confirmed and agreed by Russian Federation to be paid with further interest at the time of payment. The Court vide garnishee order dated 12.07.2006 to National Bank of Pakistan has ordered NBP not to release amount to the extent of the amount claimed by the Company.

In the light of the current development for the recovery of stuck up funds from Russian Government, the management is hopeful to receive the long outstanding foreign receivable shortly. Further the management has started its business activities and have no plan to liquidate the assets. The financial statement, are therefore, prepared on going concern assumption.

Auditors

The present Auditors M/s. Hafizullah & Co., Chartered Accountants, stand retired as on the date of forthcoming Annual General Meeting of the Company. Following their retirement, based on the recommendation of the Audit Committee, the Directors have proposed the appointment of M/s. Tanwir Arif & Co., Chartered Accountants as the statutory Auditors of the Company for the year ending June 30, 2015.

For and on behalf of the Board

Place: Hyderabad
Dated: 25th September, 2014

SAEED ALAM
Chief Executive



STATEMENT OF COMPLIANCE **For the year ended June 30, 2014**

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of listing regulations of Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Name
Independent Directors	Nil
Executive Directors	M/s. Rauf Alam and Saeed Alam
Non-Executive Directors	M/s. Aftab Alam, Faraz Alam, Ashhar Alam, Jamal Alam and Aneek Alam

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board till June 30, 2014.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chief Executive Officer and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. In accordance with the criteria specified on clause (xi) of CCG, three directors of the company are exempted from the requirement of director's training program and rest of the directors to be trained within specified time.
10. The board had already assigned the additional responsibilities of CFO and Company Secretary of Finishers Limited in Group Companies including terms and conditions of employment.



11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises 03 members at present two of whom are non executive directors and Chairman is an executive director. The condition of clause i (b) of the CCG in relation to independent director will be applicable after election of next board of directors of the company.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises three member all non-executive directors and the chairman of the Committee is also a non-executive director.
18. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied with except for the following, towards which reasonable progress is being made by the Company to seek compliance by the end of next accounting year.

SAEED ALAM

Chief Executive

Dated: 25th September, 2014



AUDITORS' REPORT
For the year ended June 30, 2014

We have audited the annexed Balance Sheet of Fateh Industries Limited as at 30th June, 2014 and the related Profit and Loss account, Cash Flow Statement and Statement of Changes in Equity together with notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

1. The company was incurring continuous losses since last few years and has accumulated losses of Rs. 241.78 million including profit of Rs. 82.70 million earned during the current year. The negative equity of the company on the balance sheet date stands at Rs. 221.21 million. The current liabilities exceed current assets by Rs. 243.91 million thereby leaving an adverse current ratio of 0.09. These factors indicate the existence of material uncertainty, cast significant doubt about the company's ability to continue as a going concern. In spite of these factors the financial statements have been prepared on going concern assumption by the management of the company for the reasons as disclosed in note no. 1.2 to the financial statements. The core reason for the same is continued financial support from the directors/family members.
 - a) in our opinion, except for the effect of the matters referred to in para 1 above, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
 - b) in our opinion, except for the effect of the matters referred to in para 1 above:



- i) the Balance Sheet and Profit and Loss Account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- c) Except for paragraph 1 above, in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required, and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2014 and of the profit, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII) of 1980.

HAFIZULLAH & CO.
Chartered Accountants
Audit Engagement Partner: Syed Hafizullah



AUDITORS' REVIEW REPORT
For the year ended June 30, 2014

**REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE
WITH THE CODE OF CORPORATE GOVERNANCE**

We have reviewed the enclosed statement of compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of M/s. Fateh Industries Limited ('the Company') for the year ended June 30, 2014 to comply with the requirements of listing regulation No. 35 Chapter XI of the Karachi Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and to develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the board of directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transaction by the board of directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the statement of compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the company for the year ended June 30, 2014.

Further, we highlight below instance of non-compliance with the requirement of the Code as reflected in the note where it is stated in the statement of compliance:

<u>Note/paragraph</u> reference	<u>Description</u>
i. Note No. 1	Independent Director.

