ANNUAL REPORT
2017

Fateh
Sports Wear
Limited

Mirpurkhas Road, Hyderabad, Pakistan.

Contents

Notice of Annual General Meeting

Fateh Sports Wear Limited

Notice is hereby given that the 34th Annual General Meeting of Shareholders of **FATEH SPORTS WEAR LIMITED** will be held on Saturday, October 28, 2017 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 Annual General Meeting held on October 31, 2016.
2. To receive, consider and adopt the Audited Accounts of the Company and the Directors' and Auditors' Reports thereon for the year ended 30th June, 2017.
3. To appoint Auditors for the year 2017-2018 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

By order of the Board
for FATEH SPORTS WEAR LIMITED

Hyderabad.
October 4, 2017

Ghous Muhammad Khan
Company Secretary

NOTES :

1. The share transfer books of the Company will remain closed for 7 days from 22nd to 28th October, 2017 (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 by the Company at the Registered Office not later than 48 hours before the time of holding the meeting.
4. Shareholders are required to notify the change of their address if any, immediately
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) 3885263-67
Fax: (92-22) 3886706
Email: fsw@fateh1.com
Web: www.fatehsports.com

PLANT
Kali Mori
Hyderabad

Directors' Report to the Members
for the year ended June 30, 2017

The Board of Directors present their report and financial statements of the Company alongwith Auditors' Report for the year ended June 30, 2017.

Due to unfavorable economic condition of International and Local Market, there were no sales recorded in the books of account. However, the management is considering other options such as trading etc to reactivate the operation of the Company. During the year Company incurred Operating Loss of Rs.0.941 million in respect of administration expenses whereas earned profit of Rs. 0.005 million as exchange gain on trade debts. After financial and other charges of Rs.0.311 million. Net loss before taxation is realized and carried forward to balance sheet is Rs.1.247 million. Loss per share is Rs. 0.62.

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, Government of Pakistan has finalized the draft protocol to be signed by two Government in forthcoming months.

Compliance with the Code of Corporate Governance (CCG):

The requirements of Code of Corporate Governance set out by Pakistan Stock Exchange in their listing rules, relevant for the year ended June 30, 2017, have been duly complied with, except for those disclosed in statement of compliance with CCG. The Directors confirm the compliance of 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)

	2011	2012	2013	2014	2015	2016	2017
Sales	8,032	15,307	14,955	35,800	23,363	0	0
Gross Profit / (Loss)	956	1,831	315	344	523	0	0
Selling & Administration Expenses	7,892	1,880	2,329	4,516	7,760	1,619	(941)
Profit/(Loss) before Taxation	(18,880)	12,433	(319,525)	153,767	(7,625)	(1,248)	(1,247)
Profit/(Loss) after Taxation	(18,948)	12,400	(319,430)	152,777	(7,716)	(1,248)	(1,247)
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	(88,503)	(76,103)	(395,533)	(242,755)	(250,471)	(251,719)	(252,966)
Fixed Assets	18,683	17,904	16,867	16,003	15,160	14,402	13,721
Total Assets	308,457	341,921	46,755	48,872	44,053	41,750	39,925

- 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 (04) 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	04
2.	Mr. Aftab Alam	04
3.	Mr. Saeed Alam	04
4.	Mr. Faraz Alam	04
5.	Mr. Ashhar Alam	04
6.	Mr. Jamal Alam	04
7.	Mr. Aneek Alam	04

- 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.

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.

2. The company has not made provision for doubtful balances in other receivables amounting to Rs. 17.027 million. The Company will adjust the same after immediately receipt of stuck up funds.

   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 the 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. In these circumstances, the management is expecting recovery of stuck up funds and plans to restart its operations viably anew.

Auditors

The retiring Auditors M/s. Tanwir Arif & Co., Chartered Accountants, being eligible offer themselves for re-appointment for the financial year 2018. Based on the recommendation of the Audit Committee, the Directors have also proposed the re-appointment of M/s. Tanwir Arif & Co., Chartered Accountants as statutory Auditors for the year ending June 30, 2018.

Place: Hyderabad
Dated: 25th September, 2017

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of listing regulations of Pakistan Stock Exchange Limited (formerly KSE) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Name
Independent Directors	Nil
Executive Directors	M/s. Rauf Alam and Saeed Alam
Non-Executive Directors	M/s. Aftab Alam, Faraz Alam, Ashhar Alam, Jamal Alam and Aneek Alam

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy was occurred in the Board till **June 30, 2017**.

