

Condensed Interim Financial Statements

**For the period ended
December 31, 2023**



**Fateh
Sports Wear
Limited**

Mirpurkhas Road, Hyderabad, Pakistan

Fateh Sports Wear Limited

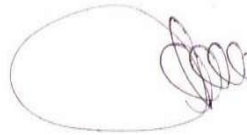
442, Mirpurkhas Road, Hyderabad

BOARD'S REVIEW TO THE SHAREHOLDERS

The Directors of your Company present before you the Quarterly Accounts (2nd Quarter) Un-Audited Condensed Statement of Financial Position, Profit or Loss Account alongwith the Cash Flow Statement for the period ended December 31, 2023.

During the period under review, there were no sale recorded due to non availability of orders. Company incurred Loss in respect of Administration expenses of Rs.1.12 million. Company incurred loss of Rs.9.48 million in respect of exchange rate difference on stuck up amount US\$:2.00 Million. After Financial and other charges of Rs. 0.08 million, Company incurred Net Loss of Rs.10.68 million. The accumulated profit remained at Balance Sheet is Rs.502.34 million. Loss per share for the half year ended is Rs.5.34.

for and on behalf of the Board



RAUF ALAM

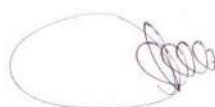
Chief Executive

Hyderabad: February 26, 2024

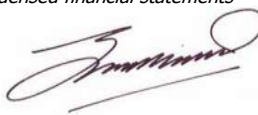
Condensed Interim Statement of Financial Position
As at December 31, 2023

	Dec 31, 2023	Jun 30, 2023
	Un-Audited	Audited
	Rupees	
Non Current Assets		
Property, Plant and Equipments	10,529,255	10,682,506
Capital work in Progress	29,844,042	29,844,042
	40,373,297	40,526,548
Current Assets		
Trade Receivables	563,720,000	573,200,000
Advances, Deposits and Prepayments	1,533,650	1,533,650
Cash and Bank Balances	121,666	140,057
	565,375,316	574,873,707
Total	605,748,613	615,400,255
Share Capital & Reserves		
Share Capital	20,000,000	20,000,000
Revenue Reserves		
General reserve	53,500,000	53,500,000
Accumulated profit	502,335,763	513,011,146
	555,835,763	566,511,146
	575,835,763	586,511,146
Current Liabilities		
Trade and Other Payables	6,158,504	5,584,763
Loan from Directors	23,640,955	23,190,955
Provision for Taxation	113,391	113,391
	29,912,850	28,889,109
CONTINGENCIES AND COMMITMENTS - Note No.3		
Total	605,748,613	615,400,255

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



RAUF ALAM
Chief Executive



SAEED ALAM
Director



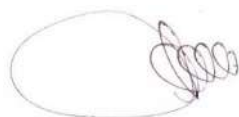
MUHAMMAD ISMAIL
Chief Financial Officer

Dated: February 26, 2024

Condensed Interim Statement of Profit or Loss & Comprehensive Income
For the Half Year Ended December 31, 2023
(Un-Audited)

	OCT-DEC 2023 Rupees	JUL-DEC 2023 Rupees	OCT-DEC 2022 Rupees	JUL-DEC 2022 Rupees
Sales	0	0	0	0
Less: Cost of sales	0	0	0	0
Gross Profit	0	0	0	0
Less: Administration expense	593,308	1,119,801	558,768	1,142,790
	(593,308)	(1,119,801)	(558,768)	(1,142,790)
Add: Other Income				
Exchange (Loss) / Gain	(13,480,000)	(9,480,000)	(6,100,000)	41,800,000
Operating (Loss) / Profit	(14,073,308)	(10,599,801)	(6,658,768)	40,657,211
Less: Financial expenses	78	582	684	1,102
Other charges	75,000	75,000	75,000	75,000
	75,078	75,582	75,684	76,102
(Loss) / Profit before Taxation	(14,148,386)	(10,675,383)	(6,734,452)	40,581,109
Taxation	0	0	0	0
Net (Loss) / Profit after Taxation	(14,148,386)	(10,675,383)	(6,734,452)	40,581,109
Other comprehensive income	0	0	0	0
Total Comprehensive (Loss)/				
Profit for the Period	(14,148,386)	(10,675,383)	(6,734,452)	40,581,109
(Loss)/ Earning per share - Basic and Diluted	(7.07)	(5.34)	(3.37)	20.29

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



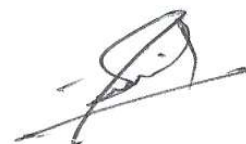
RAUF ALAM

Chief Executive



SAEED ALAM

Director




MUHAMMAD ISMAIL

Chief Financial Officer

Dated: February 26, 2024

Condensed Interim Statement of Cash Flows
For the Half Year Ended December 31, 2023

