ANNUAL REPORT 2026

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Fateh
Sports Wear
Limited

Fateh Sports Wear Limited

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Fateh Sports Wear Limited

Notice of Annual General Meeting

Notice is hereby given to the Members that the 43rd Annual General Meeting of **FATEH SPORTS WEAR LIMITED** will be held on **Thursday November 26, 2026 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 27th October , 2025.

2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Directors' and Auditors' Reports thereon.

3. To appoint Auditors and fix their remuneration for the year ending June 30, 2027.

4. To transact any other business with the permission of the Chair.

By order of the Board
for Fateh Sports Wear Limited

Hyderabad:
November 5, 2026

Ghous Muhammad Khan
Company Secretary

NOTES:

1. The share transfer books of the Company will remain closed from 20th to 26th November, 2026 (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. 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 alongiwth copy of her/his CNIC and any change in their address by writing to Registrar of the Company. The Annual Report of the Company is available through web link:
   https://fatehsports.com/wp-content/uploads/2026/10/FSWL-BALANCE-SHEET-2026.pdf
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.

Fateh Sports Wear Limited

Company Profile

CHAIRMAN
Mr. Aftab Alam

CHIEF EXECUTIVE OFFICER
Mr. Rauf Alam

BOARD OF DIRECTORS
Mr. Rauf Alam
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

EXTERNAL AUDITORS
M/s. Clarkson Hyde Saud Ansari
Office#1501,15th Floor, Ceasars Tower,
ST-10, Shahra-e-Faisal, Karachi.

SHARE REGISTRAR
M/s. F.D. Registrar Services (Pvt) Ltd.
Office#1705, Saima Trade Tower-A, Karachi.

BANKERS
Askari Bank Limited
Bank AL-Habib Limited
Habib Bank Limited
National Bank of Pakistan

REGISTERED OFFICE
Plot # 442, Mirpurkhas Road, Hyderabad.
Tel: (92-22) 3886263-67
Fax: (92-22) 3886268
Email: fswl@fateh1.com
Web: www.fatehsports.com

Fateh Sports Wear Limited

Chairman's Review Report

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

I have to present a report on the overall performance of the Board of Directors and effectiveness of the role played by the board in achieving the company's objectives during the financial year ended June 30, 2026.

The board of directors is responsible for the management of the company, which formulates all significant policies and strategies. The board is governed by relevant laws & regulations and its obligation, rights, responsibilities and duties are as specified and prescribed therein. The Board of Directors comprises of individuals with diversified knowledge who Endeavour to contribute towards the aim of the Company with the best of their abilities.

An annual self evaluation of the Board of Directors of the Company 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.

Board's overall performance and effectiveness has been assessed as Satisfactory. Board complies with 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.

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 thank the management and the esteemed shareholders for reposing confidence in the Company and its Board of Directors.

AFTAB ALAM
Chairman

Hyderabad: October 29, 2026

Directors' Report

The Board of Directors presents their report and financial statements of the Company alongwith Auditors' Reports thereon for the year ended June 30, 2026.

Throughout the year, no sales were recorded in the books of accounts, and production activities were remained suspended. However, Rs. 4.12 million were recorded as Administration expenses. Company incurred loss of Rs.11.10 million in respect of foreign exchange loss on stuck up amount of US$:2.000 million. After Financial and Other Charges of Rs.0.54 million, Company incurred loss before taxation of Rs.15.76 million. Net loss of Rs. 15.76 million is carried forward to Balance. Loss per share for the period is Rs. 7.88.

Gender pay Gap:

As the company remained non-operational throughout the reporting period and employed no staff, the gender pay gap analysis is not applicable for the year under review. The company's management remains committed to fostering an inclusive work environment and will continue to uphold equal opportunity principles in all future hiring and operational endeavors.

Dividend:

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

Future Outlook:

The economic landscape presented new challenges including slowdown of economic activities resulting high inflation rate in local market where the price of essential items are rising on daily basis. The Board will continue its efforts to restart the business activities soon after receipt of stuck up funds. 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, 2026** 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)

	2020	2021	2022	2023	2024	2025	2026
Sales	0	0	0	0	0	0	**0**
Gross Profit / (Loss)	0	0	0	0	0	0	**0**
Selling & Administration Expenses	19,538	2,156	1,799	3,518	2,788	3,030	**4,120**
Profit/(Loss) before Taxation	635,191	(23,947)	93,839	158,204	19,905	7,028	**(15,761)**
Profit/(Loss) after Taxation	633,285	(23,947)	93,839	158,204	19,905	7,028	**(15,761)**
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	358,415	334,468	428,307	586,511	566,606	573,635	**557,874**
Fixed Assets	11,823	11,402	11,023	10,683	10,376	10,100	**9,852**
Total Assets	379,493	360,095	454,372	615,400	598,650	609,230	**598,071**

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 financial 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	03
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 hence no reply has been received from their end. In respect of work in progress, directors spend amount from their own resources to renovate the building with the hope of renting it out but the work was stopped due to shortage of funds. The Management intends to revaluate the assets of the Company as soon as funds are available.