Karachi: 25th September, 2014

HAFIZULLAH & CO.,
Chartered Accountants
Audit Engagement Partner: Syed Hafizullah



BALANCE SHEET AS AT 30-JUNE-2014

	NOTE NO	30-06-2014 RUPEES	30-06-2013 RUPEES
<u>CAPITAL AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorized Capital 10,000,000 ordinary shares of Rs. 10/- each		100,000,000	100,000,000
Issued, subscribed and paid up share capital	3	20,000,000	20,000,000
Investment revaluation reserve		571,969	306,518
Accumulated loss		(241,778,263)	(324,477,168)
		(221,206,294)	(304,170,650)
CURRENT LIABILITIES			
Trade and other payables	4	95,429,340	115,328,650
Short term borrowings	5	173,013,981	231,160,083
Provision for taxation	6	0	4,436
Contingencies and Commitments	7	0	0
		268,443,321	346,493,169
		47,237,027	42,322,519
PROPERTY AND ASSETS			
TANGIBLE FIXED ASSETS			
Operating fixed assets	8	22,112,163	23,212,377
LONG TERM INVESTMENTS	9	589,535	324,084
CURRENT ASSETS			
Stores, spare parts and loose tools	10	0	0
Stock-in-trade	11	17,038,320	6,892,381
Trade debts	12	135,138	6,462,402
Advances, deposits and prepayments	13	680,582	579,528
Other receivables	14	4,161,818	4,161,818
Cash and bank balances	15	2,519,471	689,929
Contingent assets	16	0	0
		24,535,329	18,786,058
		47,237,027	42,322,519

Notes :

1. The annexed notes form an integral part of these accounts.
2. Auditors' report is attached

Dated: 25th September, 2014

SAEED ALAM
Chief Executive

RAUF ALAM
Director



**Profit and Loss Account
for the year ended June 30, 2014**

	NOTE NO	30-06-2014 RUPEES	30-06-2013 RUPEES
Sales	17	70,971,930	17,341,822
Cost of Sale	18	68,886,314	14,810,736
Gross Profit		2,085,616	2,531,086
Administration Expenses	19	4,540,946	3,888,453
Selling Expenses	20	2,634,195	1,199,264
		7,175,141	5,087,717
Operating Loss		(5,089,525)	(2,556,631)
Other Income	21	16,684	8,611
Exchange Gain		2,347,703	4,421,276
		(2,725,138)	1,873,256
Financial Expenses	22	495,793	84,140
Other Charges	23	(87,522,479)	113,636,941
		(87,026,686)	113,721,081
Profit / (Loss) before taxation		84,301,548	(111,847,825)
Taxation			
- Current		1,607,079	240,840
- Prior		(4,436)	0
		1,602,643	240,840
Profit / (Loss) after taxation		82,698,905	(112,088,665)
Other comprehensive income for the year			
Unrealized gain on revaluation of investment - available for sale		265,451	187,854
Total comprehensive Profit/(Loss) for the year		82,964,356	(111,900,811)
Profit / (Loss) per share		41.35	(56.04)

Note: The annexed notes form an integral part of these accounts.

Dated: 25th September, 2014

SAEED ALAM
Chief Executive

RAUF ALAM
Director



CASH FLOW STATEMENT
For the year ended June 30, 2014

Cash Flow Statement

	NOTE NO	30-06-2014 RUPEES	30-06-2013 RUPEES
Cash flow from operating activities			
Profit/(Loss) before taxation		84,301,548	(111,847,825)
Depreciation	8	2,060,214	2,182,889
Provision for bad and doubtful debts	23	0	113,433,441
Other income	21	(16,684)	(8,611)
Exchange gain		(2,347,703)	(4,421,276)
		(304,173)	111,186,443
Operating Profit/(loss) before working capital changes		83,997,375	(661,382)
(Increase) / Decrease in current assets			
Stock in trade		(10,145,939)	(6,892,381)
Trade debtors		6,327,264	(5,472,089)
Advances, deposits and pre-payments		220,816	(240,372)
(Decrease) / Increase in current liabilities			
Trade and other payables		(19,899,310)	8,771,353
		(23,497,169)	(3,833,489)
Cash generated / (used in) from operations		60,500,206	(4,494,871)
Income tax paid		(1,928,949)	(304,317)
Exchange gain		2,347,703	4,421,276
		418,754	4,116,959
Net cash flow from operating activities		60,918,960	(377,912)
Cash flow from investing activities			
Fixed Capital Expenditure	8	(960,000)	0
Dividend received	21	16,684	8,611
Net cash flow from investing activities		(943,316)	8,611
Cash flow from financing activities			
Short term borrowings		(58,146,102)	1,000,000
Net cash flow from financing activities		(58,146,102)	1,000,000
Net Increase/(Decrease) cash and cash equivalents		1,829,542	630,699
Cash and cash equivalents at the beginning of the year	15	689,929	59,230
Cash and cash equivalents at the end of the year	15	2,519,471	689,929

