

FINANCIAL STATEMENTS 2022



**Fateh
Sports Wear
Limited**

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Notice of Annual General Meeting

Notice is hereby given to the Members that the 39th Annual General Meeting of **FATEH SPORTS WEAR LIMITED** will be held on **Thursday, October 27, 2022 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 28th October, 2021.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2021, together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors and fix their remuneration for the year ending June 30, 2023.
4. To transact any other business with the permission of the Chair.

By order of the Board
for Fateh Sports Wear Limited

Hyderabad:
October 5, 2022

Ghous Muhammad Khan
Company Secretary

NOTES:

1. The share transfer books of the Company will remain closed from 21st to 27th October, 2022 (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. In light of the threat by the evolving coronavirus (COVID-19), the SECP has advised the Company to modify their usual planning for Annual General Meeting in order to protect the well being of the shareholders. The shareholders who are interested to attend AGM through video conference, are hereby requested to get themselves registered with the Company's Head Office by providing their CNIC Number, Folio/CDC Account Number, Cell number and email ID for identification at the earliest but not later than 24 hours before the timing of AGM.
5. 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.
6. CDC account holders will further have to follow the guideline 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

CHAIRMAN

Mr. Aftab Alam

DIRECTORS

Mr. Aftab Alam

Mr. Saeed Alam

Mr. Faraz Alam

Mr. Ashhar Alam

Mr. Jamal Alam

Mrs. Shabana Aftab

COMPANY SECRETARY

Mr. Ghous Muhammad Khan

CHIEF FINANCIAL OFFICER

Mr. Muhammad Ismail

AUDIT COMMITTEE

Mr. Aftab Alam

Mr. Ashhar Alam

Mr. Faraz Alam

HR & R COMMITTEE

Mr. Faraz Alam

Mr. Ashhar Alam

Mr. Jamal Alam

AUDITORS

M/s. Clarkson Hyde Saud Ansari

Chartered Accountants

SHARE REGISTRAR

M/s. F.D. Registrar Services (Pvt) Ltd.

Saima Trade Tower-A, Karachi.

BANKERS

Askari Bank Limited

Bank AL-Habib Limited

Habib Bank Limited

Allied Bank of Pakistan Ltd.

REGISTERED OFFICE

442-Mirpurkhas Road, Hyderabad

Tel: (92-22) 3886263-67

Fax: (92-22) 3886268

Email: fsw@fateh1.com

Web: www.fatehsports.com

PLANT

Kali Mori

Hyderabad.

Chairman's Review Report

On Board's overall performance u/s 192 of the Companies Act-2017

I have to give a review report on the Board of Directors' performance during the financial year ended June 30, 2022. The fiscal year ending in June, 2022 is finally showing signs of the COVID-19 pandemic waning to a large degree and Pakistan is also impacted by this factor. **Fateh Sports Wear Limited** complies with all the requirements, set out in the Companies Act-2017 and the Listed Companies (Code of Corporate Governance Regulations, 2019) with respect to the composition, procedures and meetings of the Board of Directors and its committees.

With regard to appointment of Independent Directors, I would like to inform the members of the Company that the Board of Directors who holds more than 80% shareholding is considering de-listing of the Company from Pakistan Stock Exchange. For this purpose, formal application may be submitted during the current year.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of **Fateh Sports Wear Limited** is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed and implemented.

The Board of Directors of your Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. All the directors (executive/non-executive) are equally involved in important decisions.

The Board shall continue to play a vital role in setting the direction of the Company and promoting its success. I would like to assure our valued shareholders that the Board will make every possible Endeavour to improve the performance of the Company and to achieve greater success while upholding the principles of good corporate governance. I would like to thank the management and the esteemed shareholders for reposing confidence in the Company and its Board of Directors.

AFTAB ALAM

Chairman

Hyderabad: September 29, 2022

Directors' Report

The Board of Directors presents their report and financial statements of the Company alongwith Auditors' Report for the year ended June 30, 2022.

There were no sales recorded in the books of account during the financial year. However, Company incurred Operating Loss of Rs.1.80 million in respect of Depreciation, Utilities and taxes. Company earned profit of Rs.95.91 million in respect of Foreign Exchange rate difference on stuck up amount of US\$:2.00 million. After Financial and Other Charges of Rs.0.38 million, Company earned Profit before taxation of Rs.93.84 Million. Net Profit carried forward to Balance Sheet is Rs. 93.84 million. Earning per share for the period is Rs. 46.92.

During the preceding year, Management of the Company renovated of some portion of the factory building. Management is hopeful to rent out the ground floor in forthcoming months. Meantime, Management of the Company also pursuing case for releasing of US\$:2.000 million which are stuck up in consequence of restraining order of Honorable High Court of Sindh.

Dividend:

Considering the cash flow situation and suspension of business operations, directors have not recommended any dividend for the year.

Future Outlook:

The post-pandemic recovery of the global economy has been severely jolted by the ongoing Russia-Ukraine conflicts. Consequently, oil prices in the International Market have soared to an all time high whereas political instability and uncertainty in the country also affected the business in the International Market as well as in local Market. Given all these challenges your Company remains focused on minimizing the negative impacts.

Principal Risks and Uncertainty :

The Company is exposed to certain inherent risks and uncertainties. However, we consider and work with internal and external stakeholders to mitigate the impacts of risk.

Material Changes affecting Financial Position:

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.

Corporate Social Responsibility :

The Management of the Company is well known of its corporate and social responsibility and will encourage social welfare project in future.

Compliance with Listed Companies (Code of Corporate Governance) Regulations-2019:

The requirements of Listed Companies (Code of Corporate Governance) Regulations-2019, relevant for the year ended June 30, 2022 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)

	2016	2017	2018	2019	2020	2021	2022
Sales	0	0	0	0	0	0	0
Gross Profit / (Loss)	0	0	0	0	0	0	0
Selling & Administration Expenses	1,618	941	913	1,177	19,538	2,156	1,799
Profit/(Loss) before Taxation	(1,248)	(1,247)	(3,159)	(18,745)	635,191	(23,947)	93,839
Profit/(Loss) after Taxation	(1,248)	(1,247)	(3,159)	(18,745)	633,285	(23,947)	93,839
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	(251,719)	(252,966)	(256,125)	(274,870)	358,415	334,468	428,307
Fixed Assets	14,402	13,721	13,108	12,292	11,823	11,402	11,023
Total Assets	41,750	39,925	37,382	19,579	379,493	360,095	454,372

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 four (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.	Mrs. Shabana Aftab	01

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

Auditors' Observation:

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.

