

Fateh Sports Wear Limited

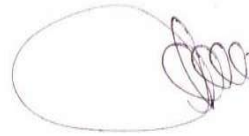
442, Mirpurkhas Road, Hyderabad

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, 2024.

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.1.62 million. Company earned profit of Rs.0.10 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.1.61 million. The accumulated profit remained at Balance Sheet is Rs.491.50 million. Loss per share for the half year ended is Rs.0.80.

for and on behalf of the Board



RAUF ALAM

Chief Executive

Hyderabad: February 24, 2025

Fateh Sports Wear Limited

Condensed Interim Statement of Financial Position

As at December 31, 2024

	Dec 31, 2024 Un-Audited	Jun 30, 2024 Audited
	<u>Rupees</u>	
Non Current Assets		
Property, Plant and Equipments	10,238,153	10,376,005
Capital work in Progress	29,844,042	29,844,042
	40,082,195	40,220,047
Current Assets		
Trade Receivables	556,700,000	556,600,000
Advances, Deposits and Prepayments	1,748,395	1,748,395
Cash and Bank Balances	83,592	81,563
	558,531,987	558,429,958
Total	598,614,182	598,650,005
Share Capital & Reserves		
Share Capital	20,000,000	20,000,000
Revenue Reserves		
General reserve	53,500,000	53,500,000
Accumulated profit	491,500,454	493,106,224
	545,000,454	546,606,224
	565,000,454	566,606,224
Current Liabilities		
Trade and Other Payables	7,109,261	5,619,314
Loan from Directors	26,391,076	26,311,076
Provision for Taxation	113,391	113,391
	33,613,728	32,043,781
CONTINGENCIES AND COMMITMENTS - Note No.3		
Total	598,614,182	598,650,005

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



RAUF ALAM

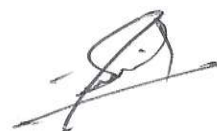
Chief Executive

Dated: February 24, 2025



SAEED ALAM

Director



MUHAMMAD ISMAIL

Chief Financial Officer

Fateh Sports Wear Limited

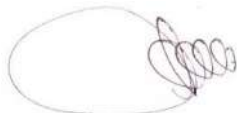
Condensed Interim Statement of Profit or Loss & Comprehensive Income

For the Half Year Ended December 31, 2024

(Un-Audited)

	2024		2023	
	OCT-DEC 2023 Rupees	JUL-DEC 2023 Rupees	OCT-DEC 2023 Rupees	JUL-DEC 2023 Rupees
Sales	0	0	0	0
Less: Cost of sales	0	0	0	0
Gross Profit	0	0	0	0
Less: Administration expense	920,170	1,619,959	593,308	1,119,801
	(920,170)	(1,619,959)	(593,308)	(1,119,801)
Add: Other Income				
Exchange Gain/(Loss)	1,600,000	100,000	(13,480,000)	(9,480,000)
Operating Profit/(Loss)	679,830	(1,519,959)	(14,073,308)	(10,599,801)
Less: Financial expenses	40	811	78	582
Other charges	85,000	85,000	75,000	75,000
	85,040	85,811	75,078	75,582
Profit/(Loss) before Taxation	594,790	(1,605,770)	(14,148,386)	(10,675,383)
Taxation	0	0	0	0
Net Profit /(Loss) after Taxation	594,790	(1,605,770)	(14,148,386)	(10,675,383)
Other comprehensive income	0	0	0	0
Total Comprehensive Income/(Loss)				
for the Period	594,790	(1,605,770)	(14,148,386)	(10,675,383)
Earning / (Loss) per share - Basic and Diluted	0.30	(0.80)	(7.07)	(5.34)

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



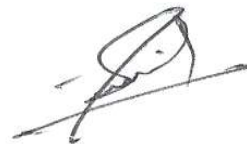
RAUF ALAM

Chief Executive



SAEED ALAM

Director



MUHAMMAD ISMAIL

Chief Financial Officer

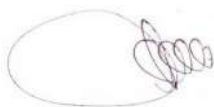
Dated: February 24, 2025

Fateh Sports Wear Limited

Condensed Interim Statement of Cash Flows

For the Half Year Ended December 31, 2024

	31-12-2024 RUPEES	31-12-2023 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(1,605,770)	(10,675,383)
Adjustments for:		
Foreign Exchange loss / (Gain)	(100,000)	9,480,000
Depreciation	137,852	153,251
Operating (loss) before working capital changes	(1,567,918)	(1,042,132)
(Increase) / Decrease in operating assets		
Trade Receivables	0	0
Advances, deposits and prepayments	0	0
	(1,567,918)	(1,042,132)
Increase /(Decrease) in operating liabilities		
Trade and other payables	1,489,947	573,741
Cash generated from / (used in) operations	(77,971)	(468,391)
Tax deducted at source / paid	0	0
Net Cash from (used in) operating activities	(77,971)	(468,391)
CASH FLOW FROM INVESTING ACTIVITIES		
	0	0
Net Cash from (used in) investing activities	0	0
CASH FLOW FROM FINANCING ACTIVITIES		
Increase /(Decreases) in Loan from directors	80,000	450,000
Net Cash from financing activities	80,000	450,000
Net Increase / (Decrease) in cash and cash equivalents	2,029	(18,391)
Cash and cash equivalent at the beginning of the period	81,563	140,057
Cash and cash equivalent at the end of the period	83,592	121,666



