



Fateh Textile Mills Limited

Company Information

Board of Directors

Mr. Gohar Ullah	Chairman
Mr. Humayun Barkat	
Mr. Maqsood Ahmed Khan	
Mr. Muhammad Saleem	Chief Executive
Mr. Muhammad Ayub	NIT Nominee
Mr. Soofi Taj Muhammad	
Mr. Hamid Mehmood Nasir	

Chief Financial Officer

Mr. Abdul Razzak

Company Secretary

Mr. Muhammad Nadeem Aqeel

Audit Committee

Mr. Gohar Ullah	Chairman
Mr. Maqsood Ahmed Khan	Member
Mr. Soofi Taj Muhammad	Member

External Auditors

Rahim Jan & Co.
Chartered Accountants,
Karachi.

Legal Advisor

Ansari & Ansari, Advocates

Bankers

Allied Bank Limited
Askari Bank Limited
Deutsche Bank
Faysal Bank Habib Bank Limited
Meezan Bank Limited
Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank

Registered Office

A-4, Hali Road, S.I.T.E., Hyderabad – Sindh.
Phone No. 022-3880463-66
Fax No. 022-3880514, 3880711
E-mail: fsml@fateh-group.com
URL: www.ftml.com.pk

Liaison Office

114-A, S.M.C.H.S, Near Mehdi Towers,
Shahra-e-Faisal, Karachi.

Mills

Hali Road, S.I.T.E., Hyderabad – Sindh, Pakistan.

Share Registrar

Technology Trade (Pvt.) Ltd.
Dagia House, 241-C, Block-2, P.E.C.H.S.,
Off: Shahrah-e-Quaideen, Karachi.
Tel : 021-4391316-7, 19 & 4387960-1
Fax : 021-4391319



BOARD'S REVIEW TO THE MEMBERS

For and on behalf of the Board of Directors it gives me pleasure to present before you the un-audited financial statements of the company for the 3rd quarter ended on March 31, 2012.

During the period under review, your company was managed to maintain evolution trend in respect of Sales volume and achieved net Sales of Rs.967.113m showing increase up to 11% as compared to Rs.868.445m over the corresponding period of the last year results. However, the support provided by improved sales is no longer there due to increase in cost of sales, eventually gross profit margin was dwindled.

Your Company therefore managed to earn a pre-tax profit of Rs.10.066m. An amount of Rs.9.900m was provided for the current year taxation. The net profit of your Company thus, stood at Rs.0.166m resulting an earning per share of Rs.0.13.

The adverse situation in the textile industry continues to affect with greater intensity, resultantly overall landscape is presenting very depressing scenario. Rising of input cost and uncompetitive prices are contributing very badly to huge losses at large.

Your management is very apprehensive about the prevailing scenario and committed for improving performance through costs reduction, sustainable quality growth and to attain better selling prices. Further we also endeavors to attain a more professional and efficient working environment by establishing and maintaining adequate and effective internal control systems and shall continue their efforts with great focus being placed on quality and service to achieve the required skill levels and better machine efficiencies including improvements of Sales and more economical consumption of energy.

GOHAR ULLAH

Chairman

Board of Directors

Hyderabad: 28th April 2012.

**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2012 (UN-AUDITED)**

	March , 2012 Rupees	June, 2011 Rupees
CAPITAL & LIABILITIES		
SHARE CAPITAL AND RESERVES		
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	2,492,387	2,591,449
Unappropriated profit	46,323,453	46,958,411
	1,542,315,840	1,543,049,860
SURPLUS ON REVALUATION OF FIXED ASSETS	1,010,662,526	1,043,388,986
LOAN SUBORDINATE TO EQUITY	51,000,000	51,000,000
LONG TERM LOANS	4,211,340,450	4,211,340,450
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	10,528,915	10,528,915
DEFERRED LIABILITIES		
Provision for gratuity	5,755,293	5,548,800
Deferred Taxation	28,000,000	28,000,000
	33,755,293	33,548,800
CURRENT LIABILITIES		
Trade and other payable	322,668,666	376,275,415
Mark-up on secured finances	2,664,791,024	2,374,494,347
Short term running finances	638,802,123	649,978,148
Current portion of long term liabilities	207,556,547	208,223,213
Provision for taxation	59,656,426	40,282,760
	3,893,474,786	3,649,253,883
	10,753,077,810	10,542,110,893
PROPERTY & ASSETS		
FIXED ASSETS TANGIBLE		
Operating fixed assets	1,786,706,203	1,873,015,899
CAPITAL WORK IN PROGRESS	669,187,643	568,932,643
LONG TERM INVESTMENTS	526,427,907	526,526,968
LONG TERM DEPOSITS	3,817,546	3,817,546
CURRENT ASSETS		
Stores, spare parts and loose tools	31,639,029	24,090,658
Stock in trade	1,614,384,623	1,495,965,403
Trade debts	5,859,233,076	5,850,126,066
Advances, deposits and prepayments	36,928,546	27,094,805
Other receivables	211,209,872	148,223,622
Cash and bank balances	13,543,365	24,317,285
	7,766,938,511	7,569,817,838
	10,753,077,810	10,542,110,893

Hyderabad: 28th April 2012

MUHAMMAD SALEEM
CHIEF EXECUTIVE

MAQSOOD AHMED KHAN
DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2012
(UN-AUDITED)**

