

FINANCIAL STATEMENTS 2019

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Notice of Annual General Meeting

Notice is hereby given to the Members that the 36th Annual General Meeting of **FATEH SPORTS WEAR LIMITED** will be held on **Monday, October 28, 2019 at 9:00 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 March 28, 2019.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended **June 30, 2019** together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors and fix their remuneration for the year ending June 30, 2020.
4. To transact any other business with the permission of the Chair.

By order of the Board
for FATEH SPORTS WEAR LIMITED

Hyderabad.
October 3, 2019

Ghous Muhammad Khan
Company Secretary

NOTES :

1. The share transfer books of the Company will remain closed from 22nd to 28th October, 2019 (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 at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
4. Members who wish to receive annual accounts via email are requested to submit the consent form available at Company's website duly filled in alongwith copy of her/his CNIC and any change in their address by writing to Registrar of the Company.
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. Rauf Alam

DIRECTORS

Mr. Aftab Alam

Mr. Saeed 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. Saeed 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

MCB Bank Limited

Askari Bank Limited

Allied Bank of Pakistan Limited

Habib Bank Limited

REGISTERED OFFICE

442-Mirpurkhas Road, Hyderabad

Tel: (92-22) 3886263-67

Fax: (92-22) 3886268

Email: fswl@fateh1.com

Web: www.fatehsports.com

PLANT

Kali Mori

Hyderabad.

Directors' Report

For the year ended June 30, 2019

The Board of Directors present their report and financial statements of the Company alongwith Auditors' Report for the year ended June 30, 2019.

During the year, the management of the Company has obtained approval of the shareholders and resolved that the Company's Land and factory building, either wholly or partially, be rented out to generate the income for the Company. For this purpose, management of the Company intends to rent out the factory premises for banquet / marriage hall or any other suitable proposition. Negotiations are being held with different parties and probably before end of the year 2019, management will execute a rental agreement.

There were no sales recorded in the books of account during the financial year. Company incurred Operating Loss of Rs.1.18 million in respect of Administration expenses. Board approved provision of bad and doubtful other receivables amounting to Rs.17.03 million, whereas after financial and other charges of Rs.17.57 million Company incurred loss before taxation of Rs.18.74 million. Loss per share is Rs. 9.37.

It would not be out of place to mention here that during the year the Directors have provided interest free loan of Rs.1.26 million to the Company.

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, negotiations are being held with Government Officials.

Compliance with Listed Companies (Code of Corporate Governance) Regulations-2017

The requirements of Listed Companies (Code of Corporate Governance) Regulations-2017, relevant for the year ended **June 30, 2019** have been duly complied with, except for those disclosed in statement of compliance with Listed Companies (CCG) Regulations. The Directors confirm the compliance of Regulations for 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)

	2013	2014	2015	2016	2017	2018	2019
Sales	14,955	35,800	23,363	0	0	0	0
Gross Profit / (Loss)	315	344	523	0	0	0	0
Selling & Administration Expenses	2,329	4,516	7,760	1,618	941	913	1,177
Profit/(Loss) before Taxation	(319,325)	153,767	(7,525)	(1,248)	(1,247)	(3,159)	(18,745)
Profit/(Loss) after Taxation	(319,430)	152,777	(7,716)	(1,248)	(1,247)	(3,159)	(18,745)
Authorized Capital	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Paid up Capital	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Shareholder's equity	(395,533)	(242,755)	(250,471)	(251,719)	(252,966)	(256,125)	(274,870)
Fixed Assets	16,867	16,003	15,160	14,402	13,721	13,108	12,292
Total Assets	46,755	48,872	44,053	41,750	39,925	37,382	19,579

- 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	04
5.	Mr. Ashhar Alam	03
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.
- Chairman Review is not incorporated in these Financial Statements because currently there is no Chairman appointed in the Company, hence after the next election of directors, Chairman will be appointed and Review Report will be incorporated accordingly.

Auditors' Observation

1. The company has sent the letters for balance confirmation and subsequently reminders to its creditors/debtors, hence, no reply has been received from their end. Bank confirmation letter were sent directly by the Auditors to the Bank duly authorized by us.

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 in the preceding 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 2.65 million approximately in respect of Sea Freight Compensation Operations.

Auditors:

Present Auditors M/s. Tanwir Arif & Co., Chartered Accountants has completed five years' tenure and will be retired on the date of Annual General Meeting. The Audit Committee and subsequently Board of Directors has proposed and recommended for the appointment of M/s. Clarkson Hyde Saud Ansari Chartered Accountants as External Auditors of the Company for the year ending June 30, 2020.

Place: Hyderabad
Dated: 23rd September, 2019

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

ڈائریکٹرز رپورٹ

برائے اختتامی سال 30 جون 2019

فتح سپورٹس ویئر لمیٹڈ

کمپنی کے بورڈ آف ڈائریکٹرز آپ کے سامنے 30 جون 2019 کو اختتام ہونے والے مالی سال کے لیے آڈٹ شدہ حسابات بشمول آڈیٹرز رپورٹ پیش کر رہے ہیں۔ دوران سال کمپنی کی انتظامیہ نے حصص یافتگان کی رضامندی سے یہ راز اور منظور کی ہے کہ کمپنی میں آمدنی حاصل کرنے کے لئے کمپنی کی زمین اور عمارت، خواہ جزوی یا مکمل طور پر کرائے پر دی جائے۔ اس مقصد کے لئے انتظامیہ چاہتی ہے کہ فیکٹری کی عمارت کو بطور شادی ہال، بنکویٹ یا کسی بھی مناسب کام کے لئے کرائے پر دے دیا جائے۔ اس سلسلے میں مختلف ارادے بات چیت جاری ہے اور امید کی جارہی ہے کہ انشاء اللہ سال 2019 کے اختتام سے پہلے انتظامیہ معاہدہ کرائے داری طے کر لے گی۔