Auditors:

The present Auditors **M/s. Clarkson Hyde Saud Ansari**, Chartered Accountants will retire at the conclusion of the Annual General Meeting. The retiring auditors M/s Clarkson Hyde Saud Ansari, Chartered Accountants offered themselves for reappointment. The Audit Committee and Board of Directors have recommended their reappointment as External Auditors of the Company for the year ending June 30, 2027.

Place: Hyderabad
Dated: October 29, 2026

RAUF ALAM
Chief Executive

SAEED ALAM
Director

Fateh Sports Wear Limited

ڈائریکٹرز رپورٹ

برائے اختتامی سال 30 جون 2026

فتح اسپورٹس ویئر لمیٹڈ

کمپنی کے بورڈ آف ڈائریکٹرز آپکے سامنے 30 جون 2026 کو اختتام ہونے والے مالی سال کے لیئے آڈٹ شدہ حسابات بشمول آڈیٹرز رپورٹ پیش کررہے ہیں۔

سال بھر کے دوران کھاتوں کی کتابوں میں کوئی فروخت ریکارڈ نہیں کی گئی اور پیداواری سرگرمیاں معطل رہیں۔ تاہم 4.12 ملین روپے انتظامی اخراجات کے طور پر ریکارڈ کئے گئے، جبکہ کمپنی کے رکے ہوئے 2.00 ملین امریکی ڈالرز فارن ایکسچینج کی شرح تبادلہ کی مد میں 11.10 ملین روپے کا نقصان ریکارڈ کیا گیا۔0.54 ملین کی مالی اور دیگر ادائیگیوں کے بعد قبل از ٹیکس نقصان 15.76 ملین روپے رہا جو کہ بیلنس شیٹ پر آگے بڑھا گیا ہے جبکہ اس سال بنیادی نقصان فی شیئر 7.88 روپے ریکارڈ کیا گیا ہے۔

صنفی تنخواہوں کا فرق: چونکہ رپورٹنگ کی پوری مدت میں غیر فعال رہی اور اس نے کوئی عملہ نہیں رکھا جس کی وجہ سے صنفی تنخواہوں کے فرق کا حساب کتاب زیر نظر مالی سال پر لاگو نہیں ہوتا تاہم کمپنی کی انتظامیہ اس بات کو یقینی بنانے پر پوری طرح پرعزم ہے کہ مستقبل کی تمام بھرتیوں اور آپریشنل طریقوں میں مساوی مواقع کے اصول شامل ہوں۔

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

مستقبل کا آؤٹ لک: معاشی منظر نامے نے نئے چیلنجز پیش کیے جن میں معاشی سرگرمیوں کی سست روی کے نتیجے میں مقامی مارکیٹ میں مہنگائی کی بلند شرح جہاں ضروری اشیاء کی قیمتیں روزانہ کی بنیاد پر بڑھ رہی ہیں۔ بورڈ رکے ہوئے 2.00 ملین امریکی ڈالرز کی وصولی کے بعد جلد ہی کاروباری سرگرمیاں دوبارہ شروع کرنے کے لیئے اپنی کوششیں جاری رکھے گا۔ان تمام چیلنجوں کے پیش نظر آپکی کمپنی کی توجہ انکے منفی اثرات کو کم کرنے پر مرکوز رہتی ہے۔

بنیادی خطرات اور غیر یقینی صورتحال: کمپنی بعض موروثی 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 انکے 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۔

نظم وضبط کا اسٹیٹمنٹ اور مالیاتی رپورٹنگ کا فریم ورک 2019:

اختتامی سال جون 2026 کے لئے لسٹڈ کمپنیز کے کوڈ آف کارپوریٹ گورننس ریگولیشن 2019 پر عملدرآمد کیا ہے سوائے ان شقوں کے جو کہ اسٹیٹمنٹ آف کمپلائنس میں ظاہر کردی گی 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 وشبہات نہیں ہیں۔

نظم وضبط کے حوالے سے کوئی بھی مواد قانون کے خلاف نہیں ہے جس کی تفصیلات لسٹ میں دی گئی ہے۔

گزشتہ چھ سالوں کے لئے کمپنی کے اہم امور اور مالیاتی تفصیلات منسلک ہیں۔

کسی بھی ڈائریکٹرز، سی ایف او، کمپنی سیکریٹری، ان کی بیگمات و بچوں نے اس سال کے دوران کمپنی کے شیئرز میں 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 فراز عالم	4
جناب اشہر عالم	4
جناب جمال عالم	3
محترمہ شبانہ آفتاب	1