Dated: 25th September, 2014

SAEED ALAM
Chief Executive

RAUF ALAM
Director



STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2014

	Share Capital	Surplus on Revaluation of Investment	Accumulated (Loss)	Total
Balance as at June 30, 2012	20,000,000	118,664	(212,388,503)	(192,269,839)
Loss for the year	0	0	(112,088,665)	(112,088,665)
Unrealized gain on revaluation of investment	0	187,854	0	187,854
Balance as at June 30, 2013	20,000,000	306,518	(324,477,168)	(304,170,650)
Profit for the year	0	0	82,698,905	82,698,905
Unrealized gain on revaluation of investment	0	265,451	0	265,451
Balance as at June 30, 2014	20,000,000	571,969	(241,778,263)	(221,206,294)

Dated: 25th September, 2014

SAEED ALAM
Chief Executive

RAUF ALAM
Director



NOTES TO THE ACCOUNTS

For the year ended June 30, 2014

1. THE COMPANY AND ITS OPERATIONS

- 1.1. Fateh Industries Limited** is incorporated in Pakistan as a public limited company and is listed on the Karachi Stock Exchange.

During the year Company has applied for delisting from the Karachi Stock Exchange, for which formal application has been submitted to the Exchange in November, 2013. The application is still under process with the Exchange.

The Company is engaged mainly in the manufacturing and sale of footwear of all kinds, however, manufacturing was suspended since 1999-2000. The Company had started trading activities from 2011. During the last year manufacturing activities were started partially.

1.2 Going Concern

These financial statements have been prepared on going concern basis for the following reasons:

- the operations of the company were closed since the year 2000. The core reason for non-production and losses is due to funds blocked with Russia that rendered the Company in the financial distress. The manufacturing activities could not be profitably carried out with scarce financial resources, hence to mitigate the operational cost and administration expenses, operations were closed upto 2011;
- there are accumulated losses amounting to Rs. 241,778,263/-. It is stated that the amount due to related parties are more than the accumulated losses. Further, old foreign debts were fully provided last year due to delinkage of the same from Company's claims from Russia. (Reference Note No. 12 read with Note No. 16). The management has filed appeal before the Honorable Foreign Exchange Appellate Board, Karachi against the order of Honorable Foreign Exchange Adjudication Court, State Bank of Pakistan, Banking Services Corporation in July, 2014 and is expecting favorable decision and Board has granted stay till the next hearing of the case;
- the financial ratios are adverse; and

during the year the Company has settled almost all the outside debts.

The Government of Pakistan and Russian Government are discussing the matter for settlement of the claims of the Pakistani exporters. The Government of Pakistan has frozen the account of the Russian Government maintained with NBP, Karachi till the settlement of the claims of the Pakistani exporters in accordance with the order of Honorable High Court of Sindh. A draft protocol has been finalized which is likely to be signed within due course of time.

In these circumstances, the management is expecting recovery of stuck up funds and plans to restart its operations viably anew. This shows the genuineness of claims of the company and strong possibility of receipts of funds from abroad. Company has also filed suit before the Honorable High Court of Sindh against the Russian Government for recovery of stuckup funds of USD 40.98 million including interest of USD 21.60 million upto March 31, 2005.

The management of the company has no plan to liquidate its assets other than under normal course of business. The ability of the company to continue as a going concern currently is based on the followings:

- i) Continued financial support from directors/related parties;
- ii) Revival of the manufacturing activities after receipt of stuck up funds from Russia in full swing;
- iii) There is a need to keep the entity in existence when a huge claim of the Company is expected to be materialized under the present circumstances where two Governments are negotiating the settlement of Pakistani exporters' receivables and the matter is subjudice before the Honorable High Court of Sindh.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

These financial statements have been prepared under the "historical cost" convention except as otherwise disclosed in the accounting policies below.

2.2 Basis of Preparation

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.3 Changes in accounting standards, interpretations and pronouncements

a) New and amended standards and interpretations that are effective in the current year and are not relevant

New standards, amendments and interpretations that are mandatory for accounting periods beginning on July 1, 2013 are considered not to be relevant for the Company's financial statements and hence have not been detailed in these financial statements.

b) Standards, interpretations and amendments to publish approved accounting standards that are not yet effective but relevant

There are no other standards, amendments to existing approved accounting standards and new interpretations that are not yet effective that would be expected to have a material impact on the financial statements of the Company.

2.4 Critical accounting estimates and judgments

The preparation of financial statements information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these financial statements, the significant judgments made by the management in applying the company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the company for the year ended 30 June 2013.