مالی سال کے دوران کمپنی کے کھاتوں میں کسی قسم کی زرخشت ریکارڈ نہیں کی گئی تاہم انتظامی اخراجات کی مد میں 1.18 ملین روپے کا نقصان ہوا۔ کمپنی انتظامیہ نے اس سال 17.03 ملین روپے کا وصول مشکوک پیسے کی عارضی نقصان ریکارڈ کرنے کی منظوری دی ہے اس طرح مالیاتی اور دوسرے اخراجات کی مد میں 17.57 ملین روپے کے اخراجات ریکارڈ کئے گئے ہیں۔ اس طرح قبل از ٹیکس نقصانات کی مالیت 18.74 ملین روپے ہے جبکہ بنیادی نقصان فی سٹر 9.37 روپے ریکارڈ کی گئی ہے۔

یہاں یہ امر قابل ذکر ہے کہ دوران سال کمپنی کے ڈائریکٹرز نے کمپنی کے ضروری اخراجات کے لئے 1.26 ملین روپے بلا سود قرضہ فراہم کیا ہے۔

کمپنی کے سالانہ گوشوارے بطور گولڈنگ کنسرٹ تیار کئے گئے ہیں جیسا کہ کمپنی کی انتظامیہ پر عزم ہے کہ وہ کمپنی کی مالی سپورٹ جاری رکھے گی تاکہ کمپنی کے ضروری اخراجات ادا ہو سکیں۔ اسکے ساتھ ساتھ انتظامیہ روس میں پھنسے ہوئے فنڈز کی وصولی کے لئے بھی اپنی کوششیں جاری رکھیں گی۔ اس وقت بھی کمپنی کی انتظامیہ ملکوں کے نمائندوں کے ساتھ بات چیت جاری رکھے ہوئے ہے۔

نظم و ضبط کا اسٹیٹمنٹ اور مالیاتی رپورٹنگ کا ریمورک 2017:

اختتامی سال جون 2019 کے لئے لنڈن کمپنیز کے کوڈ آف کارپوریٹ گورننس ریگولیشن 2017 پر عملدرآمد کیا ہے سوائے ان شقوں کے جو کہ اسٹیٹمنٹ آف کمپلائنس میں ظاہر کر دی گئی ہیں۔ ڈائریکٹرز کی جانب سے اسٹیٹمنٹ آف کمپلائنس کی تصدیق اس رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ اور فنانشل رپورٹنگ کا ریمورک کے اصول درج ذیل ہیں۔

کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے کاروباری نتائج، نقد رقم کی ترسیل اور حصص میں رد و بدل کی شفاف عکاسی کرتے ہیں۔ کمپنی کے کھاتے مناسب طریقے سے تیار کئے جاتے ہیں۔

مناسب محاسبی پالیسی کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ محاسبی کے اندازے، ماہرانہ اور محتاط فیصلوں پر مبنی ہوتے ہیں۔

مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات، جو کہ پاکستان میں نافذ العمل ہیں، ان کی پیروی کی گئی ہے۔

اندرونی کنٹرول کے نظام منظم ہیں اور اسکے موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

آنے والے سالوں میں کمپنی کے کاروباری تسلسل پر کسی قسم کے شکوک و شبہات نہیں ہیں۔

نظم و ضبط کے حوالے سے کوئی بھی مواد قانون کے خلاف نہیں ہے جس کی تفصیلات لسٹ میں دی گئی ہے۔

گزشتہ چھ سالوں کے لئے کمپنی کے اہم امور اور مالیاتی تفصیلات منسلک ہیں۔

کسی بھی ڈائریکٹرز، ایف او، کمپنی سیکریٹری، ان کی بیگمات و بچوں نے اس سال کے دوران کمپنی کے خیر ز میں کوئی تجارت نہیں کی ہے جس کا اندراج شیئر ہولڈنگ کے طریقہ کار میں پہلے ہی درج کر دیا گیا ہے۔

دوران سال بورڈ آف ڈائریکٹرز کی پانچ میٹنگز منعقد ہو چکی ہیں۔ ان میٹنگز میں درج ذیل ڈائریکٹرز نے شرکت کی ہے۔

ڈائریکٹرز کے نام	میٹنگز میں شرکت کرنے کی تعداد
جناب رؤف عالم	5
جناب آفتاب عالم	5
جناب سعید عالم	5
جناب راز عالم	4
جناب شہر عالم	3
جناب انیک عالم	5
جناب جمال عالم	5

کمپنی کے شہیر ہولڈنگ کا طر بقہ کار 30 جون 2019 کی رپورٹ کے ساتھ منسلک ہے۔

مالیاتی اسٹیٹمنٹ میں درج کئے گئے ٹیکس کے علاوہ کمپنی پر اد کوئی ٹیکس واجب الاد نہیں ہے۔

اس رپورٹ کی تصدیق تک ایسی کوئی تبدیلی واقع نہیں ہوئی جو کہ اس رپورٹ کی مالیاتی حیثیت کو تبدیل کر دے۔

چونکہ اس و ت کوئی بھی ڈائریکٹر چیئرمین کا عہدہ نہیں رکھتا اس لئے مالیاتی گوشوارے میں چیئرمین کی جائزہ رپورٹ شامل نہیں ہے تاہم آئندہ ہونے والے بورڈ کے الیکشن کے بعد چیئرمین نامزد کر دیا جائے گا جسکے بعد آئندہ مالیاتی گوشوارے میں چیئرمین کی جائزہ رپورٹ شامل کر دی جائے گی۔

آڈیٹرز کا مشاہدہ :

کمپنی کی طرف سے تمام مقروض و تر ض دہندگان کو بھایا جات کی تصدیق کے لئے خطوط ارسال کئے گئے ہیں بعد ازاں یاد دہانی کے خطوط بھی ارسال کئے گئے ہیں تاہم کسی کی جانب سے تصدیقی جواب موصول نہیں ہوا۔ بینکوں کی توثیق کیلئے خطوط براہ راست آڈیٹرز کے ذریعے بھیج دئے گئے تھے۔

