



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of Shareholders of **FATEH INDUSTRIES LIMITED** will be held on Saturday, 28th October, 2017 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 24th June, 2017.
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, 2017.
3. To appoint Auditors for the year 2017-2018 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.
October 4, 2017

Ghous Muhammad Khan
Company Secretary

NOTES :

1. The share transfer books of the Company will remain closed for 7 days from 22nd to 28th October, 2017 (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 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 Ismail

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. Tanwir Arif & 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: fsw1@fateh1.com

Web: www.fatehindustries.com



DIRECTORS' REPORT

For the year ended June 30, 2017

The Board of Directors present their report and financial statements of the Company alongwith Auditors' Report for the year ended June 30, 2017.

The Company has achieved sales of Rs. 73.23 million during the year as compared to Rs.113.70 million in the preceding year. The Gross Profit is realized at Rs.5.40 million whereas after Administration and Selling Expenses of Rs.5.82 million, Operating Loss is Rs.0.43 million. Company earned profit in respect of exchange gain of Rs.0.89 million. After Financial and other charges of Rs.0.71 million, Loss before taxation is Rs.0.22 million whereas loss after taxation carried forward to balance sheet is Rs. 0.85 million. Loss per share is Rs. 0.40.

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 meet the current expenses incurred by the Company. The management will also continue its efforts for recovery of stuck up funds from the Russian Federation. As per current development in this matter, Government of Pakistan has finalized the draft protocol to be signed by two Government in forthcoming months.

Compliance with the Code of Corporate Governance (CCG):

The requirements of Code of Corporate Governance set out by Pakistan Stock Exchange Ltd. in their listing rules, relevant for the year ended June 30, 2017, 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;

(Rs.000)

Description	2011	2012	2013	2014	2015	2016	2017
Sales	0	8,490	17,342	70,971	77,664	113,700	73,226
Gross Profit	0	1,171	2,531	2,085	1,361	9,502	5,392
Selling & Administration Expenses	3,653	3,624	5,088	7,175	9,618	11,722	5,822
Profit/(Loss) before Taxation	(3,314)	5,582	(111,848)	84,301	(4,657)	(7,774)	(225)
Profit/(Loss) after Taxation	(3,314)	5,497	(112,089)	82,698	(5,599)	(8,897)	(795)
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	(197,776)	(192,270)	(304,171)	(221,206)	(226,675)	(235,511)	(236,359)
Fixed Assets	27,821	25,395	23,212	22,112	23,805	21,556	19,761
Total Assets	136,301	144,447	42,322	47,237	56,423	53,412	49,997

- 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 five (05) 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	05
2.	Mr. Aftab Alam	05
3.	Mr. Saeed Alam	05
4.	Mr. Faraz Alam	05
5.	Mr. Ashhar Alam	05
6.	Mr. Jamal Alam	05
7.	Mr. Aneek Alam	05

- Pattern of Shareholding required under section 227 of the Companies Act-2017 is annexed;
- Outstanding taxes and levies are given in the relevant notes to the audited financial statements;and
- 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. The company has not made provision for doubtful balances in other receivables amounting to 3.56 million. The Company will adjust the same immediately after receipt of stuck up funds.

On the issue of going concern, the management of the Company is committed to continue its financial support to meet current expenditures incurred by the Company. On the matter of stuck up funds receivables from Russia, board would like to inform the members of the Company that during the year company has executed a settlement agreement on October 6, 2016 with the Government of Pakistan whereby the Company has agreed to withdraw all pending cases from the court of law after signing and execution of agreement, against payment of USD 1.70 million approximately in respect of Sea Freight Compensation Operations.

Auditors

The retiring Auditors M/s. Tanwir Arif & Co., Chartered Accountants, being eligible offer themselves for re-appointment for the financial year 2018. Based on the recommendation of the Audit Committee, the Directors have also proposed the re-appointment of M/s. Tanwir Arif & Co., Chartered Accountants as statutory Auditors for the year ending June 30, 2018.