2.5 Property, plant and equipment

These are stated at cost less depreciation. Depreciation is charged on pro-rata basis under reducing balance method at the rates mentioned in note no. 8. Normal repair and maintenance is charged to expense as and when incurred. However, major repair and improvements are capitalized. Gain or loss on disposal of operating fixed assets is recognized in current year's income.

2.6 Long Term Investment

The management determines the appropriate classification of its investments in accordance with the requirements of International Accounting Standard (IAS) 39; 'Financial Instruments: Recognition and Measurement' at the time of purchase and classify these investments as either available for sale or held for trading.



Investments are initially recorded at cost being the fair value of the consideration given. Investments other than Term Finance Certificates are accounted for on trade date basis, which is the date that an enterprise commits to purchase or sell an asset.

Available for sale

These are investments that do not fall under held for trading and are stated at fair value with, any resultant gain or loss recognized as separate component of equity until investments are sold, disposed off or until the investment is determined to be impaired, at which time the accumulated gain or loss previously reported in equity is included in profit and loss account.

Held for trading

Held for trading investments are those which are either acquired for generating a profit from short term fluctuation in prices or dealers margin. Subsequently held for trading investments are re-measured at fair value with any resultant gain or loss recognized in the profit and loss account.

2.7 Stores, Spares and Loose Tools

These are valued at lower of moving average cost or net realizable value except items in transit which are stated at cost accumulated up to the date of balance sheet.

2.8 Stock in Trade

These are valued at lower of cost and net realizable value, cost is calculated on the following basis:

Raw materials	At moving average cost.
Goods in transit	At cost accumulated upto balance sheet date.
Goods in process	At manufacturing cost.
Finished goods	At average manufacturing cost.

Net realizable value signifies the estimated selling price prevailing in the market less estimated selling expenses incidental to sales.

2.9 Trade Debts

Trade receivables are recognized and carried at original invoice amount. Bad debts are adjusted against provisions for doubtful debts or written off against the profit of the company during the year in which these are deemed to be irrecoverable. Provision is made for debts which are considered doubtful of recovery.

2.10 Foreign Currency Transactions

Transactions in foreign currencies are accounted for in Pak Rupee at exchange rate approximating those prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupee at the rates of exchange which approximate those prevalent at the balance sheet date except for liabilities covered under forward exchange contract which are translated at the contracted rates. Exchange gain and losses are included in the income statement currently.

2.11 Borrowing Cost

Borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of that asset. All other borrowing costs are charged to income.



2.12 Provision for Gratuity

The Company operates an unfunded gratuity scheme for its all eligible employees and provision is made annually to cover the obligations under the scheme. Provision for gratuity has not been made in the accounts as there was no staff employed in the company to whom gratuity is to be paid.

2.13 Taxation

Charge for current taxation is based on taxable income at current tax rates after considering the rebates and tax credits available, if any.

The company records deferred tax liability and assets on all temporary differences. However, the management is of the opinion that timing difference relating to deferred tax will not be materially reverse in foreseeable future, as the company's income is covered under presumptive tax regime.

2.14 Revenue Recognition

Sales are recorded on dispatch of goods. Income other than sales are recorded on accrual basis.

2.15 Sales

Sales include rebates on export sales.

2.16 Offsetting of Financial Assets and Financial Liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the company has the legal enforceable right to set off the transaction and also tends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.17 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset has been impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and is recognized as an expense in the income statement.

2.18 Cash and its Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement it comprises cash in hand and demand deposits, short term highly liquid investments that are readily convertible to known amount of cash and which are not subject of significant change in value.

2.19 Related Party Transactions

Transactions between the company and related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method which sets the price by reference to comparable goods sold in an economically comparable market to a buyer unrelated to seller.

2.20 Financial Assets and Liabilities

All financial assets and liabilities are initially recognized at cost which is fair value for the consideration received or given. These financial assets and liabilities are subsequently measured at fair value.

2.21 Provisions

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.