گوئنگ کنسر نڈ کے معاملے پر انتظامیہ اپنے پچھلے موقف پر قائم ہے کہ جب تک روس میں رکا ہوا پیسہ نہیں مل جاتا انتظامیہ کمپنی کے مالی اخراجات کئے لئے ممکن مالی مدد جاری رکھے گی۔ روس سے ملنے والے پیسے کو وصول کرنے کے لئے کمپنی کی انتظامیہ نے 16 اکتوبر 2016 کو کل و پاکستان کے ساتھ ایک معاہدہ بھی کیا تھا جسکے تحت کمپنی کو 2.65 امریکن ڈالرز ملنے تھے جسکے بعد کمپنی کی انتظامیہ تمام زیاتواہ مقدمات واپس لینے کی پرضامند تھی۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹر میسر زئور عارف اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس اپنی قانونی مدت یعنی پانچ سال پورے کر کے ریٹائرڈ ہو رہے ہیں۔ آڈٹ کمپنی اور بعد ازاں بورڈ آف ڈائریکٹرز نے میسر زکلا رکنس ہائیڈرو انصاری، چارٹرڈ اکاؤنٹنٹس کو آئندہ اختتامی مالی سال یعنی 30 جون 2020 کے لئے کمپنی کے آڈیٹرز کے طور پر تقرری کے سفارش کی ہے۔

آفتاب عالم

ڈائریکٹر

رؤف عالم

چیف ایگزیکٹو

حیدرآباد: 23 ستمبر 2019

Statement of Compliance with Listed Companies (Code Corporate Governance) Regulations, 2017

Name of Company: **Fateh Sports Wear Limited**
Year ending: **30th June, 2019**

The Company has complied with the requirements of the Regulations in the following manner:

1. The Total number of directors are seven (07) as per the following:

a) Male: 07
b) Female: Nil

2. The composition of board is as follows:

Categories		Quantity	Name
a)	Independent Directors	-	
b)	Other Non-executive Directors	05	Mr. Aftab Alam, Mr. Faraz Alam, Mr. Ashhar Alam, Mr. Aneek Alam & Mr. Jamal Alam
c)	Executive Directors	02	Mr. Rauf Alam & Mr. Saeed Alam

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
4. 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.
5. 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.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chief Executive and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. In accordance with the criteria specified in Regulations, 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 approved and assigned the additional responsibilities of CFO and Company Secretary of Finishers Limited in Group Companies including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has already formed committees comprising of members given below:
 - a) Audit Committee: Mr. Saeed Alam, Mr. Aftab Alam and Mr. Faraz Alam.
 - b) HR & Remuneration Committee: Mr. Faraz Alam, Mr. Ashhar Alam and Mr. Jamal
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a) Audit Committee: 05 Meetings
 - a) HR & Remuneration Committee: 01 Meeting
15. 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.
16. 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 and registered with Audit Oversight Board of Pakistan, 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.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with except mentioned above, towards which reasonable progress is being made by the Company to seek compliance by the end of next accounting year.

Dated: 23rd September, 2019

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **M/S. FATEH SPORTS WEAR LIMITED** for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a part of our audit of the 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 Regulation require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transaction and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transaction by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 reflects the company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the note reference where these are stated in Statement of Compliance.

<u>S.#</u>	<u>Note/paragraph reference</u>	<u>Description</u>
i.	Note No. 2	Independent Director

TANWIR ARIF & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner - Tanwir Arif

HYDERABAD
DATED: SEPTEMBER 23, 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **FATEH SPORTS WEAR LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss and statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

Except for paragraph 1 below, in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2019 and of the loss, comprehensive loss and the changes in equity and its cash flows for the year then ended:

1. We have not received confirmations for balance appearing in trade creditors and short term borrowings from banking companies under note no. 8 and 10 respectively to the accounts. Hence, their balances remained un verified in spite of reminders.

Basis of qualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty relating to Going Concern

We draw attention to Note 1.2 in the financial statements, which indicates that the Company incurred a net loss of Rs. 18.745 million during the year ended June 30, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 287.16 million. As stated in Note 1.2, these events or conditions, along with other matters as set forth in Note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report:

	Key audit Matter	How the matter is addressed in our audit
i)	First time adoption of International Financial Reporting Standard (IFRS) 9 'Financial Instruments' and Financial Reporting Standard (IFRS) 15 'Revenue from Contracts with Customers'.	
	The Company has adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' during the year for the first time. As part of first time application and transition to the requirement, the management performed an analysis to identify differences between the current and the previous applicable standards as detailed in note no. 4.1 of the financial statements. The accounting policy for Revenue Recognition is amended in accordance with IFRS 15 reference note no. 5.11 to the financial statements. Due to the amendments and new disclosures prepared and presented in the financial statements first time, we have considered this as a Key audit matter.	IFRS 9 and IFRS 15 were reviewed to understand the requirements of these standards. Our procedures included the following: - Reviewed the management's process to identify the additional disclosure requirements and related revisions, if any, as a result of first time Adoption of IFRS 9 and 15; - Obtained relevant supporting documents for ensuring that the Management has complied with the revenue recognition criteria as introduced by IFRS 15; and - Obtained underlying supports, verified on test basis and assessed appropriateness for sufficient audit evidence relevant to additional disclosures.
	Key audit Matter	How the matter is addressed in our audit
ii)	Contingencies and commitments and contingent assets	
	The Company is subject to material litigations involving different courts pertaining to Short Term Borrowings, Mark up Accrued thereon and Realization of Export Proceeds, which requires management to make assessment and judgments with respect to likelihood and impact of such litigations on the financial statements of the Company. The assessment of provisioning and recognition of contingent assets against such litigations is a complex exercise and requires significant judgments to determine the level of certainty on these matters. The details of contingent liabilities and contingent assets along with management's assessment are disclosed in note no. 13 and note no. 21 respectively, to the financial statements.	In response to this matter, our audit procedures included: - Discussing legal cases with the management to understand their view point and obtaining and reviewing the litigation documents in order to assess the facts and circumstances; - Obtaining independent opinion of legal council's dealing with such cases in the form of confirmation; and - We also evaluated the possible outcome of these legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets. The disclosures of legal exposures and provisions were assessed for completeness and accuracy.

Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Tanwir Arif.

CHARTERED ACCOUNTANTS

HYDERABAD

DATED: 23rd September, 2019

Statement of Financial Position as at June 30, 2019

	NOTE NO.	30-06-2019 RUPEES	30-06-2018 RUPEES
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital		50,000,000	50,000,000
5,000,000 ordinary shares of Rs. 10/- each			
Issued, subscribed and paid up share capital	6	20,000,000	20,000,000
General reserve	7	53,500,000	53,500,000
Accumulated loss		(348,369,883)	(329,625,079)
		(274,869,883)	(256,125,079)
CURRENT LIABILITIES			
Trade and other payables	8	15,452,188	15,770,427
Mark up accrued on loans	9	132,380,182	132,380,182
Short term borrowings	10	49,856,842	49,856,842
Loan from directors	11	96,646,447	95,385,874
Provision for taxation	12	113,391	113,391
Contingencies and commitments	13	0	0
		294,449,050	293,506,716
		19,579,167	37,381,637
PROPERTY AND ASSETS			
TANGIBLE FIXED ASSETS			
Property, plant and equipment	14	12,291,946	13,108,204
CURRENT ASSETS			
Stores, spare parts and loose tools	15	0	0
Stock-in-trade	16	6,134,237	6,134,237
Trade debts	17	0	0
Advances, deposits and prepayments	18	1,065,968	1,040,673
Other receivables	19	0	17,027,195
Cash and bank balances	20	87,016	71,328
Contingent assets	21	0	0
		7,287,221	24,273,433
		19,579,167	37,381,637

Notes :

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

Dated: 23rd September, 2019

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Statement of Profit or Loss

For the year ended June 30, 2019

	NOTE NO.	30-06-2019 RUPEES	30-06-2018 RUPEES
Sales		0	0
Cost of Sales		0	0
Gross Profit		0	0
Administration expense	22	1,176,596	912,973
Operating Loss		(1,176,596)	(912,973)
Financial expenses - Bank Charges		312	1,268
Other charges	23	17,567,896	2,244,393
		17,568,208	2,245,661
Loss before taxation		(18,744,804)	(3,158,634)
Taxation		0	0
Loss after taxation		(18,744,804)	(3,158,634)
Loss per share	30	(9.37)	(1.58)

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

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Dated: 23rd September, 2019

Statement of Comprehensive Income

For the year ended June 30, 2019

	30-06-2019 RUPEES	30-06-2018 RUPEES
Net loss after taxation	(18,744,804)	(3,158,634)
Other comprehensive (loss)/ income:		
<i>Items that will not be reclassified to statement of profit or loss:</i>		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Other comprehensive income/(loss) for the year	0	0
Total comprehensive loss for the year	(18,744,804)	(3,158,634)

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

Dated: 23rd September, 2019

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Statement Cash Flows

For the year ended June 30, 2019

	NOTE NO.	30-06-2019 RUPEES	30-06-2018 RUPEES
Cash flow from Operating Activities			
Loss before taxation		(18,744,804)	(3,158,634)
Depreciation	14	521,057	612,394
Provision for bad and doubtful other receivables	23	17,027,195	1,934,393
Loss on disposal of assets		230,701	0
		17,778,953	2,546,787
Operating loss before working capital changes		(965,851)	(611,847)
(Increase) / Decrease in current assets			
Trade debts		0	0
Advances, deposits and prepayments		0	0
Other receivable		0	0
(Decrease) / Increase in current liabilities			
Trade and other payables		(318,239)	301,473
		(318,239)	301,473
Cash used in operations		(1,284,090)	(310,374)
Taxes paid		(25,295)	(4,750)
Net used in Operating Activities		(1,309,385)	(315,124)
Cash flow from investing activities			
Proceeds from disposal of fixed assets	23.1	64,500	0
Fixed capital expenditure		0	0
		64,500	0
Cash flow from financing activities			
Loan from directors		1,260,573	313,856
		1,260,573	313,856
Net Increase/(Decrease) cash and cash equivalents		15,688	(1,268)
Cash and Cash equivalents at the beginning of the year	20	71,328	72,596
Cash and cash equivalents at the end of the year	20	87,016	71,328

Dated: 23rd September, 2019

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Statement of Changes in Equity

For the year ended June 30, 2019

	Share Capital	General Reserve	Accumulated (Loss)	Total
Balance as at June 30, 2017	20,000,000	53,500,000	(326,466,445)	(252,966,445)
Loss for the year	0	0	(3,158,634)	(3,158,634)
Other comprehensive income / (loss)	0	0	0	0
	0	0	(3,158,634)	(3,158,634)
Balance as at June 30, 2018	20,000,000	53,500,000	(329,625,079)	(256,125,079)
Loss for the year	0	0	(18,744,804)	(18,744,804)
Other comprehensive income / (loss)	0	0	0	0
	0	0	(18,744,804)	(18,744,804)
Balance as at June 30, 2019	20,000,000	53,500,000	(348,369,883)	(274,869,883)

RAUF ALAM

Chief Executive

Dated: 23rd September, 2019

AFTAB ALAM

Director

MUHAMMAD ISMAIL

Chief Financial Officer

Notes to the Financial Statements

For the year ended June 30, 2019

1 THE COMPANY AND ITS OPERATIONS

- 1.1 **Fateh Sports Wear Limited** is incorporated in Pakistan as a public limited company and is listed on the Pakistan Stock Exchange Limited (Formerly Karachi Stock Exchange).