5. 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.

6. 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.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. The meetings of the board were presided over by the Chief Executive Officer and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. In accordance with the criteria specified on clause (xi) of CCG, 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 assigned the additional responsibilities of CFO and Company Secretary of Finishers Limited in Group Companies including terms and conditions of employment.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises 03 members at present two of whom are non executive directors and Chairman is an executive director. The condition of clause i (b) of the CCG in relation to independent director will be applicable after election of next board of directors of the company.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises three member all non-executive directors and the chairman of the Committee is also a non-executive director.

18. 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.

19. 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, 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.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23. We confirm that all other material principles enshrined in the CCG have been complied with except for the following, towards which reasonable progress is being made by the Company to seek compliance by the end of next accounting year.

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

Dated: 25th September, 2017

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of **M/s. Fateh Sports Wear Limited** ('the Company') for the year ended June 30, 2017 to comply with the requirements of Rule 5.19 of the Rule Book of Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As part of our audit of 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 Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of related party transactions by the board of directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine 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 reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

Further, we highlight below instance of non-compliance with the requirement of the Code as reflected in the note where it is stated in the statement of compliance:

Note/paragraph reference	Description
i. Note No. 1	Independent Director

TANWIR ARIF & CO.
Chartered Accountants
Engagement Partner: Tanwir Arif

Hyderabad: 25th September, 2017

We have audited the annexed Balance Sheet of **Fateh Sports Wear Limited** (the Company) as at **30th June, 2017** and the related Profit and Loss account, Cash Flow Statement and Statement of Changes in Equity together with notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

1. We have not received confirmations for balance appearing in trade creditors and short term borrowings from banking companies under note no. 5 and 7.1 respectively to the accounts. Hence, their balances remained un verified in spite of reminders.
2. the company has not made provision for doubtful balances in other receivables amounting to Rs. 17.027 million. Had this provision been made, loss for the year would have increased by the said amount.

a) in our opinion, except for the effect of the matters referred to in paras 1 and 2 above, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

b) in our opinion, except for the effect of the matters referred to in paras 1 and 2 above:

i) the Balance Sheet and Profit and Loss Account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the company's business; and

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

c) Except for paragraphs 1 and 2 above, in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2017 and of the loss, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII) of 1980.

Without further qualifying our opinion, we draw attention to note no. 1.2 to the financial statements. As stated in the note as at June 30, 2017 the Company has accumulated losses of Rs. 326.47 million resulting in net negative equity of Rs. 252.97 million. Further, current liabilities of the Company exceed its current assets by Rs. 266.69 million. These conditions, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

TANWIR ARIF & CO.
Chartered Accountants
Engagement Partner: Tanwir Arif

Hyderabad: 25th September, 2017

Fateh Sports Wear Limited

Balance Sheet as at June 30, 2017

	NOTE NO.	30-06-2017 RUPEES	30-06-2016 RUPEES
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
5,000,000 ordinary shares of Rs. 10/- each		50,000,000	50,000,000
Issued, subscribed and paid up share capital	3	20,000,000	20,000,000
General reserve	4	53,500,000	53,500,000
Accumulated loss		(326,466,445)	(325,219,384)
		(252,966,445)	(251,719,384)
CURRENT LIABILITIES			
Trade and other payables	5	15,468,954	16,936,014
Mark up accrued on loans	6	132,380,182	132,380,182
Short term borrowings	7	144,928,860	144,040,267
Provision for taxation	8	113,391	113,391
Contingencies and commitments	9	0	0
		292,891,387	293,469,854
		39,924,942	41,750,470
PROPERTY AND ASSETS			
TANGIBLE FIXED ASSETS			
Property, plant and equipment	10	13,720,598	14,401,819
CURRENT ASSETS			
Stores, spare parts and loose tools	11	0	0
Stock-in-trade	12	6,134,237	6,134,237
Trade debts	13	1,934,393	1,937,791
Advances, deposits and prepayments	14	1,035,923	1,069,381
Other receivables	15	17,027,195	17,996,069
Cash and bank balances	16	72,596	211,173
Contingent assets	17	0	0
		26,204,344	27,348,651
		39,924,942	41,750,470

Notes :