	30-06-2014	30-06-2013
	RUPEES	RUPEES
3. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
2,000,000 (2013:2,000,000) fully paid		
Ordinary shares of Rs. 10 each issued for cash	20,000,000	20,000,000
4. TRADE AND OTHER PAYABLES		
Creditors	92,206	10,123,874
Accrued expenses	1,155,118	1,281,814
Advances from customers	20,780,373	26,630,999
Due to associated undertakings	67,347,144	71,235,334
Others	6,054,499	6,056,629
	95,429,340	115,328,650
5. SHORT TERM BORROWINGS		
From Directors and their family members (unsecured)	5.1 173,013,981	231,160,083
5.1 Consequent to the settlement agreement with petitioners who had filed petition for liquidation of the company under section 305 of the Companies Ordinance, 1984 in the Honorable High Court of Sindh, the company agreed to transfer two houses measuring 600 sq. yd. each and agriculture land measuring 5 acres against their borrowings to company amounting to Rs. 82.69 million. This amount is included in the above balance. (Reference Note No. 8.1).		
During the year amount of Rs. 22,805,115/- was received and Rs. 80,951,217/- paid to director and their family members. The rest of the loan is unsecured, interest free and repayable on demand. (when deem fit by the directors)		
6. PROVISION FOR TAXATION		
Opening Balance	4,436	0
Provided during the year	1,602,643	240,840
Less: Advance Income Tax paid during the year and adjusted	(1,607,079)	(236,404)
	0	4,436
7. CONTINGENCIES AND COMMITMENTS		

During the year orders were issued by the honourable Foreign Exchange Adjudication Court, State Bank of Pakistan, Banking Services Corporation for realization of export proceeds to the tune of US \$ 799,190. In case the export proceeds are not realized penalty equivalent to five times of the outstanding E-forms will be imposed. The amount of penalty amounts to US \$ 3,995,950. The management of the company has filed appeal before the F.E. Appellate Board, Karachi on 9th July, 2014 against the said orders. The F.E. Appellate Board has granted stay against the order in favor of the Company till the next hearing of the case. However, during the year US \$ 755,702 were realized.



OPERATING FIXED ASSETS

PARTICULARS	COST			Accumulated depreciation as at 01-Jul-13	DEPRECIATION		Accumulated depreciation as at 30-Jun-14	Book Value as at 30-Jun-14	Book Value as at 30-Jun-13
	As on 01-Jul-13	Addition/ (Deletion)	As on 30-Jun-14		Charged for the year	Rate (%)			
	1	2	3	4	5	6	7	8	9
Land on free hold	3,585,601	-	3,585,601	-	-	--	-	3,585,601	3,585,601
Factory Building on free hold	30,908,554	-	30,908,554	27,942,740	296,581	10	28,239,321	2,669,233	2,965,814
Other Building on lease hold	1,943,657	-	1,943,657	1,674,037	26,962	10	1,700,999	242,658	269,620
Plant & Machinery	107,376,913	-	107,376,913	94,922,601	1,245,431	10	96,168,032	11,208,881	12,454,312
Pressing Machine	-	710,000	710,000	-	71,000	10	71,000	639,000	-
Air Conditioning Plant	2,033,634	-	2,033,634	1,800,034	23,360	10	1,823,394	210,240	233,600
Tools & Equipments	14,702,529	250,000	14,952,529	12,359,398	259,313	10	12,618,711	2,333,818	2,343,131
Furniture & Fixture Office Equipment & Computers	3,885,509	-	3,885,509	3,395,120	49,039	10	3,444,159	441,350	490,389
Electric Fittings	5,028,629	-	5,028,629	4,407,339	62,129	10	4,469,468	559,161	621,290
Vehicles	1,524,250	-	1,524,250	1,508,879	3,074	20	1,511,953	12,297	15,371
Arms	143,550	-	143,550	130,793	1,276	10	132,069	11,481	12,757
	172,749,651	960,000	173,709,651	149,537,274	2,060,214		151,597,488	22,112,163	23,212,377
30-06-2013	172,749,651	-	172,749,651	147,354,385	2,182,889		149,537,274		

NOTE:

8.1 Piece of land measuring 5 acres and two houses grouped under other building are to be transferred in settlement of short term borrowings from directors and family members as disclosed in note no. 5.1.

8.2 Depreciation for the year is allocated as under:

	30-Jun-14	30-Jun-13
(a) Cost of Sales	626,894	589,883
(b) Administration Expenses	1,433,320	1,593,006
	2,060,214	2,182,889

9. LONG TERM INVESTMENTS

Available for sales

9.1 These are fully paid ordinary shares of Rs. 10/- each.

	30-06-2014 RUPEES	30-06-2013 RUPEES
9.1	589,535	324,084

2014	2013
No. of shares	

160	160	LEATHER AND TANNERIES
145	145	Bata Pakistan Ltd.
		Service Industries Ltd.

2014	2013
Market/fair value	
517,760	286,240
71,775	37,844
589,535	324,084

10. STORES, SPARE PARTS AND LOOSE TOOLS

Stores

Spare parts and loose tools.

