QUARTERLY REPORT

September 30, 2016

Fateh Industries Limited

442 Mirpurkhas Road, Hyderabad Pakistan

Fateh Industries Limited

442, Mirpurkhas Road, Hyderabad

BOARD'S REVIEW
TO THE SHAREHOLDERS

On behalf of Board of Directors, I present before you the Quarterly Accounts (1st Quarter), Un-Audited, Balance Sheet and Profit & Loss Account alongwith the Cash Flow Statement for the period ended September 30, 2016.

During the period under review, Company has achieved sales of Rs.26.06 million whereas Gross Profit stand at Rs.1.05 million. After Administration and Selling Expense of Rs. 2.04 million, Company incurred Operating Loss of Rs.0.98 million whereas after exchange gain of Rs. 0.77 million and financial expenses of Rs.0.16 million, loss after taxation carried forward to balance sheet is Rs.0.37 million. The Accumulated Loss at the end of 1st quarter carried over to balance sheet is Rs.256.65 million. Loss per share for the quarter under review is Rs.0.19.

for and on behalf of the Board

SAEED ALAM

Chief Executive

Hyderabad: October 24, 2016

BALANCE SHEET

As at September 30, 2016
(Un-Audited)

	30-Sep-16 RUPEES	30-Jun-16 RUPEES
Capital & Liabilities		
Authorized Capital		
10,000,000 ordinary shares of Rs. 10/- each	**100,000,000**	100,000,000
Shareholders' Equity		
Issued, subscribed and paid up share capital	**20,000,000**	20,000,000
Investment revaluation reserve	**839,792**	763,023
Unappropriated loss	**(256,647,196)**	(256,274,130)
	(235,807,404)	(235,511,107)
Current Liabilities		
Trade and others payable	**111,911,095**	115,846,247
Short term running finance	**173,013,981**	173,013,981
Provision for taxation	**62,820**	62,820
	284,987,896	288,923,048
Total	**49,180,492**	53,411,941
Property & Assets		
Operating Fixed Assets	**21,260,227**	21,556,072
Long Term Investments	**857,359**	780,590
Current Assets		
Stores, spare parts and loose tools	**0**	0
Stock in trade	**8,938,498**	11,945,148
Trade debts	**10,920,182**	5,730,597
Advances, deposits and prepayments	**1,737,519**	7,724,110
Other receivables	**4,161,818**	4,161,818
Cash and bank balances	**1,304,889**	1,513,606
	27,062,906	31,075,279
Total	**49,180,492**	53,411,941

SAEED ALAM
Chief Executive

RAUF ALAM
Director

Hyderabad: October 24, 2016

PROFIT AND LOSS ACCOUNT

For the 1st Quarter ended September 30, 2016
(Un-Audited)

	30-Sep-16 RUPEES	30-Sep-15 RUPEES
Sales	**26,055,960**	20,850,680
Cost of sales	**25,000,460**	20,225,464
Gross Profit	**1,055,500**	625,216
Administration expenses	**1,007,209**	3,041,585
Selling expenses	**1,029,260**	1,056,759
	2,036,469	4,098,344
Operating Loss	**(980,969)**	(3,473,128)
Exchange rate difference	**772,073**	(991,790)
	(208,896)	(4,464,918)
Financial expenses	**164,170**	114,183
Loss before taxation	**(373,066)**	(4,579,101)
Taxation	**0**	0
Loss after taxation	**(373,066)**	(4,579,101)
Other comprehensive income for the year		
Unrealized gain/(loss) on revaluation of investment - available for sale	**76,769**	(102,560)
Total comprehensive Loss for the period	**(296,297)**	(4,681,661)
Loss per share	**(0.19)**	(2.29)

Notes:

1. Fateh Industries Limited is incorporated in Pakistan as a public limited company and is listed on the Pakistan Stock Exchange Ltd. The Company is engaged mainly in the manufacturing and sale of footwear of all kinds.
2. These accounts are un-audited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 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 24th October, 2016.

Hyderabad: October 24, 2016

SAEED ALAM
Chief Executive

RAUF ALAM
Director

CASH FLOW STATEMENT

For the 1st Quarter ended September 30, 2016

	30-Sep-16 RUPEES	30-Sep-15 RUPEES
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before taxation	**(373,066)**	(4,579,101)
Adjustment for :		
Depreciation	**499,845**	562,350
Financial charges	**164,170**	114,183
Exchange rate difference	**(772,073)**	991,790
	(108,058)	1,668,323
	(481,124)	(2,910,778)
Changes in Working Capital		
(Increase) / decrease in current assets		
Stock in trade	**3,006,650**	(2,989,716)
Trade debts	**(5,189,585)**	(3,024,176)
Advances, deposits & prepayments	**5,986,591**	(3,424,219)
Other receivables	**0**	0
Increase / (decrease) in current liabilities		
Trade and other payables	**(3,935,152)**	17,799,679
	(131,496)	8,361,568
Cash generated from operations	**(612,620)**	5,450,790
Financial charges paid	**(164,170)**	(114,183)
Exchange rate difference	**772,073**	(991,790)
	(4,717)	4,344,817
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash flow from investing activities	**(204,000)**	0
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowing	**0**	0
	0	0
Net (decrease) / increase in Cash & Cash equivalent (A+B+C).	**(208,717)**	4,344,817
	(208,717)	4,344,817
Cash & cash equivalents at the beginning of the period	**1,513,606**	5,789,404
Cash & cash equivalent during the period	**(208,717)**	4,344,817
cash & cash equivalent at the end of the period	**1,304,889**	10,134,221

SAEED ALAM Chief Executive

RAUF ALAM Director

Hyderabad: October 24, 2016

Statement of Changes in Equity

For the 1st Quarter ended September 30, 2016

Amount in Rupees

	Share Capital	Surplus on Revaluation of Investment	Accumulated Profit/(Loss)	Total
Balance as on July 1, 2014	**20,000,000**	**571,969**	**(241,778,263)**	**(221,206,294)**
Loss upto September 30, 2014	0	29,173	(1,753,518)	(1,724,345)
Balance as on September 30, 2014	**20,000,000**	**601,142**	**(243,531,781)**	**(222,930,639)**
Balance as on July 1, 2015	**20,000,000**	**702,363**	**(247,377,547)**	**(226,675,184)**
Loss upto September 30, 2015	0	(102,560)	(4,579,101)	(4,681,661)
Balance as on September 30, 2015	**20,000,000**	**599,803**	**(251,956,648)**	**(231,356,845)**
Balance as on July 1, 2016	**20,000,000**	**763,023**	**(256,274,130)**	**(235,511,107)**
Loss upto September 30, 2016	0	76,769	(373,066)	(296,297)
Balance as on September 30, 2016	**20,000,000**	**839,792**	**(256,647,196)**	**(235,807,404)**

SAEED ALAM
Chief Executive

RAUF ALAM
Director

Hyderabad: October 24, 2016