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

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Dated: 25th September, 2017

Profit & Loss Account
for the year ended June 30, 2017

Fateh Sports Wear Limited

	NOTE NO.	30-06-2017 RUPEES	30-06-2016 RUPEES
Sales		0	0
Cost of Sales		0	0
Gross Profit		0	0
Administration expense	18	941,384	1,618,170
Operating Loss		(941,384)	(1,618,170)
Other Income-Liabilities written back		0	626,848
Exchange gain		5,537	55,374
		(935,847)	(935,948)
Financial expenses - Bank Charges		1,214	2,039
Other charges	19	310,000	310,000
		311,214	312,039
Loss before taxation		(1,247,061)	(1,247,987)
Taxation		0	0
Loss after taxation		(1,247,061)	(1,247,987)
Other comprehensive income		0	0
Total comprehensive Loss for the year		(1,247,061)	(1,247,987)
Loss per share		(0.62)	(0.62)

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

Dated: 25th September, 2017

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Cash Flow Statement
for the year ended June 30, 2017

Fateh Sports Wear Limited

	NOTE NO.	30-06-2017 RUPEES	30-06-2016 RUPEES
Cash flow from Operating Activities			
Loss before taxation		(1,247,061)	(1,247,987)
Depreciation	10	681,221	757,888
Liabilities written back		0	(626,848)
Balances written off		0	671,606
Exchange gain		(5,537)	(55,374)
		675,684	747,273
Operating loss before working capital changes		(571,377)	(500,714)
(Increase) /Decrease in current assets			
Stock-in-trade		0	0
Trade Debts		8,935	16,036
Advances, deposits and prepayments		36,916	595,530
Other receivable		968,874	307,179
(Decrease) / Increase in current liabilities			
Trade and other payables		(1,467,060)	(850,834)
		(452,335)	67,911
Cash flow from operations		(1,023,712)	(432,803)
Taxes paid		(3,458)	(4,030)
Net Cash flow from Operating Activities		(1,027,170)	(436,833)
Cash flow from investing activities			
Fixed capital expenditure		0	0
Cash flow from financing activities			
Short term borrowings			
From Directors		888,593	423,436
		888,593	423,436
Net (Decrease) in cash and cash equivalents during the year	16	(138,577)	(13,397)
Cash and Cash equivalents at the beginning of the year	16	211,173	224,570
Cash and cash equivalents at the end of the year		72,596	211,173

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Dated: 25th September, 2017

Statement of Changes in Equity
for the year ended June 30, 2017

Fateh Sports Wear Limited

	Share Capital	General Reserve	Accumulated (Loss)	Total
Balance as at June 30, 2016	**20,000,000**	**53,500,000**	**(323,971,397)**	**(250,471,397)**
Loss for the year	0	0	(1,247,987)	(1,247,987)
Balance as at June 30, 2017	**20,000,000**	**53,500,000**	**(325,219,384)**	**(251,719,384)**
Loss for the year	0	0	(1,247,061)	(1,247,061)
Balance as at June 30, 2017	**20,000,000**	**53,500,000**	**(326,466,445)**	**(252,966,445)**

RAUF ALAM
Chief Executive

AFTAB ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Dated: 25th September, 2017

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.

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 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 recourses 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. 326.47 million with negative equity of Rs. 252.97 million and current liabilities of the company exceed its current assets by Rs. 206.69 million. It is stated that the sum due to related parties amounts to Rs. 97.09 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. 13 read with Note No. 17). The management has filed appeal before the Hon'ble Foreign Exchange Regulation Appellate Board, Karachi against the order of Hon'ble 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 annuled and set aside the said order and directed the adjudication officer to pass a fresh speaking and final order on all legal and factual grounds and further directed to not to take any coersive measure against the appellant till further direction of this Appellate Board. Thus the amount provided towards foreign trade debtors would be reversed by Rs. 204.3 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 Hon'ble 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 2.95 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) 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 **Accounting Convention**

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

2.2 Basis of Preparation

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan vide its circular no. 17 of 2017 dated July 20, 2017 communicated that the Commission has decided that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

2.3 Changes in accounting standards, interpretations and pronouncements

a) New and amended standards and interpretations that are effective in the current year and are not relevant

New standards, amendments and interpretations that are mandatory for accounting periods beginning on July 1, 2016 are considered not to be relevant for the Company's financial statements and hence have not been detailed in these financial statements.

b) Standards, Amendments to Approved Accounting Standards and Interpretations that are published and has been considered but not yet effective.

The following new standards and interpretations have been issued by International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan.