Less: Provision for obsolesce

465,584	465,584
7,692,546	7,692,546
8,158,130	8,158,130
8,158,130	8,158,130
0	0



	30-06-2014	30-06-2013
	RUPEES	RUPEES
11. STOCK-IN-TRADE		
Raw and packing material	83,320	6,892,381
Finished goods	16,955,000	0
	17,038,320	6,892,381
12. TRADE DEBTS - Unsecured		
Export debts	0	6,458,262
Local Debts	135,138	4,140
Total considered goods	135,138	6,462,402
Considered doubtful	12.1 26,047,729	113,860,208
	12.2 26,182,867	120,322,610
Less: Provision for bad and doubtful debts		
-Opening balance	(113,860,208)	(426,767)
- Provided during the year	23 0	(113,433,441)
- Reversal of provision against doubtful debts	23 87,812,479	0
	(26,047,729)	(113,860,208)
	135,138	6,462,402
12.1(a)	Export trade debts were considered good since the Foreign Exchange Adjudication Court, Karachi vide its Judgment Order dated 31.03.2011 had linked the settlement of E forms with the realization of Export proceeds and claims of Pakistani Exporters from the Russian Federation Accounts in the name of Vnesheconombank with NBP. During the last year the cases of realization of export proceeds were reopened and orders were issued by the honourable Foreign Exchange Adjudication Court, State Bank of Pakistan, Banking Services Corporation for realization of export proceeds. The export debtors were, therefore, considered doubtful of recovery and according provided for in the last year.	
12.1(b)	During the year amount of Rs.75,275,978/- (US\$755,702) and Rs.12,536,501/- (US\$125,856) are realized and adjusted against the advance from customers respectively.	
12.2 The aging of trade debts is under:		
upto 1 year and above	453,321	322,323
upto 5 years and above	25,729,546	120,000,287
	26,182,867	120,322,610
13. ADVANCES, DEPOSITS AND PREPAYMENTS		
Considered good	680,582	579,528
Considered doubtful	123,062	123,062
	803,644	702,590
Less: Provision of bad and doubtful	(123,062)	(123,062)
	680,582	579,528
14. OTHER RECEIVABLES		
Export rebate - considered goods	4,161,818	4,161,818
15. CASH AND BANK BALANCES		
Cash in hand	206,874	169,628
With Banks on current account	2,312,597	520,301
	2,519,471	689,929



16. CONTINGENT ASSETS

The Government of Pakistan and Russian Government are discussing the matter for settlement of the claims of the Pakistani exporters toward sea freight compensation operation. The Government of Pakistan has frozen the account of the Russian Government maintained with NBP, Karachi till the settlement of the claims of the Pakistani exporters in accordance with the order of Honorable High Court of Sindh. A draft protocol has been finalized which is likely to be signed within due course of time.

The Company has also filed suit before the Honorable High Court of Sindh against the Pakistan Government and Russian Government for recovery of stuckup funds for sea freight compensation of USD 19,377,337.34 plus USD 21,599,457.00 (towards interest from 01.01.1992 to 31.03.2005) as confirmed and agreed by Russian Federation to be paid with further interest at the time of payment. The Court vide garnishee order dated 12.07.2006 to National Bank of Pakistan has ordered NBP not to release amount to the extent of the amount claimed by the Company.

		30-06-2014	30-06-2013
		RUPEES	RUPEES
17. SALES			
Exports Sales		69,976,425	16,454,525
Local Sales		1,402,921	910,663
Less: Export sales Commission		(340,000)	0
Less: Sales Tax		(67,416)	(23,366)
		70,971,930	17,341,822
18. COST OF SALES			
Raw and packing material consumed	18.1	63,235,143	11,507,446
Store, spare parts consumed		142,450	263,523
Finishing charges		2,763,472	1,117,756
Other manufacturing expenses		2,118,355	1,332,128
Depreciation		626,894	589,883
		68,886,314	14,810,736
18.1 RAW AND PACKING MATERIAL CONSUMED			
Opening inventory		6,892,381	0
Add: Purchases		73,381,082	18,399,827
		80,273,463	18,399,827
Less: Closing Inventory		17,038,320	6,892,381
		63,235,143	11,507,446
19. ADMINISTRATION EXPENSES			
Traveling, conveyance and entertainment		2,073,756	1,525,547
Rent, rates, taxes and fee		409,173	131,708
Property tax		0	73,290
Insurance		100,000	0
Printing and stationery		9,020	26,712
Utility expenses		101,806	115,403
Other charges		413,871	422,787
Depreciation		1,433,320	1,593,006
		4,540,946	3,888,453
20. SELLING EXPENSES			
Freight on export		1,637,795	912,201
Clearing and forwarding charges		568,726	286,354
Product development expenses		8,464	0
Export development surcharge		419,210	709
		2,634,195	1,199,264
21. OTHER INCOME			
Dividend income		16,684	8,611
		16,684	8,611
22. FINANCIAL EXPENSES			
Interest and other charges :			
Bank charges and commission		495,793	84,140
		495,793	84,140



