

QUARTERLY REPORT

March 31, 2014



**Fateh
Sports Wear
Limited**

Mirpurkhas Road, Hyderabad, Pakistan

Fateh Sports Wear Limited

442, Mirpurkhas Road, Hyderabad

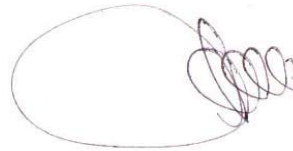
BOARD'S REVIEW TO THE SHAREHOLDERS

The Directors of your Company present before you the Quarterly Accounts (3rd Quarter) Un-Audited Balance Sheet and Profit & Loss Account alongwith the Cash Flow Statement for the period ended March 31, 2014.

The Company has achieved sales of Rs. 30.917 million whereas incurred Gross Loss of Rs.0.511 million during nine months of the financial year under review. After Administration and Selling expenses, company incurred Operating Loss of Rs.4.255 million. After Financial Charges of Rs. 11.731 million and reversal of provision of doubtful debts of Rs.63.403 million, Profit before taxation is Rs. 47.868 million during the period under review. The accumulated losses are stand at Rs. 421.164 million. Earning per share is Rs.23.93.

The Management of the Company has applied for delisting of the Company from 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.

for and on behalf of the Board



RAUF ALAM
Chief Executive

Hyderabad: April 24, 2014

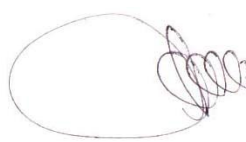
BALANCE SHEET

As at March 31, 2014
(Un-Audited)

| | <u>31-Mar-14</u> <u>RUPEES</u> | <u>30-Jun-13</u> <u>RUPEES</u> |
|--|-----------------------------------|-----------------------------------|
| <u>Capital & Liabilities</u> | | |
| Authorized Capital | | |
| 5,000,000 ordinary shares of Rs. 10/- each | 50,000,000 | 50,000,000 |
| Shareholders' Equity | | |
| Issued, subscribed and paid up share capital | 20,000,000 | 20,000,000 |
| General reserve | 53,500,000 | 53,500,000 |
| Unappropriated loss | (421,164,517) | (469,032,687) |
| | (347,664,517) | (395,532,687) |
| Current Liabilities | | |
| Trade and others payable | 13,188,418 | 45,449,290 |
| Markup accrued on loan | 200,715,484 | 189,165,806 |
| Short term running finance | 181,760,034 | 207,563,231 |
| Provision for taxation | 109,320 | 109,320 |
| | 395,773,256 | 442,287,647 |
| Total | 48,108,739 | 46,754,960 |

Property & Assets

| | | |
|-------------------------------------|-------------------|------------|
| Operating Fixed Assets | 16,239,620 | 16,867,285 |
| Current Assets | | |
| Stores, spare parts and loose tools | 0 | 0 |
| Stock-in-trade | 8,337,501 | 10,825,521 |
| Trade debts | 2,071,867 | 5,892 |
| Advances, deposits and prepayments | 2,514,098 | 1,693,729 |
| Other receivables | 17,121,375 | 17,121,375 |
| Cash and bank balances | 1,824,278 | 241,158 |
| | 31,869,119 | 29,887,675 |
| Total | 48,108,739 | 46,754,960 |



RAUF ALAM
Chief Executive



AFTAB ALAM
Director

Hyderabad: April 24, 2014

PROFIT AND LOSS ACCOUNT

For the 3rd Quarter ended March 31, 2014

(Un-Audited)

| | JAN-MAR 2014 RUPEES | JUL-MAR 2014 RUPEES | JAN-MAR 2013 RUPEES | JUL-MAR 2013 RUPEES |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Sales | 5,702,015 | 30,916,733 | 6,234,443 | 9,414,450 |
| Cost of sales | 6,254,635 | 31,427,832 | 4,726,197 | 8,406,447 |
| Gross Profit/(Loss) | (552,620) | (511,099) | 1,508,246 | 1,008,003 |
| Administration expenses | 984,528 | 3,117,460 | 390,162 | 821,891 |
| Selling expenses | 129,537 | 626,782 | 0 | 0 |
| | 1,114,065 | 3,744,242 | 390,162 | 821,891 |
| Operating Profit/(Loss) | (1,666,685) | (4,255,341) | 1,118,084 | 186,112 |
| Other income | 39,250 | 39,250 | 0 | 0 |
| Exchange gain | 194,590 | 412,208 | 6,145,513 | 15,088,888 |
| | 233,840 | 451,458 | 6,145,513 | 15,088,888 |
| Financial expenses | 3,898,077 | 11,731,358 | 4,602,192 | 14,037,923 |
| | (5,330,922) | (15,535,241) | 2,661,405 | 1,237,077 |
| Less: Reversal of provision against doubtful debts | 15,448,518 | 63,403,411 | 0 | 0 |
| Profit before Taxation | 10,117,596 | 47,868,170 | 2,661,405 | 1,237,077 |
| Provision for taxation | 0 | 0 | 0 | 0 |
| Profit after Taxation | 10,117,596 | 47,868,170 | 2,661,405 | 1,237,077 |
| Other comprehensive income | 0 | 0 | 0 | 0 |
| Total comprehensive Income for the Period | 10,117,596 | 47,868,170 | 2,661,405 | 1,237,077 |
| Earning per share | 5.06 | 23.93 | 1.33 | 0.62 |