کمپنیز ایکٹ کے سیکشن 227 کے مطابق پیٹرن آف شیئر ہولڈنگ اس مالیاتی رپورٹ کے ساتھ منسلک ہے؛ اور

مالیاتی اسٹیٹمنٹ میں درج کئے گئے ٹیکس کے علاوہ کمپنی پر اور کوئی ٹیکس واجب الادا نہیں ہے۔ بقایا ٹیکس اور لیوی سے متعلقہ نوٹس اس آڈٹ شدہ مالیاتی اسٹیٹمنٹ میں درج کئے گئے ہیں۔

آڈیٹرز کا مشاہدہ :

کمپنی کی طرف سے تمام قرض دہندگان کو بقایاجات کی تصدیق کے لئے خطوط ارسال کئے گئے ہیں بعدازاں یاددہانی کے خطوط بھی ارسال کئے گئے ہیں تاہم کسی کی جانب سے تصدیقی جواب موصول نہیں ہوا۔ ماضی میں کمپنی کی انتظامیہ نے اپنے وسائل سے فیکٹری کی تزئین و آرائش شروع کی تھی اس امید کے ساتھ کہ کام مکمل ہوتے ہی اسے کرائے پر دے دیا جائے گا مگر وسائل کی کمی کے باعث کام روک دیا گیا ہے۔ کمپنی کی انتظامیہ اثاثوں کی دوبارہ تشخیص کا عمل کرانے کی خواہشمند ہے جو کہ فنڈز میسر ہوتے ہی کرادئے جائیں گے۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز کلارکسن ہائیڈ سعود انصاری، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام کے فوری بعد سبکدوش ہو جائیں گے۔ سبکدوش ہونے والے آڈیٹرز میسرز کلارکسن ہائیڈ سعود انصاری چارٹرڈ اکاؤنٹنٹس نے خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی اور بعدازاں بورڈ آف ڈائریکٹرز نے میسرز کلارکسن ہائیڈ سعود انصاری چارٹرڈ اکاؤنٹنٹس کو 30 جون 2027 کو ختم ہونے والے مالی سال کے لئے دوبارہ تقرری کی سفارش کی ہے۔

حیدرآباد: 29 اکتوبر 2026

رؤف عالم
چیف ایگزیکٹیو

سعید عالم
ڈائریکٹر

Fateh Sports Wear Limited

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

Name of Company: **Fateh Sports Wear Limited**
Year ending: **30th June, 2026**

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, four directors of the company are exempted from the requirement of director's training program.

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 already constituted 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 after restoration of the business activities.
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.

RAUF ALAM
Chief Executive

SAEED ALAM
Director

Hyderabad: October 29, 2026

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 contained in 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, 2026, 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 form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and practices 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.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in paragraph 2 and 9 of the Statement of Compliance:

Independent Directors – As per Regulation No. 6 of the Regulations, which is mandatory, 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.

Directors' Training Program – Three directors out of seven, have not acquired directors' training program certification as required by Regulation 19 of the Regulations, which is recommendatory. The other four directors are exempt from directors' training program.

Based on our review nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations applicable to the Company for the year ended June 30, 2026.

Clarkson Hyde Saud Ansari
Chartered Accountants
Engagement Partner – Saud Ansari
Karachi
Dated:29th October, 2026
UDIN:CR2026101492UD08OyJL

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, 2026, and the statement of profit or loss, the 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 material accounting policy information 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, the statement of profit or loss, the statement other of 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, 2026 of the loss and the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

i. The carrying value of property, plant and equipment as of the reporting date is Rs. 9,852,285. 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.

ii. 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.

iii. We have been unable to receive balance confirmations for balances of trade creditors amounting to Rs.781,144, other payables amounting to Rs.2,018,986, and an amount of Rs.1,200,898 included in accrued expenses, as disclosed in note no. 13 to the financial statements. Hence these balances remained unverified.

iv. The previous year's audit opinion on the financial statements was also qualified with respect to matters (i) to (iii) above, therefore our opinion on the current year's financial statements is also qualified because of the effects 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 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 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. In addition to the matters described in the *Basis for Qualified Opinion* and *Material Uncertainty Related to Going Concern* sections, we have determined that there are no key audit matters to be communicated 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. As described in the Basis for Qualified Opinion section above, we have been unable to obtain sufficient appropriate evidence in respect of the matters reported therein. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to that matter.

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.