	30-06-2014	30-06-2013
	RUPEES	RUPEES
23. OTHER CHARGES		
Auditors' remuneration		
Audit fee	250,000	187,500
Half yearly review	40,000	16,000
Provision for bad and doubtful debts	0	113,433,441
Reversal of provision against doubtful debts	(87,812,479)	0
	(87,522,479)	113,636,941

24. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

Remuneration and meeting fees were forgone by the Directors and Chief Executive as such no remuneration and perquisites were paid to them during the year.

There were no loans or advances granted to the Directors during the year.

25. AGGREGATE OF TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

i)	Purchase of goods & services	0	0
ii)	Sale of goods & services	0	0
iii)	Brokerage, discount and commission	0	0
iv)	Interest on loans		
	a) charged to associated companies	0	0
	b) charged by associated companies	0	0
v)	Loan and advances		
	a) advances provided	0	0
	b) advances received from		
	M/s. Finishers Limited	(3,888,190)	757,227
vi)	Any other transaction	0	0

26. Related Parties Disclosure.

Name of Directors	Also Director in the following Associated Companies		
Mr. Rauf Alam	Fateh Sports Wear Ltd.	Finishers Limited	Trends Limited
Mr. Aftab Alam	Fateh Sports Wear Ltd.	Finishers Limited	--
Mr. Saeed Alam	Fateh Sports Wear Ltd.	Finishers Limited	Trends Limited
Mr. Faraz Alam	Fateh Sports Wear Ltd.	--	--
Mr. Ashhar Alam	Fateh Sports Wear Ltd.	--	--
Mr. Aneek Alam	Fateh Sports Wear Ltd.	--	--
Mr. Jamal Alam	Fateh Sports Wear Ltd.	--	--



27. Financial Instruments and Related Disclosures

2014

27.1 Financial Assets and Liabilities

	Interest / Markup bearing			Non-Interest / Markup bearing			
	Effective yield	Maturity upto	Maturity after	Maturity upto	Maturity after	Total	
	Markup rate	one year	one year	one year	one year	Rupees	
Financial Assets							
Trade debts		0	0	0	135,138	0	135,138
Other receivables		0	0	0	4,842,399	0	4,842,399
Cash & Bank Balances		0	0	0	2,519,471	0	2,519,471
		0	0	0	7,497,008	0	7,497,008
Financial Liabilities							
Short term borrowings		0	0	0	173,013,981	0	173,013,981
Trade and other payables		0	0	0	95,429,340	0	95,429,340
		0	0	0	268,443,321	0	268,443,321

2013

Financial Assets and Liabilities

	Interest / Markup bearing			Non-Interest / Markup bearing			
	Effective yield	Maturity upto	Maturity after	Maturity upto	Maturity after	Total	
	Markup rate	one year	one year	one year	one year	Rupees	
Financial Assets							
Trade debts		0	0	0	6,462,402	0	6,462,402
Other receivables		0	0	0	4,741,346	0	4,741,346
Cash & Bank Balances		0	0	0	689,929	0	689,929
		0	0	0	11,893,677	0	11,893,677
Financial Liabilities							
Short term borrowings		0	0	0	231,160,083	0	231,160,083
Trade and other payables		0	0	0	115,328,650	0	115,328,650
		0	0	0	346,488,733	0	346,488,733

27.2 Risk Management

Overall, risks arising from the Company's financial assets and liabilities are limited.

a) Interest rate risk management.

The following rate liabilities comprise short term finance.

b) Foreign Exchange rate management.

No foreign currency loan is repayable except advances from the customers amounting to Rs.20,780,373/-

c) Credit Risk Management.

The company is exposed to a concentration of credit risk on its trade debts amounting to Rs. 25,620,962/- by virtue of all of its customers being foreigners and only Rs. 561,905/- trade debts related to business in Pakistan. The company do not have any limits on its customers.

27.3 Fair value of Financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.



28. Production Capacity

Due to nature of company's business, production capacity of the plant is not determinable.