The Principal activity of the Company is the manufacture of ready made garments and selling them locally as well as doing exports.

The registered office of the company is situated at 442-Mirpurkhas Road, Hyderabad.

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's ability to continue as a going concern, for the reasons discussed below:

- **the operations of the company were closed since the year 2003.** In the year 2011 the company had started producing and supplying goods to foreign as well as local customers with an aim to secure further orders for commencing the production activities in full swing viably anew. But due to scarce financial resources the operations were not viable hence the operation are closed from March, 2015. The core reason for discontinuation and incurring losses was 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.
- **there are accumulated losses amounting to Rs. 348.37 million with negative equity of Rs. 274.87 million and current liabilities of the company exceed its current assets by Rs. 287.16 million.** It is stated that the sum due to related parties amounts to Rs. 98.66 million. Further, old foreign debts were fully provided in the year 2013 consequent to delinkage of the same from Company's claims from Russia. (Reference Note No. 17 read with Note No. 21). The management has filed appeal before the Honorable Foreign Exchange Regulation Appellate Board, Karachi against the order of Honorable 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 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 to take any coercive measure against the appellant till further direction of this Appellate Board. Further during the year the Company has filed constitutional petition before the honourable High Court of Sindh at Karachi (Please refer note no. 13.2). Thus the amount provided towards foreign trade debtors would be reversed by Rs. 296.3 million making the negative equity to positive figure. Further with the reversal of provision for foreign trade debts, the working capital would become positive;
- the financial ratios are adverse; and
- the company is unable to settle its outside debts.

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 Honorable 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 2.650 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 operations after receipt of stuck up funds from Russia;
- iii) Start of other alternative profitable business activities with available financial resources, that will lead to a significant increase in income;
- iv) 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 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements. For a detailed discussion about these significant transactions and events please refer to the Directors' report.

3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

4.1 Effective in current year and are relevant to the Company.

The Company has adopted all the new standards and amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year:

a) IFRS 9: Financial Instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

i) Classification and measurement of financial assets and financial liabilities

The revised provisions on the classification and measurement of financial assets (applicable mainly to other receivables and cash and bank balances) and financial liabilities (mainly trade creditors and interest-bearing debt) have not affected company's financial information. Consequently, the comparative figures have not been restated on the introduction of IFRS 9.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at July 1, 2018.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
			AMOUNT IN RUPEES	
Deposits	Loans and receivables	Amortized cost	11,900	11,900
cash and bank balances	Loans and receivables	Amortized cost	71,328	71,328

These above financial assets classified as 'loans and receivables' have been classified at amortized cost.

ii) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognized as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement basis:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Company's financial assets include mainly other receivables and bank balances.

iii) Transition

The Company has used the exemption not to restate comparative periods and any adjustments on adoption of IFRS 9 are to be recognized in statement of changes in equity as on July 1, 2018. However, the adoption of IFRS 9 did not have any impact on opening retained earnings as on July 1, 2018. Accordingly, the comparative information is presented as per the requirements of IAS 39.

- b) IFRS 15 'Revenue from Contracts with Customers'
- IFRS 15 'Revenue from Contracts with Customers' is effective for accounting period beginning on or after July 1, 2018. This standard has replaced IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers.

Since the operations of the company are closed, only accounting policy for revenue recognition is altered (Reference Note No. 5.12).

4.2 Amendments to standards effective in current year and not relevant to the Company

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

4.3 New/revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective

Standard or Interpretation	Effective date (accounting period beginning on or after)
Amendment to IFRS 3 - Amendments regarding the definition of business	1st January, 2020
Amendments to IAS 1 and IAS 8 - Definition of Material	1st January, 2020
The Conceptual Framework for Financial Reporting	1st January, 2020
IFRS 17 – Insurance Contracts	1st January, 2020

Additionally there are certain new standards, amendments and interpretations to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of measurement

These financial statements have been prepared under the "historical cost" convention except as otherwise disclosed in the accounting policies below.

The preparation of financial statements in conformity with the applicable accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.17.

5.2 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.

5.3 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. 14. 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.

5.4 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.

5.5 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.

5.6 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.

5.7 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.

5.8 Borrowing cost

Borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying assets are capitalized as a part of the cost of that asset. All other borrowing costs are charged to income.

5.9 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.

5.10 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.

5.11 Revenue recognition

Sales are recorded on dispatch of goods. Income other than sales are recorded on accrual basis. Sales includes rebates on exports (if any).

To determine whether to recognize revenue, the company follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognizing revenue when/as performance obligation(s) are satisfied.

The company often enters into transactions involving a range of the products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized either at a point in time or over time, when (or as) the company satisfies performance obligations by transferring the promised goods or services to its customers.

The company recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the company satisfies a performance obligation before it receives the consideration, it recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

5.12 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.

5.13 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.

5.14 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. In case when comparable prices from the market are not available, approval of the Board is obtained.

5.15 Financial instruments

5.15.1 Financial assets

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

a) Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently re-measured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

5.15.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

5.15.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.16 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.

5.17 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. The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.17.1 Critical accounting estimates and assumptions

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.

5.17.2 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 2018.