Auditors:

The present Auditors M/s. Clarkson Hyde Saud Ansari, Chartered Accountants will retire at the conclusion of the Annual General Meeting. The Audit Committee and subsequently Board of Directors recommended the appointment of M/s. Hafizullah & Co., Chartered Accountants as External Auditors of the Company for the year ending June 30, 2023.

Place: Hyderabad
Dated: September 29, 2022

RAUF ALAM
Chief Executive

SAEED ALAM
Director

ڈائریکٹرز رپورٹ

برائے اختتامی سال 30 جون 2022

فتح اسپورٹس ویئر لمیٹڈ

کمپنی کے بورڈ آف ڈائریکٹرز آپ کے سامنے 30 جون 2022 کو اختتام ہونے والے مالی سال کے لیے آڈٹ شدہ حسابات بشمول آڈیٹرز رپورٹ پیش کر رہے ہیں۔

مالی سال کے دوران کمپنی کے کھاتوں میں کسی قسم کی فروخت ریکارڈ نہیں کی گئی تاہم سالانہ اثاثوں کی فرسودگی، بلز اور ٹیکسس کی مد میں 1.80 ملین روپے کا ابتدائی نقصان ریکارڈ کیا گیا جبکہ کمپنی نے روکے گئے 2.00 ملین ڈالر پر 95.91 ملین روپے فارن ایکسچینج کی شرح تبادلہ پر منافع کی مد میں ریکارڈ کیے۔ مالی اور دیگر ادائیگیوں کے بعد قبل از ٹیکس منافع 93.84 ملین روپے رہا جو کہ ٹیلیفون سٹیت پر آگے بڑھا گیا ہے جبکہ اس سال بنیادی منافع فی شیئر 46.92 روپے ریکارڈ کیا گیا۔ پچھلے سال کے دوران کمپنی کی انتظامیہ نے فیکٹری بلڈنگ کے کچھ حصے کی تزئین و آرائش کا کام مکمل کیا جبکہ امید ہے کہ آنے والے مہینوں میں اسے کرائے پر دیا جائیگا۔ اسی دوران کمپنی کی انتظامیہ معزز ہائی کورٹ آف سندھ کے حکم پر روکے گئے بقایا 2.00 ملین ڈالر جاری کروانے کے لئے بھی کیس کی پیروی کر رہی ہے۔

ڈیویڈنڈ:

کیش فلو کی صورتحال اور کاروباری کاروائیوں کی معطلی کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے اس مالی سال کے لئے کسی ڈیویڈنڈ کی سفارش نہیں کی ہے۔

مستقبل کا آؤٹ لوک: عالمی معیشت کی وبائی بیماری کے بعد کی بحالی کو روس اور یوکرین کے جاری تنازعات سے شدید جھٹکا لگا ہے۔ جسکے نتیجے میں بین الاقوامی منڈی میں تیل کی قیمتیں تاریخ کی بلند ترین سطح پر پہنچ گئیں وہیں ملک میں سیاسی عدم استحکام اور غیر یقینی صورتحال نے بین الاقوامی مارکیٹ کے ساتھ ساتھ مقامی مارکیٹ میں بھی کاروبار کو متاثر کیا۔ ان تمام چیلنجوں کے پیش نظر آئی کی کمپنی کی توجہ اگلے منفی اثرات کو کم کرنے پر مرکوز رہتی ہے۔

بنیادی خطرات اور غیر یقینی صورتحال: کمپنی بعض موردی خطرات اور غیر یقینی صورتحال سے دوچار ہے۔ تاہم، ہم خطرے کے اثرات کو کم کرنے کے لئے اندرونی اور بیرونی اسٹیک ہولڈرز پر غور کرتے ہیں اور ان کے ساتھ کام کرتے ہیں۔

مالیاتی پوزیشن کو متاثر کرنے والی مادی تبدیلیاں: مالی سال کے اختتام جس سے یہ مالیاتی بیانات متعلقہ ہیں اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلی اور وعدے نہیں ہوئے ہیں۔

کارپوریٹ سماجی ذمہ داری: کمپنی کی انتظامیہ اپنی کارپوریٹ اور سماجی ذمہ داری سے اچھی طرح واقف ہے اور مستقبل میں سماجی بہبود کے منصوبے کی حوصلہ افزائی کرے گی۔

لنٹن و مضبوطی کا اسٹیٹمنٹ اور مالیاتی رپورٹنگ کا فریم ورک 2019:

اختتامی سال جون 2022 کے لئے لنٹن و مضبوطی کے کوڈ آف کارپوریٹ گورننس ریگولیشن 2019 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 فریم ورک 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 ردوبدل 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۔

لقم و ضبط کے حوالے سے کوئی بھی مواد قانون کے خلاف نہیں ہے جس کی تفصیلات لسٹ میں دی گئی ہے۔
گزشہ 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 ضمیر زمین 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 چار 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	4
جناب آفتاب عالم	4
جناب سعید عالم	4
جناب فرز عالم	4
جناب اشہر عالم	4
جناب جمال عالم	4
محترمہ شہانہ آفتاب	1

کمپنی کے ضمیر ہولڈنگ کا طریقہ کار 30 جون 2022 کی رپورٹ کے ساتھ منسلک ہے۔
مالیاتی اسٹیٹمنٹ میں درج کئے گئے ٹیکس کے علاوہ کمپنی پر اور کوئی ٹیکس واجب الادا نہیں ہے۔
اس رپورٹ کی تشریح تک ایسی کوئی تبدیلی واقع نہیں ہوئی جو کہ اس رپورٹ کی مالیاتی حیثیت کو تبدیل کر دے۔

آڈیٹرز کا مشاہدہ :

کمپنی کی طرف سے تمام مقروض و قرض دہندگان کو بقایا 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۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز گلارکسن ہائیڈر سولڈ انصاری، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام کے فوری بعد سبکدوش ہو جائیں گے۔ آڈٹ کمیٹی اور بعد ازاں بورڈ آف ڈائریکٹرز نے میسرز حفیظ اللہ اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو 30 جون 2023 کو ختم ہونے والے مالی سال کے لئے تقرری کی سفارش کی ہے۔

سعید عالم

ڈائریکٹر

رؤف عالم

چیف ایگزیکٹو

حیدرآباد: 29 ستمبر 2022

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: **Fateh Sports Wear Limited**
Year ending: **30th June, 2022**

The Company has complied with the requirements of with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

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

a) Male: 06
b) Female: 01

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. Jamal Alam & Mrs. Shabana Aftab
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 seven 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 reconstituted the Audit Committee comprising of members given below:
a) Audit Committee: Mr. Aftab Alam, Mr. Faraz Alam and Mr. Ashhar Alam.
b) HR & Remuneration Committee: Mr. Faraz Alam, Mr. Ashhar Alam and Mr. Jamal Alam.