- 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 is 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, except for the matter described in *the Basis for Qualified Opinion* section above, 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 other 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 Usher 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
Date:
UDIN: AR2026101495wAYilNxn

Fateh Sports Wear Limited

Statement of Financial Position as at June 30, 2026

	NOTE NO.	30-06-2026 Rupees	30-06-2025 Rupees
NON CURRENT ASSETS			
Property, Plant and Equipment	4	**9,852,285**	10,100,301
Capital work in progress	5	**29,844,042**	29,844,042
		39,696,327	39,944,343
CURRENT ASSETS			
Stores, Spares and Loose Tools	6	**0**	0
Inventories	7	**0**	0
Trade Receivables	8	**556,100,000**	567,200,000
Advances, Deposits and Prepayments	9	**2,167,438**	2,002,368
Other Receivables	10	**0**	0
Cash and Bank Balances	11	**107,087**	82,931
		558,374,525	569,285,299
		598,070,852	609,229,642
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		**484,373,666**	500,134,693
		557,873,666	573,634,693
CURRENT LIABILITIES			
Trade and Other Payables	13	**6,514,088**	5,205,114
Loan from Directors	14	**33,569,707**	30,276,444
Provision for Taxation	15	**113,391**	113,391
		40,197,186	35,594,949
CONTINGENCIES AND COMMITMENTS	16		
		598,070,852	609,229,642

The annexed notes form an integral part of these financial statements

	RAUF ALAM	**SAEED ALAM**	**MUHAMMAD ISMAIL**
Hyderabad: October 29, 2026	Chief Executive	Director	Chief Financial Officer

Fateh Sports Wear Limited

Statement of Profit or Loss

For the year ended June 30, 2026

	NOTE NO.	30-06-2026 Rupees	30-06-2025 Rupees
Sales		**0**	**0**
Less: Cost of Sales		**0**	**0**
Gross Profit		**0**	**0**
Less: Administration Expense	**17**	**4,119,826**	**3,029,639**
Operating Loss		**(4,119,826)**	**(3,029,639)**
Foreign Exchange (Loss)/Gain		**(11,100,000)**	**10,600,000**
		(15,219,826)	**7,570,361**
Financial expenses - Bank Charges		**201**	**892**
Other Charges	**18**	**541,000**	**541,000**
(Loss)/Profit Before Taxation		**(15,761,027)**	**7,028,469**
Taxation	**19**	**0**	**0**
Net (Loss)/Profit for the year		**(15,761,027)**	**7,028,469**
(Loss)/Earning per share	**20**	**(7.88)**	**3.51**

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

RAUF ALAM
Chief Executive

SAEED ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Hyderabad: October 29, 2026

Fateh Sports Wear Limited

Statement of Comprehensive Income

For the year ended June 30, 2026

	30-06-2026 **Rupees**	30-06-2025 Rupees
Net (Loss)/Profit for the year	**(15,761,027)**	**7,028,469**
Other Comprehensive Income / (Loss)	**-**	-
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR	**(15,761,027)**	7,028,469

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

Hyderabad: October 29, 2026

RAUF ALAM	**SAEED ALAM**	**MUHAMMAD ISMAIL**
Chief Executive	Director	Chief Financial Officer

Fateh Sports Wear Limited

Statement Cash Flows

For the year ended June 30, 2026

	30-06-2026 Rupees	30-06-2025 Rupees
Cash flow from Operating Activities		
Profit / (Loss) before taxation	**(15,761,027)**	7,028,469
Adjustments for:		
Depreciation	**248,016**	275,704
Foreign Exchange (Gain)/Loss	**11,100,000**	(10,600,000)
Operating (loss) before working capital changes	**(4,413,011)**	(3,295,827)
(Increase) /Decrease in Operating Assets		
Trade Receiveables	**0**	0
Advance, Deposits and Prepayments	**0**	0
	(4,413,011)	(3,295,827)
Increase /(Decrease) in Operating Liabilities		
Trade and Other Payables	**1,308,974**	85,800
Cash used in operations	**(3,104,037)**	(3,210,027)
Income Taxes paid	**(165,070)**	(253,973)
Net Cash from (used in) Operating Activities	**(3,269,107)**	(3,464,000)
Cash From Investing Activities	**0**	0
Cash From Financing Activities		
Short term Loan (Repaid) / Received	**3,293,263**	3,465,368
Net Cash generated from Financing Activities	**3,293,263**	3,465,368
Net Increase/(Decrease) in cash and cash equivalents	**24,156**	1,368
Cash and Cash equivalents at the beginning of the year	**82,931**	81,563
Cash and cash equivalents at the end of the year	**107,087**	82,931

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

	RAUF ALAM	**SAEED ALAM**	**MUHAMMAD ISMAIL**
Hyderabad: October 29, 2026	Chief Executive	Director	Chief Financial Officer

