



QUARTERLY REPORT

March 31, 2023

Fateh Industries Limited

442 Mirpurkhas Road, Hyderabad Pakistan

Fateh Industries Limited

442, Mirpurkhas Road, Hyderabad

BOARD'S REVIEW TO THE SHAREHOLDERS

The Directors of the Company are presenting before you third Quarterly Accounts which includes Statements of Financial Position, Profit or Loss, Cash Flows and Changes in Equity for the period ended March 31, 2023.

The Company has achieved sales of Rs.10.66 million whereas earned Gross Profit of Rs.0.71 million during the nine months of the financial year under review. After Administration and Selling expenses of Rs.0.80 million, Company incurred Operating Loss of Rs.0.09 million. After other income of Rs,1.69 million and exchange loss of Rs. 6.86 million and Financial and other charges of Rs.0.08 million, Company incurred loss before taxation of Rs. 5.33 million. The accumulated losses are stand at Rs. 109.27 million. Loss per share is Rs.2.67.

for and on behalf of the Board

Hyderabad: April 27, 2023

SAEED ALAM
Chief Executive

Statement of Financial Position

As at March 31, 2023
(Un-Audited)

	<u>31-03-2023</u> <u>RUPEES</u>	<u>30-06-2022</u> <u>RUPEES</u>
<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	427,959	562,174
Accumulated Loss	(109,273,155)	(103,940,601)
	(88,845,196)	(83,378,427)
Non-Current Liabilities		
Security Deposits from Tenant	630,000	630,000
Current Liabilities		
Trade and others payables	128,257,875	121,612,182
Loan from Directors	27,334,139	21,739,139
Provision for Taxation	0	0
	155,592,014	143,351,321
Total	67,376,818	60,602,894
<u>Property & Assets</u>		
Property, Plant and Equipments	12,030,899	12,754,323
Long Term Investments	445,526	579,741
	12,476,425	13,334,064
Current Assets		
Stores, spare parts and loose tools	0	0
Stock-in-trade	21,806,919	19,285,014
Trade receivables	28,530,454	24,711,333
Advances, deposits and prepayments	3,208,382	2,698,948
Other receivables	0	0
Cash and bank balance	1,354,638	573,535
	54,900,393	47,268,830
	67,376,818	60,602,894

SAEED ALAM

RAUF ALAM

MUHAMMAD ISMAIL

Statement of Profit or Loss

For the 3rd Quarter ended March 31, 2023
(Un-Audited)

	JAN-MAR 2023 RUPEES	JUL-MAR 2023 RUPEES	JAN-MAR 2022 RUPEES	JUL-MAR 2022 RUPEES
Sales	2,887,900	10,659,100	3,830,900	8,588,980
Cost of sales	2,602,605	9,947,296	3,412,984	7,917,546
Gross Profit	285,295	711,804	417,916	671,434
Administration expenses	236,001	804,064	294,937	871,617
Selling expenses	0	0	0	0
	236,001	804,064	294,937	871,617
Operating Profit/(Loss)	49,294	(92,260)	122,979	(200,183)
Other Income	1,200,300	1,694,100	396,000	939,100
Exchange Loss	(4,958,416)	(6,857,655)	(263,222)	(1,528,239)
	(3,758,116)	(5,163,555)	132,778	(589,139)
Financial expenses	169	1,739	40	6,936
Other Charges	0	75,000	0	75,000
	169	76,739	40	81,936
(Loss)/Profit before Taxation	(3,708,991)	(5,332,554)	255,717	(871,258)
Provision for taxation	0	0	0	0
(Loss)/Profit after Taxation	(3,708,991)	(5,332,554)	255,717	(871,258)
(Loss)/Earning per share	(1.85)	(2.67)	0.13	(0.44)

Notes:

- Fateh Industries Limited** is incorporated in Pakistan as a public limited company and is listed on the Pakistan Stock Exchange Limited. The Company is engaged mainly in the manufacturing and sale of footwear of all kinds. The registered office of the company is situated at 442, Mirpurkhas Road, Hyderabad.
- These condensed financial accounts are un-audited and are being submitted to the shareholders as required under section 237 of the Companies Act -2017 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 27th April, 2023.

SAEED ALAM

Chief Executive

Hyderabad: April 27, 2023

RAUF ALAM

Director

MUHAMMAD ISMAIL

Chief Financial Officer

Statement of Comprehensive Income

For the 3rd Quarter ended March 31, 2023
(Un-Audited)

	JAN-MAR 2023 RUPEES	JUL-MAR 2023 RUPEES	JAN-MAR 2022 RUPEES	JUL-MAR 2022 RUPEES
(Loss)/Profit after taxation	(3,708,991)	(5,332,554)	255,717	(871,258)
Other comprehensive income				
Unrealized (Loss)/Profit on revaluation of investment - available for sale	(92,231)	(134,215)	58,161	64,068
Total Comprehensive (Loss)/ Profit for the Period	(3,801,222)	(5,466,769)	313,878	(807,190)

SAEED ALAM

Chief Executive

Hyderabad: April 27, 2023

RAUF ALAM

Director

MUHAMMAD ISMAIL

Chief Financial Officer

Notes to the condensed Interim Financial Statements:

For the Half Year ended December 31, 2022

1. CORPORATE AND GENERAL INFORMATION

The company was incorporated on May 18, 1986, as a public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017), and is listed on Pakistan Stock Exchange Limited. The business of company is to manufacture and sale of footwear of all kinds. The Registered office is situated at 442, Mirpurkhas Road, Hyderabad.

