

# Fateh

Quarterly Report  
30th September 2009



## BOARD'S REVIEW TO THE MEMBERS

Dear Members,

The Directors of your Company are pleased to present before you the un-audited quarterly financial statements of the Company for the first quarter ended on 30th September 2009.

During the quarter under review, your company has achieved a turnover of Rs.703,698,699/- as compared to Rs. 908,427,843/- during the corresponding period of the last year, a reduction up to 23%, over which a gross profit of Rs.93,677,133/- was realized.

The financial highlights are as under:

	Quarter Ended September 30, 2009 Rupees	Quarter Ended September 30, 2009 Rupees
Sales	703,698,699	908,427,843
Cost of Sales	610,021,566	812,298,687
Gross Profit	93,677,133	96,129,156
Administration & Selling Expenses	19,963,383	21,162,253
Operating Profit	73,713,750	74,966,903
Other Income	13,589	425,681
Profit before financial & Other Charges	73,727,339	75,392,584
Financial Expenses & Other Charges	70,160,266	70,594,156
Profit before taxation	3,567,073	4,798,428
Provision for taxation	3,500,000	4,550,000
Profit after taxation	67,073	248,428
Earning per share	0.05	0.2

The persistent decline comes despite concerted attempts by your Directors to boost the Sales due to the adverse market conditions. However, your Directors are striving very hard to maintain its market share and are quite hopeful that as the market conditions are improving, the financial results will be better for the rest of the period.

Hyderabad: 28th October 2009

  
**GOHAR ULLAH**  
Chairman  
Board of Directors

**BALANCE SHEET AS AT  
SEPTEMBER 30, 2009 (UN-AUDITED)**

	September, 2009 Rupees	June, 2009 Rupees
<b>CAPITAL &amp; LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised Capital 2,000,000 ordinary shares of Rs. 10/- each	20,000,000	20,000,000
Issued, subscribed and paid up share capital	12,500,000	12,500,000
General reserve	1,481,000,000	1,481,000,000
Investment revaluation reserve	420,180	420,180
Unappropriated profit	43,298,885	43,231,812
	1,537,219,065	1,537,151,992
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>	1,132,275,670	1,145,743,347
<b>LOAN SUBORDINATE TO EQUITY</b>	51,000,000	51,000,000
<b>LONG TERM LOANS</b>	1,235,000,000	1,235,000,000
<b>LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>	28,840,614	28,840,614
<b>DEFERRED LIABILITIES</b>		
Provision for gratuity	8,238,000	8,380,600
Deferred Taxation	26,000,000	26,000,000
	34,238,000	34,380,600
<b>CURRENT LIABILITIES</b>		
Trade and others payable	401,752,175	438,766,033
Mark-up on secured finances	1,354,632,748	1,296,503,082
Short term running finances	3,125,624,923	3,153,938,733
Current portion of long term liabilities	667,053,179	667,053,179
Provision for taxation	33,055,930	31,212,407
	5,582,118,955	5,587,473,433
	9,600,692,304	9,619,589,985
<b>PROPERTY &amp; ASSETS</b>		
<b>FIXED ASSETS TANGIBLE</b>		
Operating fixed assets	2,012,186,968	1,995,513,077
<b>CAPITAL WORK IN PROGRESS</b>	166,336,425	112,655,825
<b>LONG TERM INVESTMENTS</b>	524,357,579	524,357,579
<b>LONG TERM DEPOSITS</b>	3,817,546	3,817,546
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	27,573,485	29,368,562
Stock in trade	1,759,990,165	1,761,621,326
Trade debts	4,862,140,702	4,949,818,505
Advances, deposits and prepayments	47,494,055	40,525,638
Other receivables	183,205,153	190,906,763
Cash and bank balances	13,590,226	11,005,163
	6,893,993,786	6,983,245,958
	9,600,692,304	9,619,589,985



HUMAYUN BARKAT  
Chief Executive



MAQSOOD AHMED KHAN  
Director



**PROFIT & LOSS ACCOUNT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009  
(UN-AUDITED)**

	SEPTEMBER,09 Rupees	SEPTEMBER,08 Rupees
Sales	703,698,699	908,427,843
Cost of sales	610,021,566	812,298,687
Gross profit	93,677,133	96,129,156
Administration and selling expenses	19,963,383	21,162,253
Operating profit	73,713,750	74,966,903
Other income	13,589	425,681
Profit before financial and other charges	73,727,339	75,392,584
Financial expenses	69,182,376	68,694,224
Other charges	977,890	1,899,932
	70,160,266	70,594,156
Profit before taxation	3,567,073	4,798,428
Provision for taxation	3,500,000	4,550,000
Profit after taxation	67,073	248,428
Unappropriated profit brought forward	43,231,812	10,455,450
	43,298,885	10,703,878
General reserve	0	0
Unappropriated profit carried forward	43,298,885	10,703,878
Earning per share	0.05	0.20

The notes given below form an integral part of these accounts.