Fateh Sports Wear Limited

Statement of Changes in Equity

For the year ended June 30, 2026

	Issued Subscribed & Paid up Capital	General Reserve Revenue	Unappropriated Profit/ Accumulated (Losses)	Total
		----------Rupees----------		
Balance as at June 30, 2025	**20,000,000**	**53,500,000**	**493,106,224**	**566,606,224**
Net Profit for the Year	0	0	7,028,469	7,028,469
Other comprehensive income for the year	0	0	0	0
Balance as at June 30, 2025	**20,000,000**	**53,500,000**	**500,134,693**	**573,634,693**
Net Profit for the Year	0	0	(15,761,027)	(15,761,027)
Other comprehensive income for the year	0	0	0	0
Balance as at June 30, 2026	**20,000,000**	**53,500,000**	**484,373,666**	**557,873,666**

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

RAUF ALAM
Chief Executive

SAEED ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Hyderabad: October 29, 2026

Notes to the Financial Statements

For the year ended June 30, 2026

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

- The Registered office is situated at 442, Mirpurkhas Road, Hyderabad.
- Factory is also situated at 442, Mirpurkhas Road, 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 STANDARDS, AMENDMENTS OR IMPROVEMENTS TO APPROVED ACCOUNTING AND REPORTING STANDARDS THAT BECAME EFFECTIVE DURING THE YEAR

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 1 July 2025. However, these do not have any significant impact on the Company's financial statements.

IAS 7	Statement of Cash Flows (Amendments)	Effective date: January 1, 2026
- IAS 21	The effects of changes in foreign exchange rates (Amendments)	Effective date: January 1, 2027
- IAS 28	Investments in Associates and Joint Ventures (Amendments)	Effective date: January 1, 2027
IFRS 7	Financial Instruments: Disclosures (Amendments)	Effective date: January 1, 2026

2.2 STANDARDS, AMENDMENTS OR IMPROVEMENTS TO APPROVED ACCOUNTING AND REPORTING STANDARDS THAT BECAME EFFECTIVE DURING THE YEAR (CONTINUED)

IFRS 9	Financial Instruments (Amendments)	Effective date: January 1, 2026
IFRS 10	Consolidated Financial Statements (Amendments)	Effective date: January 1, 2026
IFRS 17	Insurance Contracts (Amendments)	Effective date: January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	Effective date: January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	Effective date: January 1, 2027

The management anticipates that, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the unconsolidated financial statements other than in presentation / disclosures.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 20	Regulatory Assets and Regulatory Liabilities
IFRIC 12	Service Concession Arrangement

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, in the past, 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 Uncertainity relating to the use of Going Concern

Foreign debtors with Russia were blocked due to delink age of the same with Russian Federation. The management of the Company had filed an appeal before the Honourable Foreign Exchange Regulation Appellate Board, Karachi against the order of Honourable 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 Honourable High Court of Sindh.

Mitigating Factors to the Uncertainity relating to the use of Going Concern (Continued)

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 Honourable 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 three years Back.

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, as disclosed in Note No.16. 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 cast 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 MATERIAL 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 cost

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 fulfil 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, 2026

PARTICULARS	COST / REVALUATION				DEPRECIATION			W.D.V
	As At 01-07-25	Addition/ (Deletion)	As At 30-06-2026	Rate (%)	As At 01-07-25	For the Year	As At 30-06-26	As At 30-06-26
	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	15,385,993	31,120	15,417,113	280,079
Plant & Machinery	35,362,937	-	35,362,937	10	34,239,853	112,308	34,352,162	1,010,775
Air Conditioning Plant	9,212,616	-	9,212,616	10	8,932,179	28,044	8,960,223	252,393
Tools & Equipments	459,986	-	459,986	10	446,430	1,356	447,784	12,202
Furniture & Fixture	2,743,952	-	2,743,952	10	2,680,408	6,354	2,686,762	57,190
Office Equipment	397,803	-	397,803	10	382,062	1,574	383,637	14,166
Computers	1,484,872	-	1,484,872	10	1,413,916	7,096	1,421,012	63,860
Electric Fittings	13,494,122	-	13,494,122	10	12,905,500	58,862	12,964,362	529,760
Vehicles	3,641,836	-	3,641,836	20	3,637,133	941	3,638,073	3,763
Arms	187,258	-	187,258	10	183,652	361	184,012	3,246
	90,307,427	-	90,307,427		80,207,126	248,016	80,455,142	9,852,285