Place: Hyderabad

Dated: 25th September, 2017

SAEED ALAM
Chief Executive

RAUF ALAM
Director



STATEMENT OF COMPLIANCE

For the year ended June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of listing regulations of Pakistan Stock Exchange 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, 2017**.
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

RAUF ALAM

Director

Dated: 25th September, 2017



AUDITORS' REVIEW REPORT
For the year ended June 30, 2017

**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, 2017 to comply with the requirements of Rule 5.19 of the Rule Book of Pakistan Stock Exchange Limited, 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 develop an effective audit approach. We are not required to consider whether the Board of Directors' 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 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of related party transactions 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 as applicable to the Company for the year ended **June 30, 2017**.

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.

TANWIR ARIF & CO.,

Chartered Accountants

Engagement Partner: Tanwir Arif

Hyderabad: 25th September, 2017



AUDITORS' REPORT
For the year ended June 30, 2017

We have audited the annexed Balance Sheet of Fateh Industries Limited (the Company) as at 30th June, 2017 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 purposes 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 has not made provision for doubtful balances in other receivables amounting to Rs. 3.56 million. Had this provision been made, loss for the year would have increased by the said amount.
 - 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, 2017 and of the loss, 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.

Without further qualifying our opinion, we draw attention to note no. 1.2 to the financial statements. As stated in the note as at June 30, 2017 the Company has accumulated losses of Rs. 257.07 million resulting in net negative equity of Rs. 236.36 million. Further, current liabilities of the Company exceed its current assets by Rs. 256.85 million. These conditions, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

TANWIR ARIF & CO.

Chartered Accountants

Engagement Partner: Tanwir Arif



BALANCE SHEET AS AT 30-JUNE-2017

	NOTE NO	30-06-2017 RUPEES	30-06-2016 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		710,388	763,023
Accumulated loss		(257,068,982)	(256,274,130)
		(236,358,594)	(235,511,107)
CURRENT LIABILITIES			
Trade and other payables	4	103,273,941	115,846,247
Short term borrowings	5	182,907,981	173,013,981
Provision for taxation	6	174,120	62,820
Contingencies and Commitments	7	0	0
		286,356,042	288,923,048
		49,997,448	53,411,941
PROPERTY AND ASSETS			
TANGIBLE FIXED ASSETS			
Property, plant and equipment	8	19,760,695	21,556,072
LONG TERM INVESTMENTS			
	9	727,955	780,590
CURRENT ASSETS			
Stores, spare parts and loose tools	10	0	0
Stock-in-trade	11	3,384,830	11,945,148
Trade debts	12	17,442,137	5,730,597
Advances, deposits and prepayments	13	1,789,414	7,724,110
Other receivables	14	3,555,524	4,161,818
Cash and bank balances	15	3,336,893	1,513,606
Contingent assets	16	0	0
		29,508,798	31,075,279
		49,997,448	53,411,941

Notes :

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

Dated: 25th September, 2017

SAEED ALAM
Chief Executive

RAUF ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer



PROFIT & LOSS ACCOUNT
For the year ended June 30, 2017

	NOTE NO	30-06-2017 RUPEES	30-06-2016 RUPEES
Sales	17	73,225,932	113,699,507
Cost of Sale	18	67,834,047	104,197,331
Gross Profit		5,391,885	9,502,176
Administration expenses	19	4,636,452	7,501,294
Selling expenses	20	1,185,737	4,221,162
		5,822,189	11,722,456
Operating Loss		(430,304)	(2,220,280)
Dividend Income		22,575	18,198
Exchange Gain/(Loss)		888,580	(4,480,784)
		480,851	(6,682,866)
Financial Expenses - Bank Charges		395,608	781,375
Other Charges	21	310,000	310,000
		705,608	1,091,375
Loss before Taxation		(224,757)	(7,774,241)
Taxation			
- Current		570,095	1,122,342
- Prior		0	0
		570,095	1,122,342
Loss after taxation		(794,852)	(8,896,583)
Other comprehensive income for the year			
Unrealized (loss)/gain on revaluation of investment - available for sale		(52,635)	60,660
Total comprehensive Loss for the year		(847,487)	(8,835,923)
Loss per share		(0.40)	(4.45)