29. Earning per Share

There is no dilutive effect on the basic earning per share of the Company, which is based on :

		<u>2014</u>	<u>2013</u>
Profit / (Loss) after tax for the year	Rs.	<u>82,698,905</u>	<u>(112,088,665)</u>
Number of Ordinary Shares		<u>2,000,000</u>	<u>2,000,000</u>
Profit / (Loss) per share	Rs.	41.35	(56.04)

30. Number of Employees

Total number of employees at the end of the year were 10 (June 30, 2013 - 03)

Average number of employees during the year were 03 (June 30, 2013 - 03)

31. Date of Authorization of Issue

These financial statements were authorized for issue on **25th September, 2014** by the Board of Directors of the Company.

32. Figures

Figures have been rounded off to the nearest rupee.

Dated: 25th September, 2014

SAEED ALAM
Chief Executive

RAUF ALAM
Director



**Pattern of holding of the shares held
by the shareholders of Fateh Industries Limited
as at 30th June, 2014**

NO. OF SHAREHOLDERS	SHAREHOLDING				TOTAL SHARES HELD
50	From	1	To	100	2,618
22	From	101	To	500	6,171
8	From	501	To	1,000	6,246
9	From	1,001	To	5,000	20,164
1	From	10,001	To	15,000	11,712
1	From	15,001	To	20,000	67,828
4	From	20,001	To	25,000	23,118
1	From	30,001	To	35,000	32,437
1	From	120,001	To	125,000	121,967
1	From	165,001	To	170,000	169,333
1	From	170,001	To	175,000	172,803
1	From	210,001	To	215,000	214,811
1	From	235,001	To	240,000	236,025
1	From	260,001	To	265,000	264,000
1	From	290,001	To	295,000	294,406
1	From	355,001	To	360,000	356,361
104			TOTAL		2,000,000

S. NO.	CATEGORIES OF SHAREHOLDERS	NUMBERS	SHARES HELD	PERCENTAGE
1.	Individuals	93	1,951,043	97.55%
2.	Mutual Funds	1	23,118	1.16%
3.	Investment Company	3	4,781	0.24%
4.	Joint Stock Companies	3	4,315	0.22%
5.	Financial Institutions	3	16,700	0.84%
6.	Others	1	43	0.00%
	TOTAL	104	2,000,000	100.00%



Categories of Shareholders

S.No.	Name	No. of Shares
1.	Associated companies	
	Fateh Sports Wear Limited	518
	Total >	518
2.	NIT / ICP (Name wise details)	
	Investment Corporation of Pakistan	346
	National Bank of Pakistan - Trustee Department	11,800
	CDC Trustee - National Investment (Unit) Trust	23,118
	Total >	35,264
3.	Directors, CEO and their spouse and minor children	
1	Mr. Rauf Alam	264,000
2	Mr. Aftab Alam	294,406
3	Mr. Saeed Alam	356,361
4	Mr. Faraz Alam	32,437
5	Mr. Ashhar Alam	15,422
6	Mr. Aneek Alam	18,392
7	Mr. Jamal Alam	15,372
8	Mr. Anhar Alam	18,642
9	Mrs. Seema Rauf	214,811
10	Mrs. Shabana Aftab	236,025
11	Mrs. Rana Saeed	172,803
	Total >	1,638,671
4.	Executive	Nil
5.	Public Sector Companies & Corporation	Nil
6.	Banks,DFIs, NBFIs, Modarbas, Insurance Companies Mutual Funds & Others	
1	The Bank of Punjab	4,900
2	Pakistan Industrial Credit & Investment Corporation	1,700
3	Fateh Textile Mills Limited	1,023
4	Abandoned Properties	43
	Total >	7,666



PROXY FORM

Folio No. _____ No of Shares held _____ I/we
_____ of _____ being a
member(s) of **Fateh Industries Limited**, Hyderabad, entitled to Vote(s) hereby appoint
_____ of
_____ as my / our proxy to vote for me/us and on my/our
behalf at the 29th Annual General Meeting of the Company to be held on Thursday 30th October, 2014 at
09:30 a.m. at the registered office of the Company at Mirpurkhas Road, Hyderabad, and at any
adjournment thereof.

As witness my/our hand this _____ day of _____ 2014

Signature:

Witness:

Revenue Stamp

Signature:

Address:

N.B. The Proxy Form duly stamped, signed and witnessed should reach the Company's Registered Office atleast 48 hours before the time of the meeting. Signature must be as per specimen signature registered with the Company.