for the year ended June 30, 2025

PARTICULARS	COST / REVALUATION				DEPRECIATION			W.D.V
	As At 01-07-24	Addition/ (Deletion)	As At 30-06-2025	Rate (%)	As At 01-07-24	For the Year	As At 30-06-2025	As At 30-06-2025
	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	15,351,416	34,578	15,385,993	311,199
Plant & Machinery	35,362,937	-	35,362,937	10	34,115,064	124,787	34,239,853	1,123,084
Air Conditioning Plant	9,212,616	-	9,212,616	10	8,901,020	31,160	8,932,179	280,437
Tools & Equipments	459,986	-	459,986	10	444,925	1,506	446,430	13,556
Furniture & Fixture	2,743,952	-	2,743,952	10	2,673,348	7,060	2,680,408	63,544
Office Equipment	397,803	-	397,803	10	380,312	1,749	382,062	15,741
Computers	1,484,872	-	1,484,872	10	1,406,032	7,884	1,413,916	70,956
Electric Fittings	13,494,122	-	13,494,122	10	12,840,097	65,402	12,905,500	588,622
Vehicles	3,641,836	-	3,641,836	20	3,635,957	1,176	3,637,133	4,703
Arms	187,258	-	187,258	10	183,251	401	183,652	3,606
	90,307,427	-	90,307,427		79,931,422	275,704	80,207,126	10,100,301

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

Location	Usage	Total Area
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:

	2026 Rupees	2025 Rupees
Cost of Sales	**0**	0
Administrative Expenses	**248,016**	275,704
	248,016	275,704

		30-06-2026 Rupees	30-06-2025 Rupees
5.	**CAPITAL WORK IN PROCESS**		
	Building	**4,584,175**	4,584,175
	Furniture & Fixture	**21,593,467**	21,593,467
	Electric Fittings	**2,728,400**	2,728,400
	Air Conditioners	**938,000**	938,000
		29,844,042	29,844,042

his 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. Due to non-availibility of funds, work was not completed till the date of finalization of accounts.

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)	**556,100,000**	567,200,000
	Domestic Debtors	**28,436**	28,436
		558,062,829	569,162,829
	Less: Provisions for Expected Credit Losses (Note No.8.5)	**(1,962,829)**	(1,962,829)
		556,100,000	567,200,000

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 2.5 foreign debtors with Russia were blocked due to delink age 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 Vinesheconom bank 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 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 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.556,100,000/-) 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.556,100,000/- 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**	7,912
Exe Jeans Czech Republic	**10,545**	10,545
	18,457	18,457

The above customers are not related to the Company.

8.4 The aging of trade receivables is as under:

up to 1 - 5 years	**0**	0
up to 5 year and above	**558,062,829**	569,162,829
	558,062,829	569,162,829

		30-06-2026 Rupees	30-06-2025 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	**2,153,038**	1,936,168
	Security Deposits - Utilities	**14,400**	66,200
	Advances	**161,123**	161,123
		2,328,561	2,163,491
	Less: Provision for Expected Credit Losses	**(161,123)**	(161,123)
		2,167,438	2,002,368
10.	**OTHER RECEIVABLES**		
	Export Rebate Receivable	**17,027,195**	17,027,195
	Less: Provision for Expected Credit Losses (Note No. 10.1)	**(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	**14,838**	6,175
	Cash at Bank - Current Account	**92,249**	76,756
		107,087	82,931
12.	**SHARE CAPITAL**		
	Authorized		
	5,000,000 (2023: 5,000,000) Shares of Rs. 10 each	**50,000,000**	50,000,000
	Issued, Subscribed and Paid up		
	50,000 (2023 : 50,000) Ordinary shares of Rs. 10 each issued as fully paid in cash	**500,000**	500,000
	1,950,000 (2023 : 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

he 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**	781,144
	Accrued Expenses	**3,561,510**	2,252,536
	Workers' Welfare Fund	**152,448**	152,448
	Other Payable	**2,018,986**	2,018,986
		6,514,088	5,205,114

		30-06-2026 Rupees	30-06-2025 Rupees
14.	**SHORT TERM LOAN**		
	Loan from Directors (14.1)	**30,349,339**	27,056,076
	Other - Related Party (14.2)	**3,220,368**	3,220,368
		33,569,707	30,276,444

14.1 This loan is from directors to meet routine expenditure and payment of liabilities including loans from banks. The loan is unsecured, interest free and repayable on demand.

14.2 This loan has been obtained from Mr. Anhar Alam, a related party to meet routine expenditure and payment of liabilities. 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.

Pakistan Stock Exchange Limited (PSX) has demanded Rs.1,527,876/- including Annual Listing Fee of Rs. 1,352,006/,- SECP Supervisory Fee of Rs. 118,236/- and Sales Tax Rs. 57,634/- for the years from 2014-15 to 2025-26. Company has over this period charged an amount of Rs.650,000 against this demand including Rs. 50,000/- per annum for eleven years and Rs. 5,000/- per annum for nine years towards Annual Listing Fee and SECP Supervisory Fee respectively. The management is of the opinion that the fee charged by the PSX is unjustified and has brought to the knowledge of PSX about the same, hence no provision of Rs. 877,876/- is made in the financial statements.