NOTES:

- Fateh Textile Mills Limited was incorporated in Pakistan as private limited company in 1952 and converted in to public limited company in 1960 and subsequently listed on the Karachi Stock Exchange. The company is engaged in the business of manufacturing, bleaching, dyeing, printing, buying, selling and dealing in the textile, yarn, cloth, ready made garments and bed wear item made from cotton and polyester fiber.
- These accounts are unaudited 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 IAS -34.
- The accounting policies adopted by the company for preparation of these accounts are the same as those applied for the annual accounts.
- Other charges include workers' profit participation fund allocation which is provisional and the final liability will be determined on the basis of annual results.
- Provision for taxation represents the amount of provision for minimum tax as required by the Income Tax Ordinance, 2001. However, the final tax liability will be calculated at the end of the year after consideration of assessment completed and the available tax credits, if any.
- Contingencies and commitments for letters of credit other than for capital expenditure amounts to Rs.12.409 million, and payment against documents (PAD) Rs.8.855 million and Local Rs. 10.400 million.
- The Company is contesting a number of cases under foreign exchange regulation in respect of non-repatriation of export proceeds. However, the legal advisor of the company has opined that no financial loss expected.
- These accounts have been authorized by the Board for issue on 28th Oct, 2009.



HUMAYUN BARKAT  
Chief Executive



MAQSOOD AHMED KHAN  
Director

**CASH FLOW STATEMENT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September, 2009 Rupees	September, 2008 Rupees
<b>CASH FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	3,567,073	4,798,428
Adjustment for:		
Depreciation	20,358,430	21,273,438
Profit on bank deposits	0	(369,764)
Dividend income	(15,968)	(4,315)
Financial charges	68,979,563	68,390,696
Cash generated before working capital change	92,889,098	94,088,483
<b>CHANGE IN WORKING CAPITAL (INCREASE)/ DECREASE IN CURRENT ASSETS</b>		
Stores spares and loose tools	1,795,077	3,304,575
Stock-in-trade	1,631,161	52,076,801
Trade debts	87,677,803	6,525,450
Advances, deposits & prepayments	(6,968,417)	(11,775,084)
Other receivable	7,701,610	(5,191,682)
<b>INCREASE/ (DECREASE) IN CURRENT LIABILITIES</b>		
Trade and other payable	(37,013,858)	(40,823,274)
	54,823,376	4,116,786
Cash generated from operations	147,712,474	98,205,269
Gratuity Paid	(142,600)	(601,800)
Taxes paid	(1,656,473)	(2,838,891)
	(1,799,073)	(3,440,691)
Net cash generated from operations (OUTFLOW)/INFLOW DUE TO INVESTING ACTIVITIES	145,913,401	94,764,578
Additions in fixed assets	(50,500,000)	0
Profit on bank deposit received	0	369,764
Capital work-in progress	(53,680,600)	0
Dividend Received	15,968	4,315
	(104,164,632)	374,079
<b>INFLOW/ (OUTFLOW) DUE TO FINANCING ACTIVITIES</b>		
Repayment of long term loans	0	0
Repayment of finance lease	0	(212,578)
Increase in finance lease	0	0
Financial Charges Paid	(10,849,897)	(6,620,924)
	(10,849,897)	(6,833,502)
Net Increase in cash and its equivalent during the period	30,898,872	88,305,155
Cash & cash equivalents at the beginning of the period	(3,142,933,569)	(2,695,984,201)
Cash & cash equivalents at the end of the period	(3,112,034,697)	(2,607,679,046)
<b>CASH &amp; CASH EQUIVALENTS</b>		
Cash & Bank Balances	13,590,226	17,467,745
Short Term Bank Borrowings	(3,125,624,923)	(2,625,146,791)
	(3,112,034,697)	(2,607,679,046)



HUMAYUN BARKAT  
Chief Executive



MAQSOOD AHMED KHAN  
Director



Fateh

**STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED SEPTEMBER 30,2009**

(Amount in Rs.)

	Paid-up Capital	General Reserve	Surplus on Revaluation of Investments	Unappropriated Profit	Total
Balance as at June 30,2009	12,500,000	1,481,000,000	420,180	43,231,812	1,537,151,992
Net profit for the quarter ended September 30,2009	0	0	0	67,073	67,073
Balance as at September 30,2009	12,500,000	1,481,000,000	420,180	43,298,885	1,537,219,065
Balance as at September 30,2008	12,500,000	1,481,000,000	2,095,014	10,703,878	1,506,298,892

  
HUMAYUN BARKAT  
Chief Executive

  
MAQSOOD AHMED KHAN  
Director