



**QUARTERLY
REPORT**

September 30, 2019

Fateh Industries Limited

442 Mirpurkhas Road, Hyderabad Pakistan

Fateh Industries Limited

442, Mirpurkhas Road, Hyderabad

DIRECTOR'S REVIEW TO THE SHAREHOLDERS

On behalf of the Board of Directors, I present before you the un-audited Quarterly Financial Statements and review on the Company's operations for the 1st Quarter ended September 30, 2019.

During the period under review sales revenue of the Company is Rs.4.68 million as compared to Rs.2.42 million for the corresponding period of last year. Company incurred Gross Loss of Rs.1.45 million. After Administration & Selling expenses of Rs.2.08 million, Company incurred Operating Loss of Rs.3.53 million whereas earned profit of Rs.1.22 million in respect of exchange gain. Net Loss before taxation is Rs.2.30 million and Accumulated Losses carried over to balance sheet are Rs.273.64 million. Loss per share for the quarter ended is Rs.1.15.

for and on behalf of the Board

SAEED ALAM

Chief Executive

Hyderabad: October 24, 2019

Statement of Financial Position

As at September 30, 2019
(Un-Audited)

	30-Sep-19 RUPEES	30-Jun-19 RUPEES
<u>Capital & Liabilities</u>		
Authorized Capital		
10,000,000 ordinary shares of Rs. 10/- each	100,000,000	100,000,000
Shareholders' Equity		
Issued, subscribed and paid up share capital	20,000,000	20,000,000
Investment revaluation reserve	252,508	292,574
Unappropriated loss	(273,640,562)	(271,337,645)
	(253,388,054)	(251,045,071)
Current Liabilities		
Trade and others payable	178,169,945	174,996,902
Loan from directors	124,912,522	122,547,522
Provision for taxation	414,283	414,283
	303,496,750	297,958,707
Total	50,108,696	46,913,636
<u>Property & Assets</u>		
Operating Fixed Assets	16,095,350	16,439,998
Long Term Investments	270,075	310,141
Current Assets		
Stores, spare parts and loose tools	0	0
Stock in trade	11,499,160	5,267,785
Trade debts	7,490,940	6,938,534
Advances, deposits and prepayments	12,040,087	15,283,527
Other receivables	0	0
Cash and bank balances	2,713,084	2,673,651
	33,743,271	30,163,497
Total	50,108,696	46,913,636

SAEED ALAM
Chief Executive

RAUF ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Hyderabad: October 24, 2019

Statement of Profit or Loss and Other Comprehensive Income

For the 1st Quarter ended September 30, 2019
(Un-Audited)

	30-Sep-19 RUPEES	30-Sep-18 RUPEES
Sales	4,678,978	2,417,760
Cost of sales	6,133,237	2,241,122
Gross (Loss)/Profit	(1,454,259)	176,638
Administration expenses	1,515,907	600,398
Selling expenses	560,410	8,141
	2,076,317	608,539
Operating Loss	(3,530,576)	(431,901)
Other income	33,117	0
Exchange rate difference	1,217,787	(229,598)
	(2,279,672)	(661,499)
Financial expenses - Bank charges	23,245	10,112
Loss before taxation	(2,302,917)	(671,611)
Taxation	0	0
Loss after taxation	(2,302,917)	(671,611)
Other comprehensive income for the year		
Unrealized gain/(loss) on revaluation of investment - available for sale	(40,066)	(19,103)
Total comprehensive Loss for the period	(2,342,983)	(690,714)
Loss per share	(1.15)	(0.34)

Notes:

1. Fateh Industries Limited was incorporated in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange. The Company is engaged mainly in the manufacturing and sale of footwear of all kinds.
2. These un-audited financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of IAS-34, International Financial Reporting issued by IASB and provision of section 237 of Companies Act-2017.
3. The accounting policies and methods of computation adopted in the preparation of these financial statements are the same as those applied in preparation of the annual audited and published financial statements.
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, 2019.

SAEED ALAM

Chief Executive

RAUF ALAM

Director

MUHAMMAD ISMAIL

Chief Financial Officer

Hyderabad: October 24, 2019

Statement of Cash Flows

For the 1st Quarter ended September 30, 2019

	30-Sep-19	30-Sep-18
	RUPEES	RUPEES
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before taxation	(2,302,917)	(671,611)
Adjustment for :		
Depreciation	344,648	389,410
Other income	(117)	0
Financial charges	23,245	10,112
Exchange rate difference	(1,217,787)	229,598
	(850,011)	629,120
	(3,152,928)	(42,491)
Changes in Working Capital		
(Increase) / decrease in current assets		
Stock in trade	(6,231,375)	1,250,000
Trade debts	(552,406)	(525,183)
Advances, deposits & prepayments	3,243,440	(158,687)
Other receivables	0	0
Increase / (decrease) in current liabilities		
Trade and other payables	3,173,043	(4,100,631)
	(367,298)	(3,534,501)
Cash generated from operations	(3,520,226)	(3,576,992)
Financial charges paid	(23,245)	(10,112)
Exchange rate difference	1,217,787	(229,598)
	(2,325,684)	(3,816,702)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Received	117	0
Net Cash flow from investing activities	117	0
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowing	2,365,000	4,192,881
	2,365,000	4,192,881
Net (decrease) / increase in Cash & Cash equivalent (A+B+C).	39,433	376,179
	39,433	376,179
Cash & cash equivalents at the beginning of the period	2,673,651	954,352
Cash & cash equivalent during the period	39,433	376,179
cash & cash equivalent at the end of the period	2,713,084	1,330,531

SAEED ALAM

Chief Executive

RAUF ALAM

Director

MUHAMMAD ISMAIL

Chief Financial Officer

Hyderabad: October 24, 2019

Statement of Changes in Equity

For the 1st Quarter ended September 30, 2019

	<u>Amount in Rupees</u>			
	<u>Share Capital</u>	<u>Surplus on Revaluation of Investment</u>	<u>Accumulated Profit/(Loss)</u>	<u>Total</u>
Balance as on July 1, 2017	20,000,000	710,388	(257,068,982)	(236,358,594)
Loss upto September 30, 2017	0	(123,715)	(996,789)	(1,120,504)
Balance as on September 30, 2017	20,000,000	586,673	(258,065,771)	(237,479,098)
Balance as on July 1, 2018	20,000,000	400,256	(260,812,411)	(240,412,155)
Loss upto September 30, 2018	0	(19,103)	(671,611)	(690,714)
Balance as on September 30, 2018	20,000,000	381,153	(261,484,022)	(241,102,869)
Balance as on July 1, 2019	20,000,000	292,574	(271,337,645)	(251,045,071)
Loss upto September 30, 2019	0	(40,066)	(2,302,917)	(2,342,983)
Balance as on September 30, 2019	20,000,000	252,508	(273,640,562)	(253,388,054)

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Chief Executive

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Director

MUHAMMAD ISMAIL

Chief Financial Officer

Hyderabad: October 24, 2019