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 and that they and the partners of the firm involved in the audit are not a close relative(spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit , company secretary or director of the company.
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 requirements of Regulations 3,7,8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with Regulation other than regulations 3, 7, 8, 27, 32, 33 and 36 are below:

S.No.	Requirement	Explanation
1	Independent Director Independent Director should be at least two or one third members of the Board.	The operations of the Company are suspended since 2015, hence, Independent Directors will be appointed in next election of Directors.
2	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee
3	Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly.

Dated: September 29, 2022

RAUF ALAM
Chief Executive

SAEED ALAM
Director

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of : FATEH SPORTS WEAR LIMITED**Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **FATEH SPORTS WEAR LIMITED** (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 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 Regulations 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 transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instance(s) of non-compliance with the requirements of the Regulations was / were observed which is/are not stated in the Statement of Compliance:

Independent Directors – As per Regulation No. 6 of the Regulations, the independent directors should not be less than two or one third of the total number of the board of directors, whichever is higher. The Company has not appointed any independent director.

Based on our review, except for the above instance of non-compliance, 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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

Clarkson Hyde Saud Ansari

Chartered Accountants

Engagement Partner – Saud Ansari

Karachi

Dated: September 29, 2022

UDIN: CR202210149hP7HZsKb0

INDEPENDENT AUDITOR'S REPORT

To the members of: **FATEH SPORTS WEAR LIMITED**

Report on the Audit of the Financial Statements***Qualified 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, 2022, and the statement of profit or loss, 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.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report the statement of financial position, and 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 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, 2022 of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

Balance confirmations from some of the banks and legal advisor could not be received. We verified the bank balances with original bank statements, but could not ensure that there are no undisclosed liabilities or contingent liabilities..

Our audit opinion on the financial statements for the prior year was qualified due to the same reason as this year. Our opinion on the current year's financial statements is also qualified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

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 ethical responsibilities in accordance with the Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going concern

We draw attention to Note 2.4 to the financial statements, which states that these financial statements have been prepared on going concern basis, yet there are factors which affect the Company's ability to continue as a going concern, for instance the operations of the Company have been closed since the year 2015, due to the reasons as stated in Note No.1. The aforesaid condition indicate the existence of a material uncertainty which cast significant doubt about the company's ability to continue as a going concern. Management's plans and other mitigating factors to this matter have been discussed in Note 2.4 to the financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

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. We have determined that there are no key audit matters to communicate in our report.

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.

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- 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 conclusion 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 the 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, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, together with 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 **SAUD ANSARI**

Clarkson Hyde Saud Ansari

Chartered Accountants

Karachi.

Date: September 29, 2022

UDIN:AR202210149Clvm2L0Mi

Statement of Financial Position as at June 30, 2022

	NOTE NO.	30-06-2022 Rupees	30-06-2021 Rupees
NON CURRENT ASSETS			
Property, Plant and Equipment	4	11,023,267	11,402,146
Capital work in progress	5	29,844,042	28,328,342
		40,867,309	39,730,488
CURRENT ASSETS			
Stores, Spares and Loose Tools	6	0	0
Inventories	7	0	0
Trade Receivables	8	411,000,000	315,087,400
Advances, Deposits and Prepayments	9	1,365,934	1,260,967
Other Receivables	10	0	0
Cash and Bank Balances	11	1,138,495	4,016,278
		413,504,429	320,364,645
		454,371,738	360,095,133
SHARE CAPITAL AND RESERVES			
Share Capital	12	20,000,000	20,000,000
Revenue Reserve			
General reserve		53,500,000	53,500,000
Unappropriated Profit		354,807,438	260,968,055
		428,307,438	334,468,055
CURRENT LIABILITIES			
Trade and Other Payables	13	4,958,954	4,911,773
Loan from Directors	14	20,991,955	20,601,914
Provision for Taxation	15	113,391	113,391
		26,064,300	25,627,078
CONTINGENCIES AND COMMITMENTS			
	16	454,371,738	360,095,133

The annexed notes form an integral part of these financial statements

Dated: September 29, 2022

RAUF ALAM
Chief Executive

SAEED ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Statement of Profit or Loss

For the year ended June 30, 2022

	NOTE NO.	30-06-2022 Rupees	30-06-2021 Rupees
Sales		0	0
Less: Cost of Sales		0	0
Gross Profit		0	0
Less: Administration Expense	17	1,798,771	2,156,435
Operating Loss		(1,798,771)	(2,156,435)
Other Income	19	102,040	0
Foreign Exchange Gain/(Loss)		95,912,600	(21,412,600)
		94,215,869	(23,569,035)
Financial expenses - Bank Charges		(1,486)	(2,941)
Other Charges	20	(375,000)	(375,000)
Profit / (Loss) Before Taxation		93,839,383	(23,946,976)
Taxation	21	0	0
Net Profit / (Loss) For the Year		93,839,383	(23,946,976)
Earning /(Loss) per share	22	46.92	(11.97)

The annexed notes form an integral part of these financial statements.

RAUF ALAM
Chief Executive

SAEED ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Dated: September 29, 2022

Statement of Comprehensive Income

For the year ended June 30, 2022

	<u>30-06-2022</u> Rupees	<u>30-06-2021</u> Rupees
Net Profit / (Loss) for the year	93,839,383	(23,946,976)
Other Comprehensive Income / (Loss)		
Total Comprehensive Income / (Loss) for the year	<u>93,839,383</u>	<u>(23,946,976)</u>

The annexed notes form an integral part of these financial statements.