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

Dated: 25th September, 2017

SAEED ALAM
Chief Executive

RAUF ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer



CASH FLOW STATEMENT

For the year ended June 30, 2017

	NOTE NO	30-06-2017 RUPEES	30-06-2016 RUPEES
Cash flow from operating activities			
Loss before taxation		(224,757)	(7,774,241)
Depreciation	8	1,999,377	2,249,402
Other income		(22,575)	(18,198)
Exchange (gain) / loss		(888,580)	4,480,784
		1,088,222	6,711,988
Operating profit/(loss) before working capital changes		863,465	(1,062,253)
(Increase) / Decrease in current assets			
Stock in trade		8,560,318	3,214,338
Trade debtors		(11,711,540)	(4,920,898)
Advances, deposits and pre-payments		6,270,006	(1,251,254)
Other receivables		606,294	
(Decrease) / Increase in current liabilities			
Trade and other payables		(12,572,306)	5,762,126
		(8,847,228)	2,804,312
Cash (used in) / generated from operations		(7,983,763)	1,742,059
Income tax paid		(794,105)	(1,555,271)
Exchange gain / (loss)		888,580	(4,480,784)
		94,475	(6,036,055)
Net cash flow from operating activities		(7,889,288)	(4,293,996)
Cash flow from investing activities			
Fixed Capital Expenditure	8	(204,000)	0
Dividend received		22,575	18,198
Net cash flow from investing activities		(181,425)	18,198
Cash flow from financing activities			
Short term borrowings		9,894,000	0
Net cash flow from financing activities		9,894,000	0
Net Increase/(Decrease) cash and cash equivalents		1,823,287	(4,275,798)
Cash and cash equivalents at the beginning of the year	15	1,513,606	5,789,404
Cash and cash equivalents at the end of the year	15	3,336,893	1,513,606

Dated: 25th September, 2017

SAEED ALAM
Chief Executive

RAUF ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer



STATEMENT OF CHANGES IN EQUITY
For the year ended June 30, 2017

	Share Capital	Surplus on Revaluation of Investment	Accumulated (Loss)	Total
Balance as at June 30, 2015	20,000,000	702,363	(247,377,547)	(226,675,184)
Loss for the year	0	0	(8,896,583)	(8,896,583)
Unrealized gain on revaluation of investment	0	60,660	0	60,660
Balance as at June 30, 2016	20,000,000	763,023	(256,274,130)	(235,511,107)
Loss for the year	0	0	(794,852)	(794,852)
Unrealized loss on revaluation of investment	0	(52,635)	0	(52,635)
Balance as at June 30, 2017	20,000,000	710,388	(257,068,982)	(236,358,594)

SAEED ALAM
Chief Executive

RAUF ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Dated: 25th September, 2017



NOTES TO THE ACCOUNTS

For the year ended June 30, 2017

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 Pakistan Stock Exchange Limited (Formerly Karachi Stock 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 year 2013, manufacturing activities were started partially.

1.2 Going Concern

These financial statements have been prepared on going concern basis, inspite of the uncertainties given here under that may cast significant doubt about the company ability to continue as a going concern, for the reasons discussed below:

- ◆ **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. 257.07 million and current liabilities of the company exceed its current assets by Rs. 256.85 million.** It is stated that the amount due to related parties are more than the negative equity. Further, old foreign debts were fully provided in the year 2013 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 Hon'ble Foreign Exchange Regulation Appellate Board, Karachi against the order of Hon'ble Foreign Exchange Adjudication Court, State Bank of Pakistan, Banking Services Corporation in July, 2014. Foreign Exchange Regulation Appellate Board, Karachi vide order dated 24.04.2017 has annuled and set aside the said order and directed the adjudication officer to pass afresh speaking and final order on all legal and factual grounds and further directed to not to take any coercive measure against the appellants till further direction of this Appellate Board.; and
- ◆ - the financial ratios are adverse.