	Quarter Ended March 31, 2012 Rupees	Period Ended March 31, 2012 Rupees	Quarter Ended March 31, 2011 Rupees	Period Ended March 31, 2011 Rupees
Sales	967,112,994	2,325,180,216	868,444,771	2,040,916,827
Cost of Sales	917,205,344	1,947,107,327	740,084,898	1,644,894,592
Gross Profit	49,907,650	378,072,889	128,359,873	396,022,235
Administration and selling expenses	26,333,249	58,296,774	24,226,873	55,108,430
Operating profit	23,574,401	319,776,115	104,133,000	340,913,805
Other income	52,062	372,472	56,895	43,675,970
Profit before financial expenses & other charges	23,626,463	320,148,587	104,189,895	384,589,775
Financial expenses	11,644,130	290,958,191	94,110,792	358,748,429
Other charges	1,915,810	5,075,355	1,381,047	4,921,257
Profit before taxation	13,559,940	296,033,546	95,491,839	363,669,686
Provision for taxation	10,066,523	24,115,041	8,698,056	20,920,089
Current	9,900,000	23,500,000	8,690,000	20,410,000
Profit after taxation	166,523	615,041	8,056	510,089
Others Comprehensive income for the Quarter				
Unrealized gain/(loss) on investment available-for-sale				
Total Comprehensive income for the year	453,856	(99,062)	(250,697)	(1,521,359)
	620,379	515,979	(242,641)	1,011,270
Earning per share	0.13	0.49	0.01	0.41

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 into 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 yarn, cloth, ready made garments and bed wear items made from cotton and polyester fiber.
- 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 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.
- 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 is expected.
- These accounts have been authorized by the Board for issue on 28th April 2012.

MUHAMMAD SALEEM
CHIEF EXECUTIVE

MAQSOOD AHMED KHAN
DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR PERIOD ENDED MARCH 31, 2012**

	March, 2012 Rupees	March, 2011 Rupees
CASH FROM OPERATING ACTIVITIES		
Net profit before taxation	24,115,041	20,920,089
Adjustment for:		
Depreciation	55,505,456	61,804,686
Profit on bank deposits	0	0
Provision for gratuity	350,000	300,000
Dividend Income	(155,822)	(132,275)
Financial charges	290,677,860	358,474,700
Cash generated before working capital change	370,492,535	441,367,200
Change In Working Capital (INCREASE)/ DECREASE IN CURRENT ASSETS		
Stores, spares and loose tools	(7,548,371)	(1,226,852)
Stock-in-trade	(118,419,220)	43,979,353
Trade debts	(9,107,010)	(302,875,163)
Advances, deposits & prepayments	(9,833,741)	(9,419,957)
Other receivable	(62,986,250)	72,938,392
INCREASE / (DECREASE) IN CURRENT LIABILITIES		
Trade and other payable	(53,606,749)	(6,576,797)
	(261,501,341)	(291,139,730)
Cash generated from operations	108,991,194	150,227,470
Gratuity paid	(143,507)	(642,800)
Taxes paid	(4,126,334)	(4,535,109)
	(4,269,841)	(5,177,909)
Net cash generated from operations (OUTFLOW)/ INFLOW DUE TO INVESTING ACTIVITIES	104,721,353	145,049,561
Additions in Fixed Assets	(1,922,221)	(538,260)
Profit on bank deposits received	0	0
Capital work-in-progress	(100,255,000)	(102,400,000)
Dividend received	155,822	132,275
	(102,021,399)	(102,805,985)
INFLOW / (OUTFLOW) DUE TO FINANCING ACTIVITIES		
Repayment of long term loans	0	0
Repayment of finance lease	(666,666)	0
Increase in finance lease	0	0
Payment of dividend	(1,250,000)	(1,875,000)
Financial charges paid	(381,183)	(338,501)
	(2,297,849)	(2,213,501)
Net Increase in cash and its equivalent during the period	402,105	40,030,075
Cash & cash equivalent at the beginning of the period	(3,132,442,621)	(3,139,369,599)
Cash & cash equivalent at the end of the period	(3,132,040,516)	(3,099,339,524)
CASH & CASH EQUIVALENT		
Cash & bank balances	13,543,365	15,632,357
Short term bank borrowings	(3,145,583,881)	(3,114,971,881)
	(3,132,040,516)	(3,099,339,524)

MUHAMMAD SALEEM
CHIEF EXECUTIVE

MAQSOOD AHMED KHAN
DIRECTOR



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2012**

(Amount in Rs.)

	Paid-up Capital	General Reserve	Surplus on Revaluation of Investments	Unappropriated Profit	Total
Balance as at June 30, 2010	12,500,000	1,481,000,000	1,763,733	46,603,959	1,541,867,692
Net profit for the nine months ended March 31, 2010	0	0	0	510,089	510,089
Unrealised gain / (Loss) on revaluation of investment	0	0	1,521,359	0	(1,521,359)
Less: Dividend Payment	0	0	0	(1,875,000)	(1,875,000)
Balance as at March 31, 2011	12,500,000	1,481,000,000	242,374	45,239,048	1,538,981,422
Balance as at June 30, 2011	12,500,000	1,481,000,000	2,591,449	46,958,411	1,543,049,860
Net profit for the nine months ended on March 31, 2012	0	0	0	615,042	615,042
Unrealised gain / (Loss) on revaluation of investment	0	0	(99,062)	0	(99,062)
Less: Dividend Payment	0	0	0	(1,250,000)	(1,250,000)
Balance as at March 31, 2012	12,500,000	1,481,000,000	2,492,387	46,323,453	1,542,315,840

MUHAMMAD SALEEM
CHIEF EXECUTIVE

MAQSOOD AHMIED KHAN
DIRECTOR