Dated: September 29, 2022

RAUF ALAM
Chief Executive

SAEED ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Statement Cash Flows

For the year ended June 30, 2022

	30-06-2022	30-06-2021
	Rupees	Rupees
Cash flow from Operating Activities		
Profit/(Loss) before taxation	93,839,383	(23,946,976)
Adjustments for:		
Depreciation	378,879	421,294
Foreign Exchange Loss (Gain)	(95,912,600)	0
Operating Profit before working capital changes	(1,694,338)	(2,113,082)
(Increase) / Decrease in Operating Assets		
Trade Receivables	0	0
Other Receivables	0	(54,300)
	(1,694,338)	(2,167,382)
Increase / (Decrease) in Operating Liabilities		
Trade and Other Payables	47,181	(295,563)
Cash generated from/ (used in) operations	(1,647,157)	(2,462,945)
Income Taxes paid	(104,967)	(71,902)
Net Cash (used) / generated Operating Activities	(1,752,124)	(2,534,847)
Cash From Investing Activities		
Capital work in progress	(1,515,700)	(28,328,342)
Net Cash (used) in Investing Activities	(1,515,700)	(28,328,342)
Cash From Financing Activities		
Loan from Directors (Repaid) / Received	390,041	4,844,902
Loan from Bank Repaid	0	0
Net Cash from/ (used in) Financing Activities	390,041	4,844,902
Net Increase / (Decrease) cash and cash equivalents	(2,877,783)	(26,018,287)
Cash and Cash equivalents at the beginning of the year	4,016,278	30,034,565
Cash and cash equivalents at the end of the year	1,138,495	4,016,278

The annexed notes form an integral part of these financial statements.

Dated: September 29, 2022

RAUF ALAM

Chief Executive

SAEED ALAM

Director

MUHAMMAD ISMAIL

Chief Financial Officer

Statement of Changes in Equity

For the year ended June 30, 2022

	Issued Subscribed & Paid up Capital	General Reserve Revenue	Unappropriated Profit/ Accumulated (Loss)	Total
	-----Rupees-----			
Balance as at July 1, 2020	20,000,000	53,500,000	284,915,031	358,415,031
Net Loss for the Year	0	0	(23,946,976)	(23,946,976)
Other comprehensive income for the year	0	0	0	0
Balance as at June 30, 2021	20,000,000	53,500,000	260,968,055	334,468,055
Net Profit for the Year	0	0	93,839,383	93,839,383
Other comprehensive income for the year	0	0	0	0
Balance as at June 30, 2022	20,000,000	53,500,000	354,807,438	428,307,438

The annexed notes form an integral part of these financial statements.

RAUF ALAM

Chief Executive

Dated: September 29, 2022

SAEED ALAM

Director

MUHAMMAD ISMAIL

Chief Financial Officer

Notes to the Financial Statements

For the year ended June 30, 2022

1 CORPORATE AND GENERAL INFORMATION

The company was incorporated on May 20, 1984, as a public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017), and is listed on Pakistan Stock Exchange Limited. The business of company is to manufacture ready-made garments for selling them locally as well as exporting.

The manufacturing activities had remained suspended since 2003. The manufacturing activities were commenced during the year 2013 for supplying goods to local and foreign customers, but due to scarce financial resources the operations were not viable, hence operations were closed in March 2015. The core reason for non-production is blockage of funds with Russia at time when the Russian Central Bank defaulted on its debts due to disintegration of U.S.S.R., that rendered the Company in to the financial distress. The manufacturing activities could not be profitably carried out with scarce financial resources, hence to mitigate the operational and administrative costs, operations had remained closed. During the year the Company has planned to operate banquet hall, and has incurred a capital expenditure to the tune of Rs.29.844 million, and the work is still in progress.

The geographical locations and addresses of Company's offices are as under:

- The Registered office is situated at 442, Mirpurkhas Road, Hyderabad.
- Factory is situated at Kali Mori, Hyderabad.

2 BASIS OF PRESENTATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and financial reporting standards as applicable in Pakistan. The accounting and financial reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 New standards, interpretations and amendments to published approved accounting standards that are effective in the current year but are not relevant to the Company

There are amendments to published standards that are mandatory for the current accounting period but are considered not to be relevant the Company's financial statements and are therefore not detailed in these financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards that are neither yet effective nor early adopted but relevant to the Company

The following standards, amendments to IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements, and would be relevant to the Company:

IAS 1 Classification of liabilities as current or non current

Effective date: January 1, 2023

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period.

IAS 1 Disclosure of accounting policies

Effective date: January 1, 2023

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

IAS 8 Definition of accounting estimates**Effective date: January 1, 2023**

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

IAS 12 Deferred Tax**Effective date: January 1, 2023**

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

IAS 37 Onerous Contracts**Effective date: January 1, 2022**

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

2.4 Basis of Measurement

These financial statements have been prepared under the historical cost convention, as modified by the remeasurement of investments to their fair value. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for under the accrual basis of accounting.

Going Concern Assumption

These financial statements have been prepared on going concern basis, yet there are factors which effect the Company's ability to continue as a going concern, for instance the operations of the Company have been closed since the year 2015, due to the reasons as stated in Note No.1.

Mitigating Factors to the Uncertainty relating to the use of Going Concern

Foreign debtors with Russia were blocked due to delinkage of the same with Russian Federation. The management of the Company had filed an 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, 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 measures against the appellant till further direction of the Appellate Board. Further during the year 2019 the Company had filed a constitutional petition before the Honorable High Court of Sindh.

The Government of Pakistan and the Russian Federation have been discussing the matter for settlement of claims by the Pakistani exporters. The Government of Pakistan has frozen the account of the Russian Federation Government maintained with NBP, till the settlement of the claims of the Pakistani exporters, in accordance, with the order of the Honorable High Court of Sindh. Consequent to the negotiations for recovery of stuck up funds from Russian the Federation, an amount of USD 3,200,000 was placed at the disposal of the Company, out of which an amount of USD 1,200,000 (Rs.190,560,000) including sea freight compensation has been received two years back.

Thus the Company has been able to generate net positive cash flows of Rs.158,266,249 from operations and provision for expected credit losses amounting to Rs. 294.3 million has been reversed, during the year 2019 - 2020. The unappropriated profit as on the closing date stands at Rs.354.862 million in contrast to accumulated loss and adverse current ratio three years back. The management is to restart the operations viably a new. During the year the Company has planned to operate banquet hall, and has incurred a capital expenditure to the tune of Rs.29.844 million, and the work is still in progress, to cover fixed costs. The management has no plans to liquidate its assets other than in the normal course of business. Moreover continued financial support is available from the directors and other related parties.