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 Hon'ble High Court of Sindh. Consequent to the negotiations for recovery of stuck up funds from Russian Government, the Russian Government has offered to the Government of Pakistan funds to the tune of USD 23.8 million. The company has executed settlement agreement on October 6, 2016 with Government of Pakistan whereby the Company has agreed to withdraw all pending cases from the court of law, against payment of USD 1.70 million approximately.

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.

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 claims of the Company are expected to be materialized hopefully in next year under the present circumstances as explained herein above.

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

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan vide its circular no. 17 of 2017 dated July 20, 2017 communicated that the Commission has decided that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, 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 (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed 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, 2016 are considered not to be relevant for the Company's financial statements and hence have not been detailed in these financial statements.

b) Standards, Amendments to Approved Accounting Standards and Interpretations that are published and has been considered but not yet effective.

The following new standards and interpretations have been issued by International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan.

Standard or interpretation

IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 17	Insurance Contracts

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. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

2.4.1 Critical accounting estimates and judgments

The company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Trade debtors

The company reviews its receivable against provision required there against on an ongoing basis. The provision is made taking into consideration expected recoveries, if any.

Income Taxes

In making the estimates for income taxes currently payable by the company the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

Impairment of assets

In accordance with the accounting policy, the management carries out an annual assessment to ascertain whether any of the company's assets are impaired. This assessment may change due to technological developments.

Depreciable amount and useful lives of fixed assets

In accordance with the accounting policy, the management carries out an annual assessment of depreciable amount and useful lives of fixed assets. The company seeks advice from the technical department in this regard.

2.4.2 Critical judgments in applying the company's accounting policies

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 2016.



2.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.



2.12 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.

2.13 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.

2.14 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.

2.15 Revenue Recognition

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

2.16 Sales

Sales include rebates on export sales.

2.17 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.

2.18 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.

2.19 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.

2.20 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.

2.21 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.

2.22 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.



	30-06-2017	30-06-2016
	RUPEES	RUPEES
3. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
2,000,000 (2016:2,000,000) fully paid Ordinary shares of Rs. 10 each issued for cash	20,000,000	20,000,000
4. TRADE AND OTHER PAYABLES		
Creditors	5,957,205	3,125,540
Accrued expenses	1,525,538	1,506,384
Advances from customers	37,885,529	42,768,370
Due to associated undertakings	53,243,420	63,783,704
Others	4,662,249	4,662,249
	103,273,941	115,846,247
5. SHORT TERM BORROWINGS		
From Directors and their family members (unsecured)	5.1 100,219,874	90,325,874
From Others (unsecured)	5.2 82,688,107	82,688,107
	182,907,981	173,013,981
5.1 During the year amount of Rs. 9,804,000/- received from directors which is interest free and repayable on demand.		
5.2 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 Hon'ble High Court of Sindh, which stand dismissed as withdrawn, 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. Reference note No. 8.1).		
Since the Petitioners have fraudulently and illegally without prior approval and knowledge of the Company, have got the said properties transferred in their names, which is the violation of the above said settlement agreement. The Management has therefore taken immediate action and transferred back the properties in the Company's name. In view of the said violation by the petitioners, the management is of the opinion that this agreement is no more valid and has been revoked.		
6. PROVISION FOR TAXATION		
Opening Balance	62,820	0
Provided during the year	570,095	1,122,342
Less: Advance Income Tax paid during the year and adjusted	(458,795)	(1,059,522)
	174,120	62,820
7. CONTINGENCIES AND COMMITMENTS		

