



# QUARTERLY REPORT

**March 31, 2020**

**Fateh Industries Limited**

442 Mirpurkhas Road, Hyderabad Pakistan

# Fateh Industries Limited

442, Mirpurkhas Road, Hyderabad

## BOARD'S REVIEW TO THE SHAREHOLDERS

The Directors of the Company are presenting before you third Quarterly Accounts which includes Statements of Financial Position, Profit or Loss, Cash Flows and Changes in Equity for the period ended March 31, 2020.

Despite of complete lock down in the country due to spread of corona virus (COVID-19) Management of the Company has arranged to prepare and present the Quarterly Accounts with available resources.

The Company has achieved sales of Rs.25.49 million whereas earned Gross Profit of Rs.2.27 million during nine months of the financial year under review. After Administration and Selling expenses of Rs.5.23 million, Company incurred Operating Loss of Rs.2.96 million. After exchange gain of Rs. 0.14 million and Financial and other charges of Rs.0.16 million, Company incurred loss before taxation of Rs. 2.70 million. The accumulated losses are stand at Rs. 274.04 million. Loss per share is Rs.1.35.

During the period under review Company received US\$:1.150 million against the claims from Russian Federation.

for and on behalf of the Board

**SAEED ALAM**  
Chief Executive

Hyderabad: April 27, 2020

# Statement of Financial Position

As at March 31, 2020  
(Un-Audited)

	<u>31-03-2020</u> <u>RUPEES</u>	<u>30-06-2019</u> <u>RUPEES</u>
<b>Capital &amp; Liabilities</b>		
<b>Authorized Capital</b>		
10,000,000 ordinary shares of Rs. 10/- each	<b>100,000,000</b>	100,000,000
<b>Shareholders' Equity</b>		
Issued, subscribed and paid up share capital	<b>20,000,000</b>	20,000,000
Investment revaluation reserve	<b>362,725</b>	292,574
Unappropriated loss	<b>(274,040,131)</b>	(271,337,645)
	<b>(253,677,406)</b>	(251,045,071)
<b>Current Liabilities</b>		
Trade and others payables	<b>520,583,277</b>	174,996,902
Short term running finances	<b>137,452,522</b>	122,547,522
Provision for Taxation	<b>414,283</b>	414,283
	<b>658,450,082</b>	297,958,707
Total	<b>404,772,676</b>	46,913,636
<b>Property &amp; Assets</b>		
<b>Operating Fixed Assets</b>	<b>15,406,056</b>	16,439,998
<b>Long Term Investments</b>	<b>380,292</b>	310,141
<b>Current Assets</b>		
Stores, spare parts and loose tools	<b>0</b>	0
Stock-in-trade	<b>16,658,257</b>	5,267,785
Trade debts	<b>15,363,122</b>	6,938,534
Advances, deposits and prepayments	<b>4,396,625</b>	15,283,527
Other receivables	<b>0</b>	0
Cash and bank balance	<b>352,568,324</b>	2,673,651
	<b>388,986,328</b>	30,163,497
	<b>404,772,676</b>	46,913,636

**SAEED ALAM**

Chief Executive

Hyderabad: April 27, 2020

**RAUF ALAM**

Director

**MUHAMMAD ISMAIL**

Chief Financial Officer

## Statement of Profit or Loss

**For the 3rd Quarter ended March 31, 2020**  
(Un-Audited)

	<b>JAN-MAR 2020 RUPEES</b>	<b>JUL-MAR 2020 RUPEES</b>	<b>JAN-MAR 2019 RUPEES</b>	<b>JUL-MAR 2019 RUPEES</b>
Sales	8,201,116	25,487,981	6,548,905	15,693,169
Cost of sales	6,411,510	23,213,735	6,222,560	14,485,914
<b>Gross Profit</b>	<b>1,789,606</b>	<b>2,274,246</b>	326,345	1,207,255
Administration expenses	747,124	2,958,922	590,729	1,645,182
Selling & distribution expenses	1,208,373	2,272,488	740,416	819,688
	<b>1,955,497</b>	<b>5,231,410</b>	1,331,145	2,464,870
<b>Operating Loss</b>	<b>(165,891)</b>	<b>(2,957,164)</b>	(1,004,800)	(1,257,615)
Other Income	183,000	270,280	22,000	34,240
Exchange (Loss) / Gain	(855,668)	144,699	(121,732)	(1,398,571)
	<b>(672,668)</b>	<b>414,979</b>	(99,732)	(1,364,331)
Financial expenses	14,238	85,301	54,740	83,440
Other Charges	0	75,000	0	60,000
	<b>14,238</b>	<b>160,301</b>	54,740	143,440
<b>Loss before Taxation</b>	<b>(852,797)</b>	<b>(2,702,486)</b>	(1,159,272)	(2,765,386)
Provision for taxation	0	0	0	0
<b>Loss after Taxation</b>	<b>(852,797)</b>	<b>(2,702,486)</b>	(1,159,272)	(2,765,386)
Loss per share	(0.43)	(1.35)	(0.58)	(1.38)

**Notes:**

1. **Fateh Industries Limited** is incorporated in Pakistan as a public limited company and is listed on the Pakistan Stock Exchange Limited. The Company is engaged mainly in the manufacturing and sale of footwear of all kinds. The registered office of the company is situated at 442, Mirpurkhas Road, Hyderabad.
2. These condensed financial accounts are un-audited and are being submitted to the shareholders as required under section 237 of the Companies Act -2017 and have been prepared in accordance with the requirements of International Accounting Standard (I.A.S-34) as applicable in Pakistan.
3. The accounting policies and methods of computation adopted by the Company for preparation of these accounts are the same as those applied for the annual accounts.
4. No provision for taxation is made in the accounts since the company is in loss. However, the final tax liability will be calculated at the end of the year after consideration of assessment completed and the available tax credits.
5. Figures in these accounts have been rounded off to the nearest rupee.
6. These accounts are authorized by the Board for issue on 27th April, 2020.