Since operations have not yet been commenced, there is a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts, and discharge and classification of liabilities, that may be necessary should the company be unable to continue as a going concern.

2.5 Functional and Presentation Currency

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

2.6 Use of Estimates and Judgements

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and judgements that have a significant effect on the financial statements, are as follows:-

Depreciable amount and useful lives of Property, Plant and Equipment

In accordance with the accounting policy, the management carries out an annual assessment of depreciation amount and useful lives of assets. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Stores, Spares and Loose Tools

The Company reviews the net realisable value and impairment of stores, spares and loose tools to assess any diminution in the respective carrying value and wherever required provision for impairment is made. The calculation of provision involves the use of estimates with regard to future estimated use and past consumption of stores and spares along with holding period.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Provision for Expected Credit Losses

The allowance for expected credit losses assessment, requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, based on days overdue. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows, in determining the level of provision.

Income Taxes

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant and Equipment

These are stated at cost less depreciation and impairment loss, if any. Depreciation is charged on pro-rata basis by applying the reducing balance method, whereby the cost of an asset is written off over its useful life, at the rates specified in note. 4 to the financial statements. The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Maintenance and normal repairs are charged to profit and loss account as and when incurred, whereas major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains and losses on disposal of assets, if any, are taken to the profit and loss.

3.2 Stores, Spares and Loose Tools

These are carried at lower of moving average cost or net realisable value, except items in transit which are stated at cost accumulated up to the date of the financial statements.

3.3 Inventories

These are carried at lower of cost or net realisable value. Cost is calculated on the following basis:

- | | |
|--------------------|--|
| - Raw materials | at moving average cost |
| - Goods in Transit | at cost accumulated up to the closing date |
| - Goods in Process | at manufacturing cost |
| - Finished Goods | at average manufacturing |

Net realizable value signifies the estimated selling price in the ordinary course of business less cost of completion and cost necessarily to be incurred in order to make the sales.

3.4 Financial Instruments

The Company follows IFRS 9 "Financial Instruments". The standard prescribes classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt instrument shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). Hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. Impairment requirements use an 'expected credit loss' ('ECL') model to recognize an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Recognition of Financial Instruments

The Company initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

Initial Measurement of Financial Instruments

At initial recognition a financial asset or financial liability, except trade receivables, is initially measured at fair value, plus or minus, in the case of financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to acquisition or issue of financial asset or financial liability.

3.4.1 Trade Receivables

Trade debts are carried at original invoice amount less an estimated amount for expected credit loss, if any. Balances considered bad and irrecoverable are written off when identified. A contract asset or trade receivable is impaired if the credit risk on that financial asset has increased significantly since the initial recognition. For trade receivables, a simplified approach under IFRS 9 to measure expected credit losses using a lifetime expected credit losses amount is used.

3.4.2 Trade and Other Payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost. Subsequently they are measured at amortised cost.

3.4.3 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

3.4.5 Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.5 Foreign Currencies Translation

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non monetary items are translated into Pak Rupee at exchange rates prevailing at the date of transaction or the date when fair values are determined. The Company charges all exchange differences to profit and loss account.

3.6 Taxation

The tax expense for the year comprises current and deferred tax, if any. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

Current taxation is based on the taxable income for the year determined in accordance with the prevailing income tax law. The charge for current taxation is calculated using the tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current taxation also includes adjustments where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognised using balance sheet liability method, providing for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.7 Revenue from contracts with customers

The Company follows IFRS 15 for recognition of revenue from contracts with customers. The Standard provides a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides a contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. If the consideration promised in a contract includes a variable amount such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events, such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability. Credit risk is presented separately as an expense rather than adjusted against revenue. Customer acquisition costs and costs to fulfill a contract can, subject to certain criteria, be capitalized as an asset and amortized over the contract period.

3.7.1 Sale of Goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery to the customer in the case of domestic sales and shipment of goods in the case of exports.

4. PROPERTY, PLANT AND EQUIPMENT
for the year ended June 30, 2022

PARTICULARS	COST / REVALUATION			Rate (%)	DEPRECIATION			W.D.V As At 30-06-22
	As At 01-07-21	Addition/ (Deletion)	As At 30-06-2022		As At 01-07-21	For the Year	As At 30-06-22	
	Rupees		Rupees		Rupees	Rupees	Rupees	Rupees
Land - Freehold	7,624,853	-	7,624,853	-	-	-	-	7,624,853
Factory Building (on lease hold)	15,697,192	-	15,697,192	10	15,222,876	47,432	15,270,308	426,884
Plant & Machinery	35,362,937	-	35,362,937	10	33,651,176	171,176	33,822,352	1,540,585
Air Conditioning Plant	9,212,616	-	9,212,616	10	8,785,186	42,743	8,827,929	384,687
Tools & Equipments	459,986	-	459,986	10	439,327	2,066	441,393	18,593
Furniture & Fixture	2,743,952	-	2,743,952	10	2,647,101	9,685	2,656,786	87,166
Office Equipment	397,803	-	397,803	10	373,808	2,400	376,208	21,595
Computers	1,484,872	-	1,484,872	10	1,376,724	10,815	1,387,539	97,333
Electric Fittings	13,494,122	-	13,494,122	10	12,596,969	89,715	12,686,684	807,438
Vehicles	3,641,836	-	3,641,836	20	3,630,353	2,297	3,632,650	9,186
Arms	187,258	-	187,258	10	181,761	550	182,311	4,947
	90,307,427	-	90,307,427		78,905,281	378,879	79,284,160	11,023,267

for the year ended June 30, 2021

PARTICULARS	COST / REVALUATION			Rate (%)	DEPRECIATION			W.D.V As At 30-06-21
	As At 01-07-20	Addition/ (Deletion)	As At 30-06-2021		As At 01-07-20	For the Year	As At 30-06-21	
	Rupees		Rupees		Rupees	Rupees	Rupees	Rupees
Land - Freehold	7,624,853	-	7,624,853	-	-	-	-	7,624,853
Factory Building (on lease hold)	15,697,192	-	15,697,192	10	15,170,174	52,702	15,222,876	474,316
Plant & Machinery	35,362,937	-	35,362,937	10	33,460,980	190,196	33,651,176	1,711,761
Air Conditioning Plant	9,212,616	-	9,212,616	10	8,737,694	47,492	8,785,186	427,430
Tools & Equipments	459,986	-	459,986	10	437,032	2,295	439,327	20,659
Furniture & Fixture	2,743,952	-	2,743,952	10	2,636,340	10,761	2,647,101	96,851
Office Equipment	397,803	-	397,803	10	371,142	2,666	373,808	23,995
Computers	1,484,872	-	1,484,872	20	1,364,708	12,016	1,376,724	108,148
Electric Fittings	13,494,122	-	13,494,122	10	12,497,285	99,684	12,596,969	897,153
Vehicles	3,641,836	-	3,641,836	10	3,627,482	2,871	3,630,353	11,483
Arms	187,258	-	187,258	10	181,150	611	181,761	5,497
	90,307,427	-	90,307,427		78,483,987	421,294	78,905,281	11,402,146

