



# **QUARTERLY REPORT**

**September 30, 2013**

**Fateh Industries Limited**

442 Mirpurkhas Road, Hyderabad Pakistan

# Fateh Industries Limited

442, Mirpurkhas Road, Hyderabad

## BOARD'S REVIEW TO THE SHAREHOLDERS

On behalf of Board of Directors, I present before you the Quarterly Accounts (1<sup>st</sup> Quarter), Un-Audited, Balance Sheet and Profit & Loss Account alongwith the Cash Flow Statement for the period ended September 30, 2013.

During the period under review, Company has achieved sales of Rs.8.06 million whereas Gross Loss stand at Rs.0.30 million. After Administration and Selling Expense of Rs. 1.71 million, Company incurred Operating Loss of Rs.2.02 million. Loss after taxation carried forward to balance sheet is Rs.2.037 million. The Accumulated Loss at the end of 1st quarter carried over to balance sheet is Rs.326.51 million. Loss per share is Rs.1.02.

for and on behalf of the Board



**SAEED ALAM**

Chief Executive

Hyderabad: October 24, 2013

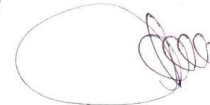
# BALANCE SHEET

As at September 30, 2013  
(Un-Audited)

	<u>30-Sep-13</u> <u>RUPEES</u>	<u>30-Jun-13</u> <u>RUPEES</u>
<b>Capital &amp; Liabilities</b>		
<b>Authorized Capital</b>		
10,000,000 ordinary shares of Rs. 10/- each	<b>100,000,000</b>	100,000,000
<b>Shareholders' Equity</b>		
Issued, subscribed and paid up share capital	<b>20,000,000</b>	20,000,000
Investment revaluation reserve	<b>297,433</b>	306,518
Unappropriated loss	<b>(326,513,922)</b>	(324,477,168)
	<b>(306,216,489)</b>	(304,170,650)
<b>Current Liabilities</b>		
Trade and others payable	<b>127,706,293</b>	115,328,650
Short term running finance	<b>231,160,083</b>	231,160,083
Provision for taxation	<b>4,436</b>	4,436
	<b>358,870,812</b>	346,493,169
<b>Total</b>	<b>52,654,323</b>	42,322,519
<b>Property &amp; Assets</b>		
<b>Operating Fixed Assets</b>	<b>22,916,656</b>	23,212,377
<b>Long Term Investments</b>	<b>314,998</b>	324,084
<b>Current Assets</b>		
Stores, spare parts and loose tools	<b>0</b>	0
Stock in trade	<b>8,940,475</b>	6,892,381
Trade debts	<b>6,851,589</b>	6,462,402
Advances, deposits and prepayments	<b>5,685,127</b>	579,528
Other receivables	<b>4,161,818</b>	4,161,818
Cash and bank balances	<b>3,783,660</b>	689,929
	<b>29,422,669</b>	18,786,058
<b>Total</b>	<b>52,654,323</b>	42,322,519



**SAEED ALAM**  
Chief Executive



**RAUF ALAM**  
Director

Hyderabad: October 24, 2013



# PROFIT AND LOSS ACCOUNT

For the 1st Quarter ended September 30, 2013  
(Un-Audited)

	30-Sep-13 RUPEES	30-Sep-12 RUPEES
Sales	8,060,605	2,448,463
Cost of sales	8,364,820	2,278,238
<b>Gross Profit/(Loss)</b>	<b>(304,215)</b>	170,225
Administration expenses	1,090,592	544,259
Selling expenses	626,324	598,604
	<b>1,716,916</b>	1,142,863
<b>Operating Loss</b>	<b>(2,021,131)</b>	(972,638)
Exchange rate difference	0	230,725
	<b>(2,021,131)</b>	(741,913)
Financial expenses	15,623	41,978
<b>Loss before taxation</b>	<b>(2,036,754)</b>	(783,891)
Provision for taxation	0	0
<b>Loss after taxation</b>	<b>(2,036,754)</b>	(783,891)
Other comprehensive income for the year		
Unrealized gain/(loss) on revaluation of investment - available for sale	(9,085)	52,636
Total comprehensive loss	<b>(2,045,839)</b>	(731,255)
<b>Loss per share</b>	<b>(1.02)</b>	(0.39)