**SAEED ALAM**

Chief Executive

Hyderabad: April 27, 2020

**RAUF ALAM**

Director

**MUHAMMAD ISMAIL**

Chief Financial Officer

# Statement of Comprehensive Income

For the 3rd Quarter ended March 31, 2020  
(Un-Audited)

	<b>JAN-MAR 2020 RUPEES</b>	<b>JUL-MAR 2020 RUPEES</b>	JAN-MAR 2019 RUPEES	JUL-MAR 2019 RUPEES
Loss after taxation	<b>(852,797)</b>	<b>(2,702,486)</b>	(1,159,272)	(2,765,386)
<b>Other comprehensive income</b>				
Unrealized Profit/(loss) on revaluation of investment - available for sale	<b>70,151</b>	<b>(107,682)</b>	14,255	(49,718)
<b>Total Comprehensive Loss for the Period</b>	<b><u>(782,646)</u></b>	<b><u>(2,810,168)</u></b>	<u>(1,145,017)</u>	<u>(2,815,104)</u>

**SAEED ALAM**  
Chief Executive  
Hyderabad: April 27, 2020

**RAUF ALAM**  
Director

**MUHAMMAD ISMAIL**  
Chief Financial Officer

**Statement of Cash Flows**  
For the 3rd Quarter ended March 31, 2020

	<b>31-Mar-20</b> <b>RUPEES</b>	31-Mar-19 RUPEES
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
Net Loss before taxation	(2,702,486)	(2,765,386)
Adjustment for :		
Depreciation	<b>1,033,942</b>	1,168,231
Dividend Income	<b>(16,780)</b>	(12,240)
Exchange (Gain)/Loss	<b>(144,699)</b>	1,398,571
	<b>872,462</b>	2,554,561
Operating Profit/(Loss) before working capital	<b>(1,830,024)</b>	(210,825)
Changes in Working Capital		
<b>(Increase) / decrease in current assets</b>		
Stock in Trade	<b>(11,390,472)</b>	1,743,113
Trade Debts	<b>(8,424,588)</b>	(7,171,017)
Advances, deposits & prepayments	<b>10,886,902</b>	(891,006)
Other receivables	<b>0</b>	0
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	<b>345,586,375</b>	(2,225,846)
	<b>336,658,217</b>	(8,544,756)
Cash generated from operations	<b>334,828,193</b>	(8,755,581)
Exchange Gain/(Loss)	<b>144,699</b>	(1,398,571)
	<b>334,972,893</b>	(10,154,152)
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	<b>0</b>	0
Dividend received	<b>16,780</b>	12,240
	<b>16,780</b>	12,240
<b>C. CASH FROM FINANCING ACTIVITIES</b>		
Loan received from directors	<b>14,905,000</b>	13,207,881
	<b>14,905,000</b>	13,207,881
Changes in cash and equivalents during the period		
Cash and equivalent at the beginning	<b>349,894,673</b>	3,065,970
<b>Cash and equivalent at the end</b>	<b>2,673,651</b>	954,352
	<b>352,568,324</b>	4,020,322

**SAEED ALAM**

Chief Executive

**RAUF ALAM**

Director

**MUHAMMAD ISMAIL**

Chief Financial Officer

Hyderabad: April 27, 2020

# Statement of Changes in Equity

## For the 3rd Quarter ended March 31, 2020

	<u>Amount in Rupees.</u>			
	<u>Share Capital</u>	<u>Surplus on Revaluation of Investment</u>	<u>Accumulated (Loss)</u>	<u>Total</u>
<b>Balance as on July 1, 2018</b>	<b>20,000,000</b>	<b>400,256</b>	<b>(260,812,411)</b>	<b>(240,412,155)</b>
Loss upto March 31, 2019	0	(49,718)	(2,765,386)	(2,815,104)
<b>Balance as on March 31, 2019</b>	<b>20,000,000</b>	<b>350,538</b>	<b>(263,577,797)</b>	<b>(243,227,259)</b>
<b>Balance as on July 1, 2019</b>	<b>20,000,000</b>	<b>292,574</b>	<b>(271,337,645)</b>	<b>(251,045,071)</b>
Loss upto March 31, 2020	0	70,151	(2,702,486)	(2,632,335)
<b>Balance as on March 31, 2020</b>	<b>20,000,000</b>	<b>362,725</b>	<b>(274,040,131)</b>	<b>(253,677,406)</b>

**SAEED ALAM**

Chief Executive

**Hyderabad: April 27, 2020**

**RAUF ALAM**

Director

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Chief Financial Officer