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

<u>Location</u>	<u>Usage of immovable property</u>	<u>Total Area</u>
Plot Survey Nos. 15, 17 and 18 Ward-A, Government College Road, Near Phuleli Lake, Kali Mori, Hyderabad Sindh	Production facility	7139 sq.yds
Plot Survey Nos. 35, 36, 267, 373 and 453 Deh Nareja, Tapo Giddu Bandar, Latifabad Hyderabad, Sindh.	Open plot	10 Acres & 28 Ghuntas

Allocation of Depreciation:

Cost of Sales
Administrative Expenses

	2022	2021
	Rupees	Rupees
	0	0
	378,879	421,294
	378,879	421,294

	30-06-2022	30-06-2021
	Rupees	Rupees
5. CAPITAL WORK IN PROCESS		
Building	4,584,175	4,584,175
Furniture & Fixture	21,593,467	21,015,767
Electric Fittings	2,728,400	2,728,400
Air Conditioners	938,000	0
	29,844,042	28,328,342
This represents expenditure on renovation of building partially to be utilized as banquet. The management of the company intends to rent out the same in future after completion.		
6. STORES, SPARES AND LOOSE TOOLS		
Stores	2,317,712	2,317,712
Spares and loose tools	8,466,020	8,466,020
	10,783,732	10,783,732
Less: Provision for Obsolescence	(10,783,732)	(10,783,732)
	0	0
7. INVENTORIES		
Raw and Packing Material	21,405,269	21,405,269
Less: Provision for Obsolescence	(21,405,269)	(21,405,269)
	0	0
8. TRADE RECEIVABLES		
Foreign Debtors (Note No.8.1)	1,934,393	1,934,393
Foreign Debtors - Restrained by Court (Note No.8.2)	411,000,000	315,087,400
Domestic Debtors	28,436	28,436
	412,962,829	317,050,229
Less: Provisions for Expected Credit Losses (Note No.8.5)	(1,962,829)	(1,962,829)
	411,000,000	315,087,400
8.1	This represents Company's unconditional right to receive consideration for the supply of goods under contract with customers.	
8.2	As stated in Note Nos. 1 and 2.3 foreign debtors with Russia were blocked due to delinkage of the same with Russian Federation. The Foreign Exchange Adjudication Court, Karachi vide its judgement order dated 31.03.2011 had linked the settlement of E Forms with the realisation of export proceeds and claims of Pakistani Exporters from the Russian Federation Accounts in the name of Vinesheconombank with NBP. During the year 2013 the cases of realisation of export proceeds were reopened and orders were issued by the Honorable Foreign Exchange Adjudication Court, State Bank of Pakistan, Banking Services Corporation for realisation of export proceeds. The claim of the Company was settled for USD 3,200,000 and the Company received USD 1,200,000 during the year, but USD 2,000,000 (Rs.336,500,000) were blocked vide a restraining order by the High Court of Sindh, in consequence of a suit filed by a family member of the directors, claiming 33% share in the amount received, as explained in Note No.16. The amount of Rs.315,600,000 is considered good, as stated in Note No.16, hence no provision is made for expected credit loss.	
8.3	Foreign defaulting customers are as follows:	
	USD	Rupees
Alpha Garment Inc. New York, USA	7,912	829,262
Exe Jeans Czech Republic	10,545	1,105,131
	18,457	1,934,393
The above customers are not related to the Company.		
8.4	The aging of trade receivables is as under:	
	1,934,393	1,934,393
up to 2 year and above	411,028,436	315,087,400
up to 5 year and above	412,962,829	317,021,793

	30-06-2022	30-06-2021
	Rupees	Rupees
8.5 Provision for Expected Credit Losses		
Opening Balance	1,962,829	1,962,829
Less: Reversed during the year	0	0
	1,962,829	1,962,829
9. ADVANCES, DEPOSITS AND PREPAYMENTS		
Income Tax	1,299,734	1,194,767
Advances	66,200	66,200
Security Deposits - Utilities	161,123	161,123
	1,527,057	1,422,090
Less: Provision for Expected Credit Losses	(161,123)	(161,123)
	1,365,934	1,260,967
10. OTHER RECEIVABLES		
Export Rebate Receivable	17,027,195	17,027,195
Less: Provision for Expected Credit Losses (Note No. 9.1)	(17,027,195)	(17,027,195)
	0	0
10.1 Provision for Expected Credit Losses		
Opening Balance	17,027,195	17,027,195
Add: Provided during the year	0	0
	17,027,195	17,027,195
11. CASH AND BANK BALANCES		
Cash in Hand	10,783	1,373
Cash at Bank	1,127,712	4,014,905
	1,138,495	4,016,278
12. SHARE CAPITAL		
Authorized		
5,000,000 (2021: 5,000,000) Shares of Rs. 10 each	50,000,000	50,000,000
Issued, Subscribed and Paid up		
50,000 (2021 : 50,000) Ordinary shares of Rs. 10 each issued as fully paid in cash	500,000	500,000
1,950,000 (2021 : 1,950,000) Ordinary shares of Rs. 10 each issued as fully paid bonus shares	19,500,000	19,500,000
	20,000,000	20,000,000
Capital Management		
The main objective of the company, when managing capital is to maintain optimal capital structure to ensure ample availability of finance for its existing operations, to safeguard the company's ability to continue as a going concern and to provide returns for the shareholders.		
13. TRADE AND OTHER PAYABLES		
Trade Creditors	781,144	781,143
Accrued Expenses	2,046,376	1,999,196
Workers' Welfare Fund	152,448	152,448
Other Payable	1,978,986	1,978,986
	4,958,954	4,911,773