Standard or interpretation	
IFRS 9	Financial instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 17	Insurance Contracts

2.4 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.

2.4.1 Critical accounting estimates and judgments

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 fixes assets

In accordance with the accounting policy, the management carries out an annual assessment of depreciable amount and useful lives of fixed assets. The company seeks advice from the technical department in this regard.

2.4.2 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 2016.

2.5 **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.

2.6 **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. 10. 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.

2.7 **Long Term Investment**

The management determines the appropriate classification of its investments in accordance with the requirements of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' at the time of purchase and classify these investments as either available for sale or held for trading.

Investments are initially recorded at cost being the fair value of the consideration given. Investments other than Term Finance Certificates are accounted for on trade date basis, which is the date that an enterprise commits to purchase or sell an asset.

Available for sale

These are investments that do not fall under held for trading and are stated at fair value with, any resultant gain or loss recognized as separate component of equity until investments are sold, disposed off or until the investment is determined to be impaired, at which time the accumulated gain or loss previously reported in equity is included in profit and loss account.

Held for trading

Held for trading investments are those which are either acquired for generating a profit from short term fluctuation in prices or dealers margin. Subsequently held for trading investments are re-measured at fair value with any resultant gain or loss recognized in the profit and loss account.

2.8 **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.

2.9 **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.

2.10 **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.

2.11 **Foreign Currency Transaction**

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.

2.12 **Borrowing Cost**

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

2.13 **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.

2.14 **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.

2.15 **Revenue Recognition**

Sales are recorded on dispatch of goods. Income other than sales are recorded on accrual basis.

2.16 **Sales**

Sales include rebates on export sales.

2.17 **Offsetting of Financial Assets and Financial Liabilities**

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the company has the legal enforceable right to set off the transaction and also tends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.18 **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.

2.19 **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.

2.20 **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.

2.21 **Financial Assets and Liabilities**

All financial assets and liabilities are initially recognized at cost which is fair value for the consideration received or given. These financial assets and liabilities are subsequently measured at fair value.

2.22 **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.

			30-06-2017 RUPEES	30-06-2016 RUPEES
3.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**			
	Fully paid-up ordinary shares of Rs. 10/- each			
	50,000 (2016: 50,000) issued for cash		**500,000**	500,000
	1,950,000 (2016: 1,950,000) issued as bonus shares		**19,500,000**	19,500,000
			20,000,000	20,000,000
4.	**GENERAL RESERVE**			
	Opening Balance		**53,500,000**	53,500,000
	Provided during the year		**0**	0
			53,500,000	53,500,000
5.	**TRADE AND OTHER PAYABLES**			
	Creditors		**9,588,923**	11,259,081
	Accrued expenses		**1,559,903**	1,558,756
	Due to associated undertakings		**2,013,642**	1,811,690
	Others		**2,306,486**	2,306,487
			15,468,954	16,936,014
6.	**MARKUP ACCRUED ON LOANS**			
	Markup on secured finance		**132,380,182**	132,380,182
7.	**SHORT TERM BORROWINGS**			
	From banking companies (secured)	7.1	**49,856,842**	49,856,842
	From directors (unsecured)	7.2	**95,072,018**	94,183,425
			144,928,860	144,040,267

7.1 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 includes Running Finance of Rs. 41,856,842/- and Rs. 8,000,000/- representing foreign documents purchased by Allied Bank Limited.

7.2 During the year amount of Rs. 888,593/- received from directors which is interest free and repayable on demand.

8.	**PROVISION FOR TAXATION**		
	Opening Balance	**113,391**	113,391
	Provided during the year	**0**	0
	Adjusted from advance tax due to final tax during the year	**0**	0
		113,391	113,391

8.1 No provision for deferred taxation is required as there are no timing differences, and the case of the Company falls under presumptive tax regime.

9. CONTINGENCIES AND COMMITMENTS.

9.1 Allied Bank of Pakistan has filed suit for the recovery of outstanding amount before the High Court of Sindh at Karachi in August 2002, against which the company has accounted for sufficient provision.

9.2 In the year 2014, orders were issued by the Hon'ble 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 annuled 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 has subsequent to the balance sheet date on 12.09.2017 has file constitutional petition before the Hon'ble High Court of Sindh at Karachi against the said orders. The Hon'ble High Court has granted stay till the decision of the case.

10. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST			DEPRECIATION				Book Value as at 30-Jun-17
	As on 1-Jul-16	Addition/ (Deletion)	As on 30-Jun-17	Accumulated as at 1-Jul-16	Charged for the year	Rate (%)	Accumulated as at 30-Jun-17	
	1	2	3	4	5	6	7	8
Land on lease hold	7,624,853	-	7,624,853	-	-	-	-	7,624,853
Factory Building on lease hold	15,697,192	-	15,697,192	14,893,933	80,326	10	14,974,259	722,933
Plant & Machinery	35,362,937	-	35,362,937	32,464,053	289,888	10	32,753,941	2,608,996
Air Conditioning Plant	9,212,616	-	9,212,616	8,488,760	72,386	10	8,561,146	651,470
Tools & Equipments	1,438,043	-	1,438,043	1,318,259	11,978	10	1,330,237	107,806
Furniture & Fixture	4,411,125	-	4,411,125	4,126,080	28,505	10	4,154,585	256,540
Office Equipment	771,740	-	771,740	688,525	8,322	10	696,847	74,893
Vehicles	3,851,681	-	3,851,681	3,816,451	7,046	20	3,823,497	28,184
Electric Fittings	14,327,262	-	14,327,262	12,710,786	161,648	10	12,872,434	1,454,828
Arms	187,258	-	187,258	177,948	931	10	178,879	8,379
Computers	1,638,972	-	1,638,972	1,437,065	20,191	10	1,457,256	181,716
6/30/2017	94,523,679	-	94,523,679	80,121,860	681,221		80,803,081	13,720,598
30-06-2016	94,523,679	-	94,523,679	79,363,972	757,888		80,121,860	=

PARTICULARS	COST			DEPRECIATION				Book Value as at 30-Jun-16
	As on 1-Jul-15	Addition/ (Deletion)	As on 30-Jun-16	Accumulated as at 1-Jul-15	Charged for the year	Rate (%)	Accumulated as at 30-Jun-16	
	1	2	3	4	5	6	7	8
Land on lease hold	7,624,853	-	7,624,853	-	-	--	-	7,624,853
Factory Building on lease hold	15,697,192	-	15,697,192	14,804,682	89,251	10	14,893,933	803,259
Plant & Machinery	35,362,937	-	35,362,937	32,141,955	322,098	10	32,464,053	2,898,884
Air Conditioning Plant	9,212,616	-	9,212,616	8,408,332	80,428	10	8,488,760	723,856
Tools & Equipments	1,438,043	-	1,438,043	1,304,950	13,309	10	1,318,259	119,784
Furniture & Fixture	4,411,125	-	4,411,125	4,094,408	31,672	10	4,126,080	285,045
Office Equipment	771,740	-	771,740	679,279	9,246	10	688,525	83,215
Vehicles	3,851,681	-	3,851,681	3,807,643	8,808	20	3,816,451	35,230
Electric Fittings	14,327,262	-	14,327,262	12,531,178	179,608	10	12,710,786	1,616,476
Arms	187,258	-	187,258	176,914	1,034	10	177,948	9,310
Computers	1,638,972	-	1,638,972	1,414,631	22,434	10	1,437,065	201,907
6/30/2016	94,523,679	-	94,523,679	79,363,972	757,888		80,121,860	14,401,819
30-06-2015	94,523,679		94,523,679	79,520,648	843,324		79,363,972	

The depreciation is allocated as under:

		30-Jun-17	30-Jun-16
(a)	Cost of Sales	0	0
(b)	Administration Expenses	681,221	757,888
		681,221	757,888

		Note	30-06-2017 RUPEES	30-06-2016 RUPEES
11.	**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
12.	**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
13.	**TRADE DEBTS - Unsecured**			
	Export debts		1,934,393	1,928,856
	Local debts		0	8,935
	Total considered good		1,934,393	1,937,791
	Considered doubtful	13.1	294,347,644	294,347,644
		13.2	296,282,037	296,285,435
	Less: Provisions for bad and doubtful debts			
	-Opening balance		(294,347,644)	(294,347,644)
	-Provided during the year		0	0
			(294,347,644)	(294,347,644)
			1,934,393	1,937,791

13.1 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 Hon'ble 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 according provided for. Please
refer note no. 9.2.