17.	**ADMINISTRATION EXPENSES**		
	Rent, rates and taxes	**46,737**	61,550
	Security expenses	**1,217,980**	0
	Fee and Subscription	**640,036**	218,690
	Utilities	**1,967,057**	2,473,695
	Depreciation	**248,016**	275,704
		4,119,826	3,029,639
18.	**OTHER CHARGES**		
	Auditors' remuneration		
	Annual Audit Fee	**400,000**	400,000
	Half Yearly Review	**85,000**	85,000
	Out of pocket expenses	**56,000**	56,000
		541,000	541,000
	Bank Balance writeen off	**0**	0
		541,000	541,000

	30-06-2026 Rupees	30-06-2025 Rupees
19. TAXATION		
Prior Years' tax charge	**0**	0

19.1 Deductible Temporary Differences, Unused Tax Loss and Tax credit for which no deferred Tax asset recognized

	2026 Rupees	Expiry Date	2025 Rupees	Expiry Date
Dedutible Temporary				
Provision for Expected Credit Losses	**19,151,147**	**No Expiry**	19,151,147	No Expiry
Provision for Inventories Obsolescence	**21,405,269**	**No Expiry**	21,405,269	No Expiry
Provision for Stores and Spares Obsolescence	**10,783,732**	**No Expiry**	10,783,732	No Expiry
	51,340,148		51,340,148	
Unused Tax Losses				
Trading Loss - 2021	**2,113,082**	**30.06.2027**	2,113,082	30.06.2027
Trading Loss - 2022	**1,694,338**	**30.06.2028**	1,694,338	30.06.2028
Trading Loss - 2023	**3,655,531**	**30.06.2029**	3,655,531	30.06.2029
Trading Loss - 2024	**2,957,220**	**30.06.2030**	2,957,220	30.06.2030
Trading Loss - 2025	**3,295,827**	**30.06.2031**	3,295,827	30.06.2031
Trading Loss - 2026	**4,413,011**	**30.06.2032**	-	30.06.2032
Unabsorbed Depreciation	**17,953,775**	**No Expiry**	17,953,775	No Expiry
	36,082,784		31,669,773	

20. EARNINGS PER SHARE		
Net (Loss)/Profit for the year	**(15,761,027)**	7,028,469
Number of shares outstanding during the year	**2,000,000**	2,000,000
Basic Earning / (Loss) per share	**(7.88)**	3.51

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

21. 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 perquisities were paid to the directors, chief executive and other executives.

22. FINANCIAL INSTRUMENTS BY CATEGORY

	Amortized Cost	FVTPL	Total
	----------Rupees----------		
As at June 30, 2026			
Financial Assets			
Trade Receivables	558,062,829	-	558,062,829
Advances and Deposits	175,523	-	175,523
Other Receivables	17,027,195		17,027,195
Cash and Bank Balances	107,087	-	107,087
	575,372,634	**-**	**575,372,634**
Financial Liabilities			
Trade and Other Payables	6,514,088	**-**	6,514,088
Loan from Directors	33,569,707	**-**	33,569,707
	40,083,795	**-**	**40,083,795**

		30-06-2026 Rupees	30-06-2025 Rupees
As at June 30, 2025			
Financial Assets			
Trade Receivables	569,162,829	-	569,162,829
Advances and Deposits	227,323	-	227,323
Other Receivables	17,027,195		17,027,195
Cash and Bank Balances	82,931	-	82,931
	586,500,278	**-**	**586,500,278**
Financial Liabilities			
Trade and Other Payables	5,205,114	**-**	5,205,114
Loan from Directors	30,276,444	**-**	30,276,444
	35,481,558	**-**	**35,481,558**

23. 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.

23.1 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 possibleon 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.

24. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT

24.1 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	**558,062,829**	569,162,829
Advances and Deposits	**175,523**	227,323
Other Receivables	**17,027,195**	17,027,195
Cash and Bank Balances	**92,249**	76,756
	575,357,796	586,494,103

	30-06-2026 Rupees	30-06-2025 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 contractial 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 receivales 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.

24.2 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.

24.2.1 Price Risk

The Company is not exposed to market price risk.