	30-06-2022	30-06-2021
	Rupees	Rupees
14. LOAN FROM DIRECTORS	20,991,955	20,601,914
This loan has been obtained from directors and their family members to meet routine expenditure and payment of liabilities including loans from banks. The loan is unsecured, interest free and repayable on demand.		
15. PROVISION FOR TAXATION		
Opening Balance	113,391	113,391
Charge for the year	0	0
	113,391	113,391
Less: Advance Income Tax adjusted during the year	0	0
	113,391	113,391
16. CONTINGENCIES AND COMMITMENTS.		
Family members of the directors of the Company, namely Farheen Alamgir and Snobar Arif have filed suit against the Company on December 30, 2019, in the High Court of Sindh, Karachi, seeking set-aside of the Compromise Order dated 04.10.2019, whereby the Company has managed to receive stuck up trade receivables as mentioned in Note No.1 along with sea freight compensation, amounting to USD 3,200,000 and claiming 33% share in the said amount. The management of Company is vigorously pursuing the case and confident that the outcome of the case will be in favour of the Company. Therefore no liability has been provided against this claim.		
During the year Pakistan Stock Exchange Limited has issued invoice of Rs. 908,238/- including Annual Listing Fee of Rs. 841,094/- and SECP Supervisory Fee of Rs. 67,144/- for the years from 2014-15 to 2021-22, based on increasing the share price of the company. The fact is that the company is on defaulters segment of the Pakistan Stock Exchange Limited, its shares have not been traded since long and no current price is available. Company have made provision calculated on previous basis, for Rs. 430,000/- against the said amount including Rs. 50,000/- per annum for eight years and Rs. 5,000/- per annum for six years towards Annual Listing Fee and SECP Supervisory Fee respectively. The management is of the opinion that the fee charged by the PSX is not payable hence no provision of Rs. 478,238/- is made.		
17. ADMINISTRATION EXPENSES		
Rent, rates and taxes	168,247	254,243
Fee and Subscription	55,000	375,000
Utilities	1,196,645	1,105,898
Depreciation	378,879	421,294
	1,798,771	2,156,435
18. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES		
Remuneration and meeting fees have been foregone by the directors and the chief executive and no remuneration and perquisites were paid to the directors, chief executive and other executives.		
19. OTHER INCOME		
Custom / Sales Tax Duty RebateSea Freight compensation	102,040	0
	102,040	0

	30-06-2022	30-06-2021
	Rupees	Rupees
20. OTHER CHARGES		
<i>Auditors' remuneration</i>		
Annual Audit Fee	300,000	300,000
Half Yearly Review	75,000	75,000
	375,000	375,000

21. TAXATION

Prior Year's tax charge	0	0
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21.1 Deductible Temporary Differences, Unused Tax Loss and Tax credit for which no deferred Tax asset recognized.

	2022	Expiry	2021	Expiry
	Rupees	Date	Rupees	Date
<u>Deductible Temporary Differences</u>				
Provision for Expected Credit Losses	4,423,536	No Expiry	4,423,536	No Expiry
Provision for Stores and Spares Obsolescence	8,158,130	No Expiry	8,158,130	No Expiry
	12,581,666		12,581,666	
<u>Unused Tax Losses</u>				
Trading Loss - 2016	-	30.06.2022	500,715	30.06.2022
Trading Loss - 2017	571,377	30.06.2023	571,377	30.06.2023
Trading Loss - 2018	611,847	30.06.2024	611,847	30.06.2024
Trading Loss - 2019	1,016,682	30.06.2025	1,016,682	30.06.2025
Unabsorbed Depreciation	17,094,734	No Expiry	17,094,734	No Expiry
	19,294,640		19,795,355	

22. EARNINGS / (LOSS) PER SHARE

Net Profit/(Loss) for the year	93,839,383	(23,946,976)
Number of shares outstanding during the year	2,000,000	2,000,000
Basic Earning / (Loss) per share	46.92	(11.97)

There is no dilutive effect on the basis loss per share of the Company.

23. FINANCIAL INSTRUMENTS BY CATEGORY

	Amortized Cost	FVTPL	Total
<u>As at June 30, 2022</u>			
<u>Financial Assets</u>			
Trade Receivables	412,962,829	-	412,962,829
Advances and Deposits	227,323	-	227,323
Other Receivables	17,027,195	-	17,027,195
Cash and Bank Balances	1,138,495	-	1,138,495
	431,355,842	-	431,355,842
<u>Financial Liabilities</u>			
Trade and Other Payables	4,958,954	-	4,958,954
Loan from Directors	20,991,955	-	20,991,955
	25,950,909	-	25,950,909

	30-06-2022	30-06-2021
	Rupees	Rupees
As at June 30, 2021		
Financial Assets		
Trade Receivables	317,050,229	317,050,229
Advances and Deposits	227,323	227,323
Other Receivables	17,027,195	17,027,195
Cash and Bank Balances	4,016,278	4,016,278
	338,321,025	338,321,025
Financial Liabilities		
Trade and Other Payables	4,911,773	4,911,773
Loan from Directors	20,601,914	20,601,914
	25,513,687	25,513,687

24. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arms's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

27.1 Fair Value Hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the financial instruments are classified into the following three levels:

- Level-1** fair value measurements are those inputs derived from unadjusted quoted prices in active markets for identical assets and liabilities.
- Level-2** fair value measurements are those inputs determined using valuation techniques which maximise the use observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in Level 2. Examples are:
- * Adjusted quoted active market prices
 - * Quoted price for a similar asset in an active market
 - * There are no significant unobservable inputs
- Level-3** fair value measurements are those inputs derived from valuation techniques that include inputs which are not based on observable market data. Examples are:
- * Discounted cash flows
 - * Depreciated replacement cost

Financial assets and liabilities are not measured at fair value because the carrying value of all financial assets and liabilities approximate their fair value.

25. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT

25.1 Credit Risk

Credit risk represents the accounting loss that would be recognised if counter parties fail completely to perform as contracted.

Exposure to Credit Risk

The company is exposed to credit risk on the following financial assets. The carrying amount of these financial assets represents the maximum credit exposure at the reporting date, which is detailed as follows:

Trade Receivables	412,962,829	317,050,229
Advances and Deposits	227,323	227,323
Other Receivables	17,027,195	17,027,195
Cash and Bank Balances	1,127,712	4,014,905
	431,345,059	338,319,652

30-06-2022 30-06-2021
Rupees Rupees

Concentration of Credit Risk

Concentration of credit risk arises from exposure to a single debtor, or when a number of counter parties are engaged in similar business activities or have similar economic features that would cause the ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The company is exposed to a concentration of credit risk on trade receivables.