In the year 2014, orders were issued by the Hon'ble 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 Foreign Exchange Regulation Appellate Board, Karachi on 9th July, 2014 against the said orders. The Foreign Exchange Regulation Appellate Board, Karachi vide order dated 24.04.2017 has annulled and set aside the said order and directed the adjudication officer to pass afresh speaking and final order on all legal and factual grounds and further directed to not take any coercive measure against the appellant till further direction of this Appellate Board. The Company has subsequent to the balance sheet date on 14.09.2017 has file constitutional petition before the Hon'ble High Court of Sindh at Karachi against the said orders. The Hon'ble High Court has granted stay till the decision of the case.



8. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST			DEPRECIATION				Book Value as at 30-Jun-17
	As on 01-Jul-16	Addition/ (Deletion)	As on 30-Jun-17	Accumulated as at 01-Jul-16	Charged for the year	Rate (%)	Accumulated as at 30-Jun-17	
	1	2	3	4	5	6	7	
Land - free hold	3,585,601	-	3,585,601	-	-	--	-	3,585,601
Factory Building - on free hold	30,908,554	-	30,908,554	28,746,475	216,208	10	28,962,683	1,945,871
Other Building - on lease hold	1,943,657	-	1,943,657	1,747,104	19,655	10	1,766,759	176,898
Plant & Machinery	107,376,913	-	107,376,913	98,297,719	907,919	10	99,205,638	8,171,275
Pressing & Other Machine	2,043,528	-	2,043,528	371,333	167,220	10	538,553	1,504,975
Air Conditioning Plant	2,033,634	204,000	2,237,634	1,863,340	37,429	10	1,900,769	336,865
Tools & Equipments	14,952,529	-	14,952,529	13,062,137	189,039	10	13,251,176	1,701,353
Furniture & Fixture	3,885,509	-	3,885,509	3,528,016	35,749	10	3,563,765	321,744
Office Equipment & Computers	1,616,825	-	1,616,825	1,456,086	16,074	10	1,472,160	144,665
Electric Fittings	5,028,629	-	5,028,629	4,575,709	45,292	10	4,621,001	407,628
Vehicles	3,830,250	-	3,830,250	2,010,938	363,862	20	2,374,800	1,455,450
Arms	143,550	-	143,550	134,250	930	10	135,180	8,370
30-06-2017	177,349,179	204,000	177,553,179	155,793,107	1,999,377		157,792,484	19,760,695
30-06-2016	177,349,179	-	177,349,179	153,543,705	2,249,402		155,793,107	

PARTICULARS	COST			DEPRECIATION				Book Value as at 30-Jun-16
	As on 01-Jul-15	Addition/ (Deletion)	As on 30-Jun-16	Accumulated as at 01-Jul-15	Charged for the year	Rate (%)	Accumulated as at 30-Jun-16	
	1	2	3	4	5	6	7	
Land - free hold	3,585,601	-	3,585,601	-	-	--	-	3,585,601
Factory Building - on free hold	30,908,554	-	30,908,554	28,506,244	240,231	10	28,746,475	2,162,079
Other Building - on lease hold	1,943,657	-	1,943,657	1,725,265	21,839	10	1,747,104	196,553
Plant & Machinery	107,376,913	-	107,376,913	97,288,920	1,008,799	10	98,297,719	9,079,194
Pressing & Other Machine	2,043,528	-	2,043,528	185,534	185,799	10	371,333	1,672,195
Air Conditioning Plant	2,033,634	-	2,033,634	1,844,418	18,922	10	1,863,340	170,294
Tools & Equipments	14,952,529	-	14,952,529	12,852,093	210,044	10	13,062,137	1,890,392
Furniture & Fixture	3,885,509	-	3,885,509	3,488,294	39,722	10	3,528,016	357,493
Office Equipment & Computers	1,616,825	-	1,616,825	1,438,226	17,860	10	1,456,086	160,739
Electric Fittings	5,028,629	-	5,028,629	4,525,384	50,325	10	4,575,709	452,920
Vehicles	3,830,250	-	3,830,250	1,556,110	454,828	20	2,010,938	1,819,312
Arms	143,550	-	143,550	133,217	1,033	10	134,250	9,300
30-06-2016	177,349,179	-	177,349,179	153,543,705	2,249,402		155,793,107	21,556,072
30-06-2015	173,709,651	3,639,528	177,349,179	151,597,488	1,946,217		153,543,705	