2. BASIS FOR PRESENTATION

2.1 Purpose of Issuance

These condensed interim financial statements have been issued to the shareholders to comply with Section 237 of the Companies Act, 2017 are un-audited

2.2 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 – “Interim Financial Reporting” and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2022. These condensed interim financial statements are unaudited.

2.3 Comparative Financial Information

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement, are extracted from the unaudited condensed interim financial statements for the quarter ended March 31, 2022.

2.4 Basis of Measurement

These condensed interim financial statements have been prepared under the historical cost convention.

2.5 Accounting Policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the audited financial statements for the year ended June 30, 2022.

2.6 Accounting Estimates and Judgments

Estimates and judgments made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended June 30, 2022.

2.7 Functional and Presentation Currency

These financial statements are presented in Pakistan Rupees, which is the company's functional and presentation currency.

3 CONTINGENCIES AND COMMITMENTS

Contingencies reported in the annual audited financial statements for the year ended June 30, 2022 remain-unchanged.

4 TAXATION

No provision for current taxation has been made in these condensed interim financial statements.

5 RELATED PARTY TRANSACTIONS

Related parties comprise of group companies (associates), directors, major shareholders, their close family members and key management personnel. Transactions with related parties during the year, other than and including those which have been disclosed elsewhere in these financial statements, are given below:

<u>Name of Related Party</u>	<u>Nature of Transaction</u>	31-Mar-23	31-Mar-22
		<u>Rupees</u>	
Arino - Under Common Management	Sale of Goods	10,659,100	8,588,980
Arino - Under Common Management	Rental Income	99,000	99,000
Branded Shop - Under Common Management	Rental Income	99,000	99,000
Mr. Rauf Alam - Director	Loan Received	4,252,000	370,000
Mr. Aftab Alam - Director	Loan Received	550,000	550,000
Mr. Saeed Alam - Director	Loan Received	793,000	2,933,920
Mr. Faraz Alam - Director	Loan Received	-	1,114,569

6. FIGURES

Figures in these condensed interim financial statements have been rounded off to the nearest thousand rupees.

7. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Company.

SAEED ALAM

Chief Executive

Hyderabad: April 27, 2023

RAUF ALAM

Director

MUHAMMAD ISMAIL

Chief Financial Officer

Statement of Cash Flows

For the 3rd Quarter ended March 31, 2023

	31-Mar-23 RUPEES	31-Mar-22 RUPEES
A. CASH FROM OPERATING ACTIVITIES		
Net Loss before taxation	(5,332,554)	(871,258)
Adjustment for :		
Depreciation	723,424	813,739
Dividend Income	(28,800)	(13,600)
Exchange (Gain)/Loss	6,857,655	1,528,239
	7,552,279	2,328,378
Operating Profit/(Loss) before working capital	2,219,725	1,457,120
Changes in Working Capital		
(Increase) / decrease in current assets		
Stock in Trade	(2,521,905)	(3,379,324)
Trade receivables	(3,819,121)	(4,331,592)
Advances, deposits & prepayments	(198,000)	(189,497)
Other receivables	0	0
Increase / (decrease) in current liabilities		
Trade and other payables	6,645,693	3,339,115
	106,667	(4,561,298)
Cash generated from operations	2,326,392	(3,104,178)
Income Tax paid	(311,434)	(342,814)
Exchange Gain/(Loss)	(6,857,655)	(1,528,239)
	(4,842,697)	(4,975,231)
B. CASH FROM INVESTING ACTIVITIES		
Fixed capital expenditure	0	0
Dividend received	28,800	13,600
	28,800	13,600
C. CASH FROM FINANCING ACTIVITIES		
Loan from directors	5,595,000	4,968,489
	5,595,000	4,968,489
Changes in cash and equivalents during the period		
Cash and equivalent at the beginning	573,535	406,136
Cash and equivalent at the end	781,103	6,858
	1,354,638	412,994

SAEED ALAM

RAUF ALAM

MUHAMMAD ISMAIL

Statement of Changes in Equity

For the 3rd Quarter ended March 31, 2023

Amount in Rupees.

	<u>Share Capital</u>	<u>Surplus on Revaluation of Investment</u>	<u>Accumulated (Loss)</u>	<u>Total</u>
Balance as on July 1, 2021	20,000,000	588,160	(99,850,152)	(79,261,992)
Loss up to March 31, 2022	0	64,068	(871,258)	(807,190)
Balance as on March 31, 2022	20,000,000	652,228	(100,721,410)	(80,069,182)
Balance as on July 1, 2022	20,000,000	562,174	(103,940,601)	(83,378,427)
Loss up to March 31, 2023	0	(134,215)	(5,332,554)	(5,466,769)
Balance as on March 31, 2023	20,000,000	427,959	(109,273,155)	(88,845,196)

SAEED ALAM

Chief Executive

Hyderabad: April 27, 2023

RAUF ALAM

Director

MUHAMMAD ISMAIL

Chief Financial Officer