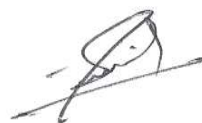
RAUF ALAM

Chief Executive



SAEED ALAM

Director



MUHAMMAD ISMAIL

Chief Financial Officer

Dated: February 24, 2025

Fateh Sports Wear Limited

Condensed Interim Statement of Changes in Equity For the Half Year Ended December 31, 2024

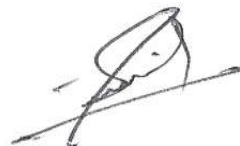
	Amount in Rupees			
	Share Capital	General Reserve	Accumulated (Loss)	Total
Balance as at July 1, 2023	20,000,000	53,500,000	513,011,146	586,511,146
Loss for the period	0	0	(10,675,383)	(10,675,383)
Other Comprehensive income for the period	0	0	0	0
	0	0	(10,675,383)	(10,675,383)
Balance as at December 31, 2023	20,000,000	53,500,000	502,335,763	575,835,763
Balance as at July 1, 2024	20,000,000	53,500,000	493,106,224	566,606,224
Loss for the period	0	0	(1,605,770)	(1,605,770)
Other Comprehensive income for the period	0	0	0	0
	0	0	(1,605,770)	(1,605,770)
Balance as at December 31, 2024	20,000,000	53,500,000	491,500,454	565,000,454



RAUF ALAM
Chief Executive



SAEED ALAM
Director



MUHAMMAD ISMAIL
Chief Financial Officer

Dated: February 24, 2025

FATEH SPORTS WEAR LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

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 into 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.

2 BASIS OF 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, 2024. 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, 2024, 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, 2023.

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, 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.

The FER cases against the Company have been vacated by the Foreign Exchange Adjudication Office vide order dated September 14, 2023 in favour of the Company. The Foreign Exchange Adjudication Officer has remarked in his order that stuck up amount is to be paid to the Company after settlement of family dispute. Thus there are prospects that the Company will receive the stuck up funds, once the family cases are vacated. The equity is positive, 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 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, 2024.

2.6 Accounting Estimates and Judgements

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, 2024.

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, 2024 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 pf 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:

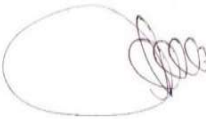
		Dec. 31, 2024	Dec. 31, 2023
		----- Rupees -----	
<u>Name of Related Party</u>	<u>Nature of Transaction</u>		
Mr. Saeed Alam - Director	Loan received	80,000	450,000

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 authorised for issue on February 24, 2025 by the Board of Directors of the Company.


Chief Executive


Director


Chief Financial Officer



Clarkson Hyde Saud Ansari
Chartered Accountants

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Offices in Islamabad & Lahore

Pakistan representative of **Clarkson Hyde Global**
Global Association of Auditors, Accountants,
Tax Specialists and Business Advisors

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of: FATEH SPORTS WEAR LIMITED

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **FATEH SPORTS WEAR LIMITED** (the Company) as at December 31, 2024, the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The carrying value of property, plant and equipment as of the reporting date is Rs.10,238,153. As stated in Note No.1 to the financial statements, the operations of the Company have been closed since the year 2015. Therefore there is an indication that items of property, plant and equipment may have been impaired. The Company has not carried out an exercise to assess their fair value, we are therefore unable to obtain sufficient appropriate evidence about the carrying amount of property, plant and equipment, and to determine if impairment loss, if any is to be recognized.

The Company has reported work in progress at a carrying amount of Rs.29,844,042 the work on the project has been suspended for the last two years, we are also unable to obtain sufficient appropriate evidence about the carrying amount of the same and to determine if impairment loss, if any, is to be recognized.

We have been unable to receive balance confirmations for balances of trade creditors amounting to Rs.781,144 and other payables amounting to Rs.3,924,353, hence these balances remained unverified.

Qualified Conclusion

Except for the adjustments to the condensed interim financial statements, that we might have become aware of, had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

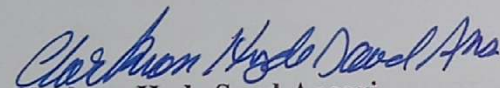
Material Uncertainty relating to Going Concern

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 indicates 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 conclusion is not modified in respect of this matter.

Other Matter

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2024 and 2023 have not been reviewed as we were required to review only the cumulative figures for the half year ended December 31, 2024.

The engagement partner on the review resulting in this independent auditor's review report is SAUD ANSARI.


Clarkson Hyde Saud Ansari
Chartered Accountants
Karachi.
Dated: February 24, 2025
UDIN: RR202410149Cv9sJPXdT