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-17	30-Jun-16
(a) Cost of Sales	572,467	636,074
(b) Administration Expenses	1,426,910	1,613,328
	<u>1,999,377</u>	<u>2,249,402</u>



		30-06-2017	30-06-2016
		RUPEES	RUPEES
9. LONG TERM INVESTMENTS			
Available for sales	9.1	727,955	780,590
9.1 These are fully paid ordinary shares of Rs. 10/- each.			
		2017	2016
	No. of shares		Market/fair value
LEATHER AND TANNERIES			
	160	160	Bata Pakistan Ltd. 528,000
	145	145	Service Industries Ltd. 199,955
		727,955	780,590
10. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		465,584	465,584
Spare parts and loose tools.		7,692,546	7,692,546
		8,158,130	8,158,130
Less: Provision for obsolesce		8,158,130	8,158,130
		0	0
11. STOCK-IN-TRADE			
Raw and packing material		941,690	1,064,658
Finished goods		2,443,140	10,880,490
		3,384,830	11,945,148
12. TRADE DEBTS - Unsecured			
Export debts		15,730,588	3,657,709
Local Debts		1,711,549	2,072,888
Total considered goods		17,442,137	5,730,597
Considered doubtful	12.1	26,047,729	26,047,729
	12.2	43,489,866	31,778,326
Less: Provision for bad and doubtful debts			
-Opening balance		(26,047,729)	(26,047,729)
- Provided during the year	21	0	0
- Reversal of provision against doubtful debts	21	0	0
		(26,047,729)	(26,047,729)
		17,442,137	5,730,597
12.1	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 year 2013 the cases of realization of export proceeds were reopened and orders were issued by the Hon'ble 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. Please refer note no. 7.		
12.2	The aging of trade debts is under:		
	upto 1 year and above	17,442,137	5,647,046
	upto 5 years and above	26,047,729	26,131,280
		43,489,866	31,778,326
13. ADVANCES, DEPOSITS AND PREPAYMENTS			
Considered good		1,789,414	7,724,110
Considered doubtful		123,062	123,062
		1,912,476	7,847,172
Less: Provision of bad and doubtful		(123,062)	(123,062)
		1,789,414	7,724,110