			30-06-2019 RUPEES	30-06-2018 RUPEES
6. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL				
	2019	2018		
	<i>Number of shares</i>	<i>Ordinary shares of Rs.10/- each</i>		
	50,000	50,000	Fully paid in cash	500,000
	1,950,000	1,950,000	Shares issued as bonus shares	19,500,000
	2,000,000	2,000,000		20,000,000
7. GENERAL RESERVE				
Opening Balance			53,500,000	53,500,000
Provided during the year			0	0
			53,500,000	53,500,000
8. TRADE AND OTHER PAYABLES				
Creditors			9,588,923	9,588,923
Accrued expenses			1,530,237	1,861,376
Due to associated undertakings			2,013,642	2,013,642
Others			2,319,386	2,306,486
			15,452,188	15,770,427
9. MARKUP ACCRUED ON LOANS				
Markup on secured finance			132,380,182	132,380,182
No markup is charged during the year)Please refer note no. 13.1)				
10. SHORT TERM BORROWINGS				
From banking companies - Allied Bank Limited (Secured)	10.1		49,856,842	49,856,842
10.1 This represents amount secured against hypothecation of stock-in-trade, stores, book debts, lien on export contracts, documents and letters of credit and foreign bills drawn as well as equitable mortgage on fixed assets. This represents of Running Finance of Rs. 41,856,842/- (including FIM Account of Rs. 7,856,842/-), and Rs. 8,000,000/- representing foreign documents purchased.				
11. LOAN FROM DIRECTORS				
From Directors (unsecured)			96,646,447	95,385,874
During the year amount of Rs. 1,260,573/- (2018 : 313,856/-) received from directors which is interest free and repayable on demand.				
The loan was acquired to meet routine expenditure and to settlement of liabilities including loan from banks.				
12. PROVISION FOR TAXATION				
Opening Balance			113,391	113,391
Provided during the year			0	0
			113,391	113,391
12.1 No provision for deferred taxation is required and the case of the Company also falls under presumptive tax regime.				
13. CONTINGENCIES AND COMMITMENTS.				
13.1 Allied Bank of Pakistan has filed suit for the recovery of outstanding amount before the honourable High Court of Sindh at Karachi in August 2002, against which the company has accounted for sufficient provision.				
13.2 In the year 2014, orders were issued by the honourable Foreign Exchange Adjudication Court, State Bank of Pakistan, Banking Services Corporation for realization of export proceeds to the tune of US \$ 3,395,873.38. 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 \$ 16,979,366.90. 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 on 12.09.2017 has filed constitutional petition before the honourable High Court of Sindh at Karachi against the said orders. The honourable High Court has granted stay till the decision of the case.				

14. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST			DEPRECIATION					Book Value as at 30-Jun-19
	As on 01-Jul-18	Addition/ (Deletion)	As on 30-Jun-19	Accumulated as at 01-Jul-18	Adjustments	Charged for the year	Rate (%)	Accumulated as at 30-Jun-19	
Land on lease hold	7,624,853	-	7,624,853	-	-	-	-	-	7,624,853
Factory Building on lease hold	15,697,192	-	15,697,192	15,046,552	-	65,064	10	15,111,616	585,576
Plant & Machinery	35,362,937	-	35,362,937	33,014,841	-	234,810	10	33,249,651	2,113,286
Air Conditioning Plant	9,212,616	-	9,212,616	8,626,293	-	58,632	10	8,684,925	527,691
Tools & Equipments	1,438,043	(978,057)	459,986	1,341,018	(909,371)	2,834	10	434,481	25,505
Furniture & Fixture	4,411,125	(1,667,173)	2,743,952	4,180,239	(1,569,141)	13,285	10	2,624,383	119,569
Office Equipment	771,740	(373,937)	397,803	704,336	(339,447)	3,291	10	368,180	29,623
Vehicles	3,851,681	(209,845)	3,641,836	3,829,134	(209,727)	4,486	20	3,623,893	17,943
Electric Fittings	14,327,262	(833,140)	13,494,122	13,017,917	(754,458)	123,066	10	12,386,525	1,107,597
Arms	187,258	-	187,258	179,717	-	754	10	180,471	6,787
Computers	1,638,972	(154,100)	1,484,872	1,475,428	(138,907)	14,835	10	1,351,356	133,516
30-06-2019	94,523,679	(4,216,252)	90,307,427	81,415,475	(3,921,051)	521,057		78,015,481	12,291,946
30-06-2018	94,523,679	-	94,523,679	80,803,081	-	612,394		81,415,475	

PARTICULARS	COST			DEPRECIATION					Book Value as at 30-Jun-18
	As on 01-Jul-17	Addition/ (Deletion)	As on 30-Jun-18	Accumulated as at 01-Jul-17	Adjustments	Charged for the year	Rate (%)	Accumulated as at 30-Jun-18	
Land on lease hold	7,624,853	-	7,624,853	-	-	-	-	-	7,624,853
Factory Building on lease hold	15,697,192	-	15,697,192	14,974,259	-	72,293	10	15,046,552	650,640
Plant & Machinery	35,362,937	-	35,362,937	32,753,941	-	260,900	10	33,014,841	2,348,096
Air Conditioning Plant	9,212,616	-	9,212,616	8,561,146	-	65,147	10	8,626,293	586,323
Tools & Equipments	1,438,043	-	1,438,043	1,330,237	-	10,781	10	1,341,018	97,025
Furniture & Fixture	4,411,125	-	4,411,125	4,154,585	-	25,654	10	4,180,239	230,886
Office Equipment	771,740	-	771,740	696,847	-	7,489	10	704,336	67,404
Vehicles	3,851,681	-	3,851,681	3,823,497	-	5,637	20	3,829,134	22,547
Electric Fittings	14,327,262	-	14,327,262	12,872,434	-	145,483	10	13,017,917	1,309,345
Arms	187,258	-	187,258	178,879	-	838	10	179,717	7,541
Computers	1,638,972	-	1,638,972	1,457,256	-	18,172	10	1,475,428	163,544
30-06-2018	94,523,679	-	94,523,679	80,803,081	-	612,394		81,415,475	13,108,204
30-06-2017	94,523,679	-	94,523,679	80,121,860	-	681,221		80,803,081	

14.1 The depreciation is allocated as under:

	30-Jun-19	30-Jun-18
(a) Cost of Sales	0	0
(b) Administration Expenses	521,057	612,394
	521,057	612,394