	31-12-2022 RUPEES	31-12-2021 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(10,675,383)	40,581,109
Adjustments for:		
Depreciation	153,251	170,381
Operating profit/(loss) before working capital changes	(10,522,132)	40,751,489
(Increase) / Decrease in current assets		
Trade Receivables	9,480,000	(41,800,000)
Advances, deposits and prepayments	0	0
	(1,042,132)	(1,048,511)
Increase / (Decrease) in current liabilities		
Trade and other payables	573,741	0
Cash generated from / (used in) operations	(468,391)	(1,048,511)
Tax deducted at source / paid	0	0
Net (used in) operating activities	(468,391)	(1,048,511)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Capital work in progress	0	0
Net (used in) investing activities	0	0
CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decreases) in Loan from directors	450,000	109,000
Net Cash from financing activities	450,000	109,000
Net (Decrease) in cash and cash equivalents	(18,391)	(939,511)
Cash and cash equivalent at the beginning of the period	140,057	1,138,495
Cash and cash equivalent at the end of the period	121,666	198,984




RAUF ALAM

Chief Executive



SAEED ALAM

Director



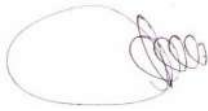
MUHAMMAD ISMAIL

Chief Financial Officer

Dated: February 26, 2024

Condensed Interim Statement of Changes in Equity
For the Half Year Ended December 31, 2023

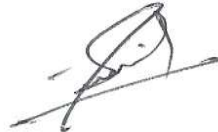
	Share Capital	General Reserve	Accumulated (Loss)	<u>Amount in Rupees</u> Total
Balance as on July 1, 2022	20,000,000	53,500,000	354,807,438	428,307,438
Profit for the period	0	0	40,581,109	40,581,109
Other Comprehensive income for the period	0	0	0	0
	0	0	40,581,109	40,581,109
Balance as on December 31, 2022	20,000,000	53,500,000	395,388,547	468,888,547
Balance as on July 1, 2023	20,000,000	53,500,000	513,011,146	586,511,146
Profit for the period	0	0	(10,675,383)	(10,675,383)
Other Comprehensive income for the period	0	0	0	0
	0	0	(10,675,383)	(10,675,383)
Balance as on December 31, 2023	20,000,000	53,500,000	502,335,763	575,835,763



RAUF ALAM
Chief Executive



SAEED ALAM
Director



MUHAMMAD ISMAIL
Chief Financial Officer

Dated: February 26, 2024

FATEH SPORTS WEAR LIMITED
Notes to the condensed Interim Financial Statements:
For the Half Year ended December 31, 2023

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 Registered office is situated at 442, Mirpurkhas Road, Hyderabad.

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. The Company has planned to operate banquet hall, and has incurred a capital expenditure to the tune of Rs.29.84 million, and the work is still in progress.

2. BASIS FOR PRESENTATION

2.1 Purpose of Issuance

These condensed interim financial statements have been issued to the shareholders to comply with Section 237 of the Companies Act, 2017 are un-audited but subject to limited scope review by the external auditors as required by the Companies Act, 2017 and Code of Corporate Governance.

2.2 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 – “Interim Financial Reporting” and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2023. These condensed interim financial statements are unaudited.

2.3 Comparative Financial Information

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement, are extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2022.

2.4 Basis of Measurement

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

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.

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 during the year ended June 30, 2020.

FATEH SPORTS WEAR LIMITED
Notes to the condensed Interim Financial Statements:
For the Half Year ended December 31, 2023

Thus the Company has been able to generate net positive cash flows from operations and provision for expected credit losses has been reversed. The unappropriated profit as on the closing date stands at Rs.502.34 million in contrast to accumulated loss and adverse current ratio two years back. The management is to restart the operations viably a new. The Company has planned to operate banquet hall, and has incurred a capital expenditure to the tune of Rs.29.8 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 cast significant doubt about the Company's ability to continue as a going concern, therefore it may be unable to realize 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 Accounting Policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the audited financial statements for the year ended June 30, 2023.

2.6 Accounting Estimates and Judgments

Estimates and judgments made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended June 30, 2023.

2.7 Functional and Presentation Currency

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

3 CONTINGENCIES AND COMMITMENTS

Contingencies reported in the annual audited financial statements for the year ended June 30, 2023 remain-unchanged.

4 TAXATION

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

5 RELATED PARTY TRANSACTIONS

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

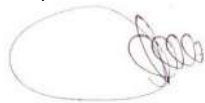
<u>Name of Related Party</u>	<u>Nature of Transaction</u>	31-Dec-23	31-Dec-22
		Rupees	
Rauf Alam - Director	Loan received / (Repaid)	-	81,000
Saeed Alam - Director	Loan received / (Repaid)	450,000	28,000

6. FIGURES

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

7. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on **February 26, 2024** by the Board of Directors of the Company.



RAUF ALAM
Chief Executive



SAEED ALAM
Director



MUHAMMAD ISMAIL
Chief Financial Officer

Hyderabad: February 26, 2024