	30-06-2017	30-06-2016
	RUPEES	RUPEES
14. OTHER RECEIVABLES		
Export rebate - considered goods	3,555,524	4,161,818
15. CASH AND BANK BALANCES		
Cash in hand	317,384	1,061,448
With Banks on current account	3,019,509	452,158
	3,336,893	1,513,606
16. CONTINGENT ASSETS		
<p>During the year company has executed settlement agreement on October 6, 2016 with the Government of Pakistan whereby the Company has agreed to withdraw all pending cases from the court of law, against payment of USD1.70 million approximately.</p> <p>Consequently the Company has agreed to withdraw all pending cases against the Pakistan Government and Russian Government for recovery of stuckup funds for sea freight compensation operation. Last year these cases and claims were reported as under that stand withdrawn with the signing and execution of the settlement agreement aforesaid:</p> <p>LAST YEAR NOTE ON CONTINGENT ASSETS:</p> <p>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.</p> <p>The Company had also filed suit before the Hon'ble 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.</p> <p>In the light of the current development for recovery of stuckup funds from Russian Government, the Russian Government is offering to Government of Pakistan up to 20% to 25% of their total outstanding claims, for which negotiations are in process.</p>		
17. SALES		
Exports Sales	62,095,892	107,417,587
Local Sales	11,701,741	6,606,970
Less: Export sales Commission	0	0
Less: Sales Tax	(571,701)	(325,050)
	73,225,932	113,699,507
18. COST OF SALES		
Raw and packing material consumed	52,867,656	88,154,788
Store, spare parts consumed	837,758	957,336
Salaries, wages, finishing charges and benefits	10,125,040	9,459,396
Other manufacturing expenses	3,431,126	4,989,737
Depreciation	572,467	636,074
	67,834,047	104,197,331
18.1 RAW AND PACKING MATERIAL CONSUMED		
Opening inventory	11,945,148	15,159,486
Add: Purchases	44,307,338	84,940,450
	56,252,486	100,099,936
Less: Closing Inventory	3,384,830	11,945,148
	52,867,656	88,154,788
19. ADMINISTRATION EXPENSES		
Traveling, conveyance and entertainment	2,195,444	4,232,841
Rent, rates, taxes and fee	138,520	382,887
Printing and stationery	103,657	39,581
Utility expenses	285,202	454,759
Other charges	486,719	742,672
Balances Written off	0	35,226
Depreciation	1,426,910	1,613,328
	4,636,452	7,501,294



	30-06-2017	30-06-2016
	RUPEES	RUPEES
19.1 BALANCES WRITTEN OFF		
National Bank of Pakistan A/c # 56687-4 Karachi	0	10,850
Habib Bank Limited A/c # 0786790119403 Karachi	0	24,376
	0	35,226
20. SELLING EXPENSES		
Freight on export	387,757	2,013,230
Clearing and forwarding charges	642,998	1,896,204
Export development surcharge	154,982	311,728
	1,185,737	4,221,162
21. OTHER CHARGES		
Auditors' remuneration		
Audit fee	250,000	250,000
Half yearly review	60,000	60,000
	310,000	310,000
22. 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.		
23. 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	(10,540,284)	(2,667,000)
vi) Any other transaction	0	0
24. 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.	Finishers Limited	--
Mr. Ashhar Alam	Fateh Sports Wear Ltd.	Finishers Limited	--
Mr. Aneek Alam	Fateh Sports Wear Ltd.	Finishers Limited	--
Mr. Jamal Alam	Fateh Sports Wear Ltd.	Finishers Limited	--



25. Financial Instruments and Related Disclosures

2017

25.1 Financial Assets and Liabilities

Effective yield Markup rate	Interest / Markup bearing			Non-Interest / Markup bearing		
	Maturity upto one year	Maturity after one year	Total Rupees	Maturity upto one year	Maturity after one year	Total Rupees
Financial Assets						
Trade debts	0	0	0	17,442,137	0	17,442,137
Other receivables	0	0	0	5,344,938	0	5,344,938
Cash & Bank Balances	0	0	0	3,336,893	0	3,336,893
	0	0	0	26,123,968	0	26,123,968
Financial Liabilities						
Short term borrowings	0	0	0	182,907,981	0	182,907,981
Trade and other payables	0	0	0	103,273,941	0	103,273,941
	0	0	0	286,181,922	0	286,181,922

2016

Financial Assets and Liabilities

Effective yield Markup rate	Interest / Markup bearing			Non-Interest / Markup bearing		
	Maturity upto one year	Maturity after one year	Total Rupees	Maturity upto one year	Maturity after one year	Total Rupees
Financial Assets						
Trade debts	0	0	0	5,730,597	0	5,730,597
Other receivables	0	0	0	11,885,928	0	11,885,928
Cash & Bank Balances	0	0	0	1,513,606	0	1,513,606
	0	0	0	19,130,131	0	19,130,131
Financial Liabilities						
Short term borrowings	0	0	0	173,013,981	0	173,013,981
Trade and other payables	0	0	0	115,846,247	0	115,846,247
	0	0	0	288,860,228	0	288,860,228

25.2 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.37,885,529/-

c) Credit Risk Management.