14.2 Particulars of immovable property (i.e. land and building) in the name of Company as follows:

S. No.	Location	Usage of immovable property	Total Area
1	Plot City Survey Nos. 15, 17 and 18 Ward-A, Government College Road, Near Phuleli Lake, Kali Mori, Hyderabad Sindh	Production facility Plant	7139 sq.yds
2	Plot Survey Nos. 35, 36, 267, 373 and 453 Deh Nareja, Tapo Giddu Bandar, Latifabad Hyderabad, Sindh.	Open plot	10 Acres & 28 Ghuntas

	30-06-2019	30-06-2018
	RUPEES	RUPEES
15. STORE, SPARE PARTS AND LOOSE TOOLS		
Stores	2,317,712	2,317,712
Spare Parts and loose tools	8,466,020	8,466,020
	10,783,732	10,783,732
Less: Provision for diminution in value	10,783,732	10,783,732
	0	0
16. STOCK -IN-TRADE		
Raw and packing material	21,405,269	21,405,269
Less: Provision for diminution in value	15,271,032	15,271,032
	6,134,237	6,134,237
17. TRADE DEBTS - Unsecured		
Export debts	0	0
Local debts	0	0
Total considered good	0	0
Considered doubtful		
17.1 Export debts	296,253,601	296,253,601
Local debts	28,436	28,436
	296,282,037	296,282,037
17.2	296,282,037	296,282,037
Less: Provisions for bad and doubtful debts		
-Opening balance	(296,282,037)	(294,347,644)
-Provided during the year	0	(1,934,393)
	(296,282,037)	(296,282,037)
	0	0
17.1	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 honourable 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 accordingly provided for. Goods exported to former Russian Government under Sea Freight Compensation (CFO) Scheme in 90's via USA parties amounts to Rs. 294,319,208/- for which provision is made for doubtful debts but are not considered as defaulting export debtors. (Please refer note no. 13.2)	
17.2	The aging of trade debts is under:	
	upto 1 year and above	1,934,393
	upto 5 year and above	294,347,644
	296,282,037	296,282,037

	30-06-2019 RUPEES	30-06-2018 RUPEES
18. ADVANCES, DEPOSITS AND PREPAYMENTS - Unsecured		
Advances - Considered good		
Income tax	1,054,068	1,028,773
Deposits - Considered good		
Securities - others	11,900	11,900
	1,065,968	1,040,673
Advances-considered doubtful	161,123	161,123
	1,227,091	1,201,796
Less: Provision for bad and doubtful	(161,123)	(161,123)
	1,065,968	1,040,673
19. OTHER RECEIVABLES		
Export rebate - considered goods	17,027,195	17,027,195
Less: Provision for bad and doubtful	(17,027,195)	0
	0	17,027,195
20. CASH AND BANK BALANCES		
Cash in hand	14,519	1,619
With Banks on current account	72,497	69,709
	87,016	71,328
21. CONTINGENT ASSETS		
The Government of Pakistan and Russian Government were 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. The Company had also filed suit before the Honorable High Court of Sindh against the Pakistan Government and Russian Government for recovery of stuckup funds for sea freight compensation of USD 9,450,000.00 plus USD 9,261,000.00 (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. The 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 USD 2.650 million approximately. 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 of Pakistani Exporters, for which negotiations are still in process. However no progress in this regard is made during the year.		
22. ADMINISTRATION EXPENSES		
Rent, rates and taxes	60,844	172,710
Fee and subscription	206,056	0
Printing and stationery	0	19,200
Utilities expenses	388,639	108,669
Depreciation	521,057	612,394
	1,176,596	912,973

		30-06-2019	30-06-2018
		RUPEES	RUPEES
23. OTHER CHARGES			
<i>Auditors' remuneration</i>			
Audit fee		250,000	250,000
Half yearly review		60,000	60,000
		310,000	310,000
Less on disposal of assets	23.1	230,701	0
Provision for bad and doubtful other receivables		17,027,195	1,934,393
		17,257,896	1,934,393
		17,567,896	2,244,393
23.1 Loss on disposal of assets			
Sale proceeds		64,500	0
Cost of assets		4,216,252	0
Less: Accumulated depreciation		3,921,051	0
Net book value		295,201	0
		230,701	0
24. 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.			
25. AGGREGATE OF TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS			
i) Purchase of goods and services		0	0
ii) Sales of goods and 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;			
M/s. Finishers Limited		0	0
Mr. Saeed Alam - Director		869,573	313,856
Mr. Rauf Alam - Director		391,000	-
vi) Any other transaction		0	0

26. Financial Instruments and Related Disclosures

2019

26.1 Financial Assets and Liabilities

Effective yield Markup Rate	Interest / Markup bearing			Non-Interest / Markup bearing		
	Maturity upto	Maturity after	Total	Maturity upto	Maturity after	Total
	one year	one year	Rupees	one year	one year	Rupees
Financial Assets						
Trade debts	0	0	0	0	0	0
Other receivables	0	0	0	0	0	0
Cash and Bank Balances	0	0	0	87,016	0	87,016
	<u>0</u>	<u>0</u>	<u>0</u>	<u>87,016</u>	<u>0</u>	<u>87,016</u>
Financial Liabilities						
Markup accrued on loans	0	0	0	132,380,182	0	132,380,182
Short Term Borrowings	49,856,842	0	49,856,842	0	0	0
Loan from directors	0	0	0	96,646,447	0	96,646,447
Trade and other payables	0	0	0	15,452,188	0	15,452,188
	<u>49,856,842</u>	<u>0</u>	<u>49,856,842</u>	<u>244,478,817</u>	<u>0</u>	<u>244,478,817</u>

2018

Financial Assets and Liabilities

Effective yield Markup Rate	Interest / Markup bearing			Non-Interest / Markup bearing		
	Maturity upto	Maturity after	Total	Maturity upto	Maturity after	Total
	one year	one year	Rupees	one year	one year	Rupees
Financial Assets						
Trade debts	0	0	0	0	0	0
Other receivables	0	0	0	17,027,195	0	17,027,195
Cash and Bank Balances	0	0	0	71,328	0	71,328
	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,098,523</u>	<u>0</u>	<u>17,098,523</u>
Financial Liabilities						
Markup accrued on loans	0	0	0	132,380,182	0	132,380,182
Short Term Borrowings	49,856,842	0	49,856,842	0	0	0
Loan from directors	0	0	0	95,385,874	0	95,385,874
Trade and other payables	0	0	0	15,770,427	0	15,770,427
	<u>49,856,842</u>	<u>0</u>	<u>49,856,842</u>	<u>243,536,483</u>	<u>0</u>	<u>243,536,483</u>

26.2 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 borrowings from banking companies.

b) Foreign Exchange rate risk management.