## Notes:

1. Fateh Industries Limited is incorporated in Pakistan as a public limited company and is listed on the Karachi Stock Exchange. The Company is engaged mainly in the manufacturing and sale of footwear of all kinds.
2. These accounts are un-audited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (I.A.S-34 ) as applicable in Pakistan.
3. The accounting policies and methods of computation adopted by the Company for preparation of these accounts are the same as those applied for the annual accounts.
4. No provision for taxation is made in the accounts since the company is in loss. However, the final tax liability will be calculated at the end of the year after consideration of assessment completed and the available tax credits.
5. Figures in these accounts have been rounded off to the nearest rupee.
6. These accounts are authorized by the Board for issue on 24th October, 2013.



**SAEED ALAM**  
Chief Executive

**RAUF ALAM**  
Director

Hyderabad: October 24, 2013

# CASH FLOW STATEMENT

For the 1st Quarter ended September 30, 2013

	30-Sep-13 RUPEES	30-Sep-12 RUPEES
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before taxation	(2,036,754)	(783,891)
Adjustment for :		
Depreciation	545,721	606,400
Financial charges	15,623	41,978
Exchange rate difference	0	(230,725)
	561,344	417,653
	(1,475,410)	(366,238)
Changes in Working Capital		
(Increase) / decrease in current assets		
Trade debts	(389,187)	128,335
Stock in trade	(2,048,094)	0
Advances, deposits & prepayments	(5,105,599)	(34,351)
Other receivables	0	0
Increase / (decrease) in current liabilities		
Trade and other payables	12,377,644	257,649
	4,834,764	351,633
Cash generated from operations	3,359,354	(14,605)
Financial charges paid	(15,623)	(41,978)
Exchange rate difference	0	230,725
	3,343,731	174,142
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Cash flow from investing activities	(250,000)	0
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowing	0	0
	0	0
<b>Net (decrease) / increase in Cash &amp; Cash equivalent (A+B+C).</b>	3,093,731	174,142
	3,093,731	174,142
Cash & cash equivalents at the beginning of the period	689,929	59,230
Cash & cash equivalent during the period	3,093,731	174,142
<b>cash &amp; cash equivalent at the end of the period</b>	3,783,660	233,372




**SAEED ALAM    RAUF ALAM**

Chief Executive

Director

Hyderabad: October 24, 2013

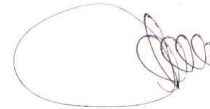
# Statement of Changes in Equity

For the 1st Quarter ended September 30, 2013

	<u>Amount in Rupees</u>			
	<u>Share Capital</u>	<u>Surplus on Revaluation of Investment</u>	<u>Accumulated Profit/(Loss)</u>	<u>Total</u>
<b>Balance as on July 1, 2011</b>	<b>20,000,000</b>	<b>108,945</b>	<b>(217,885,446)</b>	<b>(197,776,501)</b>
Profit upto September 30, 2011	0	14,376	1,274,063	1,288,439
<b>Balance as on September 30, 2011</b>	<b>20,000,000</b>	<b>123,321</b>	<b>(216,611,383)</b>	<b>(196,488,062)</b>
<b>Balance as on July 1, 2012</b>	<b>20,000,000</b>	<b>118,664</b>	<b>(212,388,503)</b>	<b>(192,269,839)</b>
Loss upto September 30, 2012	0	52,636	(783,891)	(731,255)
<b>Balance as on September 30, 2012</b>	<b>20,000,000</b>	<b>171,300</b>	<b>(213,172,394)</b>	<b>(193,001,094)</b>
<b>Balance as on July 1, 2013</b>	<b>20,000,000</b>	<b>306,518</b>	<b>(324,477,168)</b>	<b>(304,170,650)</b>
Loss upto September 30, 2013	0	(9,085)	(2,036,754)	(2,045,839)
<b>Balance as on September 30, 2013</b>	<b>20,000,000</b>	<b>297,433</b>	<b>(326,513,922)</b>	<b>(306,216,489)</b>



**SAEED ALAM**  
Chief Executive



**RAUF ALAM**  
Director

Hyderabad: October 24, 2013