The company is exposed to a concentration of credit risk on its trade debts amounting to Rs. 41,351,550/- by virtue of all of its customers being foreigners and only Rs. 2,138,316/- trade debts related to business in Pakistan. The company do not have any limits on its customers.

25.3 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.



26. Production Capacity

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

27. Earning / (Loss) per Share

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

		<u>2017</u>	<u>2016</u>
Loss after tax for the year	Rs.	<u>(794,852)</u>	<u>(8,896,583)</u>
Number of Ordinary Shares		<u>2,000,000</u>	<u>2,000,000</u>
Loss per share	Rs.	(0.40)	(4.45)

28. Number of Employees

Total number of employees at the end of the year were 10 (June 30, 2016 - 10)

Average number of employees during the year were 10 (June 30, 2016 - 06)

29. Date of Authorization of Issue

These financial statements were authorized for issue on **25th September, 2017** by the Board of Directors of the Company.

30. Figures

Figures have been rounded off to the nearest rupee.

Dated: 25th September, 2017

SAEED ALAM
Chief Executive

RAUF ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer



**Pattern of holding of the shares held
by the shareholders of Fateh Industries Limited
as at 30th June, 2017**

NO. OF SHAREHOLDERS	SHAREHOLDING				TOTAL SHARES HELD
52	From	1	To	100	2,527
24	From	101	To	500	6,652
8	From	501	To	1,000	5,856
9	From	1,001	To	5,000	20,164
1	From	10,001	To	15,000	11,712
4	From	15,001	To	20,000	67,828
1	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
108			TOTAL		2,000,000

S. NO.	CATEGORIES OF SHAREHOLDERS	NUMBERS	SHARES HELD	PERCENTAGE
1.	Individuals	96	1,951,042	97.55%
2.	Mutual Funds	1	23,118	1.16%
3.	Investment Companies	3	4,781	0.24%
4.	Joint Stock Companies	5	4,359	0.22%
5.	Financial Institutions	3	16,700	0.84%
	TOTAL	108	2,000,000	100.00%



Categories of Shareholders

S.No.	Name	No. of Shares	%
1.	Associated Companies		
	Fateh Sports Wear Limited	518	
	Total >	518	0.03%
2.	NIT / ICP (Name wise details)		
	Investment Corporation of Pakistan	346	
	CDC Trustee - National Investment (Unit) Trust	23,118	
	Total >	23,464	1.17%
3.	Directors, CEO and their spouse and minor children		
	Mr. Rauf Alam	264,000	
	Mr. Aftab Alam	294,406	
	Mr. Saeed Alam	356,361	
	Mr. Faraz Alam	32,437	
	Mr. Ashhar Alam	15,422	
	Mr. Aneek Alam	18,392	
	Mr. Jamal Alam	15,372	
	Mr. Anhar Alam	18,642	
	Mrs. Seema Rauf	214,811	
	Mrs. Shabana Aftab	236,025	
	Mrs. Rana Saeed	172,803	
	Total >	1,638,671	81.93%
4.	Executive	Nil	
5.	Public Sector Companies & Corporation	Nil	
6.	Banks,DFIs, NBFIs, Modarbas, Insurance Companies Mutual Funds & Others		
	National Bank of Pakistan	14,535	
	The Bank of Punjab	4,900	
	Fateh Mohammad Akber	2,774	
	Pakistan Industrial Credit & Investment Corporation	1,700	
	Fateh Textile Mills Limited	1,023	
	Abandoned Properties	43	
	Maple Leaf Capital Limited	1	
	Total >	24,976	1.11%



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

_____ o

f _____ as my / our proxy to vote for me/us and on my/our

behalf at the 32nd Annual General Meeting of the Company to be held on Saturday 28th October, 2017 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 _____ 2017

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.