13.2 The aging of trade debts is under:

	30-06-2017	30-06-2016
upto 1 year and above	1,934,393	1,937,791
upto 5 year and above	294,347,644	294,347,644
	296,282,037	296,285,435

		30-06-2017	30-06-2016
14.	**ADVANCES, DEPOSITS AND PREPAYMENTS - Unsecured**		
	Advances - Considered good		
	Advance against purchase	0	36,916
	Income tax	1,024,023	1,020,565
	Deposits - Considered good		
	Securities - others	11,900	11,900
		1,035,923	1,069,381
	Advances-considered doubtful	161,123	161,123
		1,197,046	1,230,504
	Less: Provision for bad and doubtful :-	(161,123)	(161,123)
		1,035,923	1,069,381

		30-06-2017 RUPEES	30-06-2016 RUPEES
15. OTHER RECEIVABLES			
Export rebate - considered goods		17,027,195	17,996,069
16. CASH AND BANK BALANCES			
Cash in hand		1,619	1,619
With Banks on current account		70,977	209,554
		72,596	211,173

17. CONTINGENT ASSETS

During the year 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 2.65 million approximately.

Consequently the Company has agreed to withdraw all pending cases against the Pakistan Government and Russian Government for recovery of stuckup funds for sea freight compensation operation. Last year these cases and claims were reported as under that stand withdrawn with the signing and execution of the settlement agreement aforesaid:

LAST YEAR NOTE ON CONTINGENT ASSETS:

The Government of Pakistan and Russian Government are 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 Hon'ble High Court of Sindh.

The Company had also filed suit before the Hon'ble 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.

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, for which negotiations are in process.

18. ADMINISTRATION EXPENSES			
Rent, rates and taxes		23,600	35,652
Printing and stationery		17,600	20,422
Utilities expenses		123,159	101,302
Others charges		0	30,500
Custom Duty Rebate		95,804	800
Balances written off	18.1	0	671,606
Depreciation		681,221	757,888
		941,384	1,618,170
18.1 BALANCES WRITTEN OFF			
Advances against purchase		0	230,000
Income Tax		0	431,156
National Bank of Pakistan A/c # 56688-3 Karachi		0	10,450
		0	671,606

	30-06-2017 RUPEES	30-06-2016 RUPEES
19. OTHER CHARGES		
Auditors' remuneration		
Audit fee	250,000	250,000
Half yearly review	60,000	60,000
	310,000	310,000

20. 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.

21. 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	201,952	200,000
vi)	Any other transaction	0	0

22. Financial Instruments and Related Disclosures

2017

22.1 Financial Assets and Liabilities

	Effective yield Markup Rate	Interest / Markup bearing Maturity upto one year	Maturity after one year	Total Rupees	Non-Interest / Markup bearing Maturity upto one year	Maturity after one year	Total Rupees
Financial Assets							
Trade debts		0	0	0	1,934,393	0	1,934,393
Other receivables		0	0	0	17,027,195	0	17,027,195
Cash and Bank Balances		0	0	0	72,596	0	72,596
		0	0	0	19,034,184	0	19,034,184
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	95,072,018	0	95,072,018
Trade and other payables		0	0	0	15,468,954	0	15,468,954
		49,856,842	0	49,856,842	242,921,154	0	242,921,154

2016

Financial Assets and Liabilities

	Effective yield Markup Rate	Interest / Markup bearing Maturity upto one year	Maturity after one year	Total Rupees	Non-Interest / Markup bearing Maturity upto one year	Maturity after one year	Total Rupees
Financial Assets							
Trade debts		0	0	0	1,937,791	0	1,937,791
Other receivables		0	0	0	17,996,069	0	17,996,069
Cash and Bank Balances		0	0	0	211,173	0	211,173
		0	0	0	20,145,032	0	20,145,032
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	94,183,425	0	94,183,425
Trade and other payables		0	0	0	16,936,014	0	16,936,014
		49,856,842	0	49,856,842	243,499,621	0	243,499,621

22.2 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.

22.3 **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.

23. 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	--

24. Date of Authorization of Issue

These financial statements were authorized for issue on **25th September, 2017** by the Board of Directors of the Company.

25. Production Capacity

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

26. Number of Employees

Total number of employees at the end of the year were NIL (2016: NIL).
Averege number of employees during the year were NIL (2016: NIL).

27. Earning /(Loss) per Share

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

		2017	2016
Loss after tax for the year	Rs.	(1,247,061)	(1,247,997)
Number of Ordinary Shares		2,000,000	2,000,000
Loss per share	Rs.	(0.62)	(0.62)

28. Figures

Figures have been rounded off to the nearest rupee.

Dated: 25th September, 2017

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, 2017

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%