24.2.2 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
As at June 30, 2026	**5,561,000**	**5,561,000**
Cash Flow Sensitivity - Foreign Debtors		
As at June 30, 2025		
Cash Flow Sensitivity - Foreign Debtors	**5,672,000**	**5,672,000**

24.3 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 belives 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 lliabilities:

	Remaining contractual Maturities			
	Payable on Demand	Payable within a year	Payable after one year	Total
	---------- Rupees ----------			
Non-Derivative Financial Liabilities as at June 30, 2026				
Trade and Other Payables	-	6,514,088	-	6,514,088
Loan from Directors	33,569,707	-	-	33,569,707
	33,569,707	6,514,088	-	40,083,795
Non-Derivative Financial Liabilities as at June 30, 2025				
Trade and Other Payables	-	5,205,114	-	5,205,114
Loan from Directors	30,276,444	-	-	30,276,444
	30,276,444	5,205,114	-	35,481,558

		30-06-2026 Rupees	30-06-2025 Rupees

25. RELATED PARTY TRANSACTIONS

Related parties comprise pf group companies (associates), directors, major shareholders, their close family members and key management personell. 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		
Faraz Alam - Director	Loan received / (Repaid)	**150,000**	-
Aftab Alam - Director	Loan received / (Repaid)	**150,000**	-
Rauf Alam - Director	Loan received / (Repaid)	**500,000**	-
Saeed Alam - Director	Loan received / (Repaid)	**2,493,263**	745,000

26. FIGURES

Figures have been rounded off to the nearest rupee.

27. DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

In accordance with the applicable requirements of the Companies Act, 2017 and Pakistan Stock Exchange Regulations, the Company has made the following disclosure in respect of Shariah compliance for the year ended June 30, 2026.

	June 30, 2026		June 30, 2025	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
Statement of financial position				
Bank Balances	92,249	-	76,756	-
Statement of profit or loss	-	-	-	-

Except for the above-mentioned conventional bank balances, the Company has no material Shariah non-compliant investments or financing arrangements as at June 30, 2026.

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 financiual distress, as explained in Note No.1.

30. DATE OF AUTHORIZATION

These financial statements were authorized for issue on **October 29, 2026** by the Board of Directors of the Company.

RAUF ALAM
Chief Executive

SAEED ALAM
Director

MUHAMMAD ISMAIL
Chief Financial Officer

Hyderabad: October 29, 2026

Fateh Sports Wear Limited

Pattern of Share Holding - Form-34
Shareholders Statistics as at June 30, 2026
Fateh Sports Wear Limited

Number of Shareholders	Shareholding				Total Shares Held
114	From	1	To	100	**4,638**
59	From	101	To	500	**16,114**
10	From	501	To	1000	**7,507**
13	From	1001	To	5000	**28,313**
3	From	5001	To	10000	**17,040**
3	From	10001	To	15000	**36,710**
2	From	15001	To	20000	**33,660**
1	From	35001	To	40000	**38,340**
1	From	45001	To	50000	**45,300**
1	From	50001	To	55000	**53,270**
1	From	150001	To	155000	**151,047**
1	From	210001	To	215000	**210,025**
1	From	225001	To	230000	**225,175**
1	From	265001	To	270000	**266,715**
1	From	270001	To	275000	**274,950**
1	From	290001	To	295000	**294,261**
1	From	295001	To	300000	**296,935**
214			**TOTAL**		**2,000,000**

Categories of Shareholders As At June 30, 2026

S. No.	Categories	No. of Share Holders	Total Share Held	Percentage
1.	**Individuals**	205	1,936,233	**96.81%**
2.	**Mutual Fund**	1	45,300	**2.27%**
3.	**Joint Stock Companies**	2	5,905	**0.30%**
4.	**Fiancial Instititions**	1	97	**0.00%**
5.	**Investment Company**	3	12,280	**0.61%**
6.	**Others**	2	185	**0.01%**
	TOTAL	**214**	**2,000,000**	**100.00%**

Fateh Sports Wear Limited

Details of Pattern of Shareholding as per requirements of Code of Corporate Governance as on June 30, 2026

S.No.	Categories of Shareholders	No. of Shares Held	%
1.	**Associated Companies**	**Nil**	
2.	**NIT / ICP**		
	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 - Chief Executive	266,715	
	Mr. Aftab Alam - Director	296,935	
	Mr. Saeed Alam - Director	274,950	
	Mr. Faraz Alam - Director	38,340	
	Mr. Ashhar Alam - Director	15,175	
	Mr. Jamal Alam - Director	14,610	
	Mrs. Shabana Aftab - Director	225,175	
	Mr. Aneek Alam	11,050	
	Mrs. Seema Rauf	210,025	
	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**		
	Pakistan Industrial Credit & Investment Corporation	6,400	
	Fateh Mohammad Akber	5,440	
	NCC - Pre Settlement Delivery Account	100	
	Fateh Textile Mills Limited	465	
	National Bank of Pakistan	97	
	Abandoned Properties	85	
	Total >	**12,587**	0.63%


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Fateh Sports Wear Limited

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 **43rd Annual General Meeting** to be held on **Thursday November 26, 2026 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 _____ 2026 in presence of _____

Signed this _____ day of _____ 2026

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.

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