No foreign currency loan is repayable.

c) Credit Risk Management.

The company is exposed to a concentration of credit risk on its trade debts amounting to Rs. 296,253,601/- by virtue of all of its customers being foreigners. and only Rs. 28,436/- trade debts related to business in Pakistan. The company do not have any limits on its customers.

26.3 Fair value of Financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

27. Related Party Disclosure.

Name of Directors	Also Directors in following Associated Companies		
Mr. Rauf Alam	Fateh Industries Ltd.	Finishers Limited	Trends Limited
Mr. Aftab Alam	Fateh Industries Ltd.	Finishers Limited	--
Mr. Saeed Alam	Fateh Industries Ltd.	Finishers Limited	Trends Limited
Mr. Faraz Alam	Fateh Industries Ltd.	Finishers Limited	--
Mr. Ashhar Alam	Fateh Industries Ltd.	Finishers Limited	--
Mr. Jamal Alam	Fateh Industries Ltd.	Finishers Limited	--
Mr. Aneek Alam	Fateh Industries Ltd.	Finishers Limited	--

28. Production Capacity

The capacity and production of the company's plant is indeterminable as it varies for different varieties of goods.

29. Number of Employees

Total number of employees at the end of the year were NIL (2018: NIL).

Average number of employees during the year were NIL (2018: NIL).

30. Loss per Share

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

		2019	2018
Loss after taxation	Rs.	(18,744,804)	(3,158,634)
Number of Ordinary Shares		2,000,000	2,000,000
Loss per share	Rs.	(9.37)	(1.58)

31. Date of Authorization of Issue

These financial statements were authorized for issue on **23rd September, 2019** by the Board of Directors of the Company.

32. Figures

Figures have been rounded off to the nearest rupee.

Dated: 23rd September, 2019

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

**Pattern of holding of the shares held
by the shareholders of Fateh Sports Wear Limited
as at 30th June, 2019**

NO. OF SHAREHOLDERS	SHAREHOLDING				TOTAL SHARES HELD
41	From	1	To	100	2,859
46	From	101	To	500	13,654
12	From	501	To	1,000	9,922
8	From	1,001	To	5,000	15,819
4	From	5,001	To	10,000	26,840
3	From	10,001	To	15,000	36,710
1	From	15,001	To	20,000	15,175
1	From	20,001	To	25,000	23,003
1	From	35,001	To	40,000	38,340
1	From	45,001	To	50,000	45,300
1	From	50,001	To	55,000	53,270
1	From	150,001	To	155,000	151,047
1	From	210,001	To	215,000	210,025
1	From	225,001	To	230,000	225,175
1	From	265,001	To	270,000	266,715
1	From	270,001	To	275,000	274,950
1	From	290,001	To	295,000	294,261
1	From	295,001	To	300,000	296,935
126			TOTAL		2,000,000

S. NO.	CATEGORIES OF SHAREHOLDERS	NUMBERS	TOTAL SHARES HELD	PERCENTAGE
1.	Individuals	116	1,903,530	95.18%
2.	Mutual Fund	1	45,300	2.27%
3.	Joint Stock Companies	2	5,905	0.30%
4.	Financial Institutions	3	32,800	1.64%
5.	Investment Company	3	12,380	0.62%
6.	Others	1	85	0.00%
	TOTAL	126	2,000,000	100.00%

CATEGORIES OF SHAREHOLDERS

S.No.	Name	No. of Shares	%
1.	Associated Companies		Nil
2.	NIT / ICP (Name wise details)		
	CDC Trustee - National Investment (Unit) Trust	45,300	
	Investment Corporation of Pakistan	680	
	National Bank of Pakistan - Trustee Department	5,200	
	Total >	51,180	2.56%
3.	Directors, CEO their spouses and minor children		
	Mr. Rauf Alam	266,715	
	Mr. Aftab Alam	296,935	
	Mr. Saeed Alam	274,950	
	Mr. Faraz Alam	38,340	
	Mr. Ashhar Alam	15,175	
	Mr. Jamal Alam	14,610	
	Mr. Aneek Alam	11,050	
	Mrs. Seema Rauf	210,025	
	Mrs. Shabana Aftab	225,175	
	Mrs. Rana Saeed	294,261	
	Mr. Anhar Alam	11,050	
	Total >	1,658,286	82.91%
4.	Executive		Nil
5.	Public Sector Companies & Corporation		Nil
6.	Banks, DFIs, NBFIs, Modarbas, Insurance Companies Mutual Funds & Others		
	National Bank of Pakistan	23,100	
	The Bank of Punjab	9,700	
	Pakistan Industrial Credit & Investment Corporation	6,500	
	Fateh Mohammad Akber	5,440	
	Fateh Textile Mills Limited	465	
	Abandoned Properties	85	
	Total >	45,290	2.26%

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PROXY FORM

Folio No. _____ No of Shares held _____ I/we
_____ of _____ being a
member(s) of **Fateh Sports Wear Limited**, Hyderabad, entitled to Vote(s) hereby appoint
_____ of
_____ as my / our proxy to vote for me/us and on my/our
behalf at the 36th Annual General Meeting of the Company to be held on Monday October 28, 2019 at
9.00 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 _____ 2019

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.