Quality of Financial Assets

Trade receivables are due vide High Court's Orders. Cash at bank is with banks of repute enjoying good credit rating.

Credit Risk Management

The company attempts to control credit risk by monitoring credit exposures and continually assessing the credit worthiness of counter parties, reviewing clients' financial position, considering past experience and other factors.

25.2 Market Risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: price risk, interest rate risk and foreign currency risk.

25.2.1 Price Risk

The Company is not exposed to market price risk.

25.2.2 Foreign Currency Risk

Foreign currency risk is the risk that the value of a financial asset or a liability will fluctuate due to a change in foreign exchange rate. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The company's revenue streams include amounts in foreign currencies, hence it can experience adverse or beneficial effects arising from foreign exchange rate movements.

The following shows sensitivity of financial liabilities and expenses to a reasonable possible change in the foreign exchange rate:

Profit and (Loss)	
1% Increase	1% Decrease
Rupees	Rupees
4,110,000	4,110,000
3,150,874	3,150,874

As at June 30, 2021

Cash Flow Sensitivity - Foreign Debtors

As at June 30, 2020

Cash Flow Sensitivity - Foreign Debtors

25.3 Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The company believes that it is not exposed to any significant level of liquidity risk, as support is available from the directors and associated undertakings. Following are the contractual maturities of financial liabilities:

Remaining contractual Maturities			
Payable on Demand	Payable within a year	Payable after one year	Total
----- Rupees -----			

Non-Derivative Financial Liabilities as at June 30, 2022

Trade and Other Payables	-	4,958,954	-	4,958,954
Loan from Directors	20,991,955	-	-	20,991,955
	<u>20,991,955</u>	<u>4,958,954</u>	<u>-</u>	<u>25,950,909</u>

Non-Derivative Financial Liabilities as at June 30, 2021

Trade and Other Payables	-	4,911,773	-	4,911,773
Loan from Directors	20,601,914	-	-	20,601,914
	<u>20,601,914</u>	<u>4,911,773</u>	<u>-</u>	<u>25,513,687</u>

	30-06-2022	30-06-2021
	Rupees	Rupees
26. RELATED PARTY TRANSACTIONS		
Related parties comprise of group companies (associates), directors, major shareholders, their close family members and key management personnel. Transactions with related parties during the year, other than and including those which have been disclosed elsewhere in these financial statements, are given below:		
Name of Related Party	Nature of Transaction	
Rauf Alam - Director	Loan received / (Repaid)	-
Saeed Alam - Director	Loan received / (Repaid)	20,186,327
Faraz Alam - Director	Loan received / (Repaid)	390,041
		2,575
		-
		(15,344,000)

27. FIGURES

Figures have been rounded off to the nearest rupee.

28. NUMBER OF EMPLOYEES

Total employees of the Company at year end	-	-
Average employees of the Company during the year	-	-

29. PLANT CAPACITY AND PRODUCTION

Due to the nature of Company's business, production capacity of the plant is not determinable. The reason for non-production is blockage of funds with Russia that rendered the Company in to the financial distress, as explained in Note No.1.

30. DATE OF AUTHORIZATION

These financial statements were authorized for issue on **September 29, 2022** by the Board of Directors of the Company.

RAUF ALAM
Chief Executive
Dated: September 29, 2022

SAEED 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, 2022**

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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Form of Proxy

I/We _____ of _____
 being a member(s) of **Fateh Sports Wear Limited** and holder of _____ Ordinary
 Shares hereby appoint Mr. / Mrs. / Miss _____ of _____ or
 failing him / her _____ of _____ as my / our proxy in my / our
 absence to attend and vote for me / us on my / our behalf at the 39th Annual General Meeting to
 be held on **Thursday October 27, 2022 at 09:00 a.m.** and / or at any adjournment thereof.

In witness thereof I/We have signed and set my / our hands seal thereon this _____ day of
 _____ 2022 in presence of _____

Signed this _____ day of _____ 2022

Folio No.	CDC Account No.	
	Participatne I.D.	Account No.

Signature on Revenue Stamp

The Signature should
 agree with the
 specimen registered
 with the Company

Important:

1. This Proxy Form, duly completed and signed, must be deposited at the registered office of the Company not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
2. If a member appoints more than one proxy and more than one instrument of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account holders / Corporate Entities

In addition to the above the following requirements have to be met:

- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted alongwith proxy form to the company.

Dear Member

Replacement of physical shares with book-entry form

Respected Shareholder,

We would like to inform you that as per the requirement of Section 72 of the Companies Act, 2017 ("**the Act**"), companies are required to convert shares issued in physical form with the shares in book-entry form (electronic form or CDC), within a period not exceeding four years from the date of the promulgation of the Act. The four-year period ended on 31st May 2021. The Securities & Exchange Commission of Pakistan ("**SECP**") vide its letter dated 26th March 2021, has advised all listed companies, having physical shares to pursue with their such shareholders who still hold shares in physical form, requiring conversion of their shares in the book-entry form.

It may be noted that maintaining shares in book-entry form has many advantages, including safe custody of shares with the CDC, unlike physical share certificates there is no risk of loss, instant credit of bonus/right shares. Whereas, the physical share certificates are not saleable through stock exchange and cannot be pledged, if required.

Accordingly, all shareholders who held their shares in physical form are hereby requested to proceed with the conversion of their physical share certificates into scrip less book-entry form at their earliest.

The scrip less book-entry shares are kept in electronic accounts maintained by the Central Depository Company Limited ("**CDC**"). The CDS Account can be opened and maintained by any CDC Participant (i.e. Stock Brokers) or by CDC Investor Account Services ("**CDC-IAS**"). You may contact any Stock Broker or CDC-IAS (Toll Free Tel. 0800-23275, email: info@cdcpak.com) in this regard. If you have any query or require any guidance, you may also contact the Company's Share Registrar M/s. F.D. Registrar Services (Pvt.) Ltd. (Room No. 1705, 17th Floor, Saima Trade Tower "A", I.I. Chundrigar Road, Karachi-74000 Phone: (92-21) 32271905-6, email: fdregistrar@yahoo.com).

Regards,

Company Secretary