Notes:

- Fateh Sports Wear 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 export of ready-made garments.
- These accounts are un-audited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (I.A.S-34) as applicable in Pakistan.
- The accounting policies and methods of computation adopted by the Company for preparation of these accounts are the same as those applied for the annual accounts.
- No provision for taxation is made in the accounts since the company is in loss. However, the final tax liability will be calculated at the end of the year after consideration of assessment completed and the available tax credits.
- Figures in these accounts have been rounded off to the nearest rupee.
- These accounts are authorized by the Board for issue on 24th April, 2014.



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Chief Executive



AFTAB ALAM
Director

Hyderabad: April 24, 2014

CASH FLOW STATEMENT

For the 3rd Quarter ended March 31, 2014

| | 31-Mar-13 RUPEES | 31-Mar-13 RUPEES |
|--|-----------------------------------|---------------------|
| A. CASH FROM OPERATING ACTIVITIES | | |
| Net Profit before taxation | 47,868,170 | 1,237,077 |
| Adjustment for : | | |
| Depreciation | 701,967 | 777,370 |
| Financial charges | 11,731,358 | 14,037,923 |
| Exchange gain | (412,208) | (15,088,888) |
| | 12,021,117 | (273,595) |
| | 59,889,287 | 963,482 |
| Changes in Working Capital (Increase) / decrease in current assets | | |
| Stores spares | 0 | 0 |
| Stock-in-trade | 2,488,021 | 0 |
| Trade debts | (2,065,975) | 2,844,241 |
| Advances, deposits & prepayments | (820,369) | 0 |
| Other receivables | 0 | 0 |
| Increase / (decrease) in current liabilities Trade and other payables | (32,260,872) | (1,497,171) |
| | (32,659,195) | 1,347,070 |
| Cash generated from operations | 27,230,092 | 2,310,552 |
| Financial charges paid | (181,679) | (232,078) |
| Tax paid | 0 | (271,136) |
| Exchange gain | 412,208 | 0 |
| Markup received from Associates | 0 | 0 |
| | 27,460,621 | 1,807,338 |
| B. CASH FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (74,300) | 0 |
| C. CASH FROM FINANCING ACTIVITIES | | |
| Short term loans obtained | (25,803,201) | 0 |
| Repayment of short term loans | 0 | 0 |
| | (25,803,201) | 0 |
| Net (decrease) / increase in Cash & Cash equivalent (A+B+C). | 1,583,120 | 1,807,338 |
| Cash & Cash equivalent at the beginning | 241,158 | 52,769 |
| Increase / (Decrease) in cash and cash equivalent during the period | 1,583,120 | 1,807,338 |
| Cash & cash equivalent at the end | 1,824,278 | 1,860,107 |



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Chief Executive



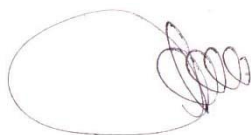
AFTAB ALAM
Director

Hyderabad: April 24, 2014

Statement of Changes in Equity

For the 3rd Quarter ended March 31, 2014

| | <u>Amount in Rupees</u> | | | |
|-------------------------------------|--------------------------|----------------------------|-------------------------------|----------------------|
| | <u>Share Capital</u> | <u>General Reserve</u> | <u>Accumulated (Loss)</u> | <u>Total</u> |
| Balance as on July 1, 2012 | 20,000,000 | 53,500,000 | (469,032,687) | (395,532,687) |
| Profit upto March 31, 2013 | 0 | 0 | 1,237,077 | 0 |
| Balance as on March 31, 2013 | 20,000,000 | 53,500,000 | (469,032,687) | (395,532,687) |
| Balance as on July 1, 2013 | 20,000,000 | 53,500,000 | (469,032,687) | (395,532,687) |
| Profit upto March 31, 2014 | 0 | 0 | 47,868,170 | 47,868,170 |
| Balance as on March 31, 2014 | 20,000,000 | 53,500,000 | (421,164,517) | (347,664,517) |



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