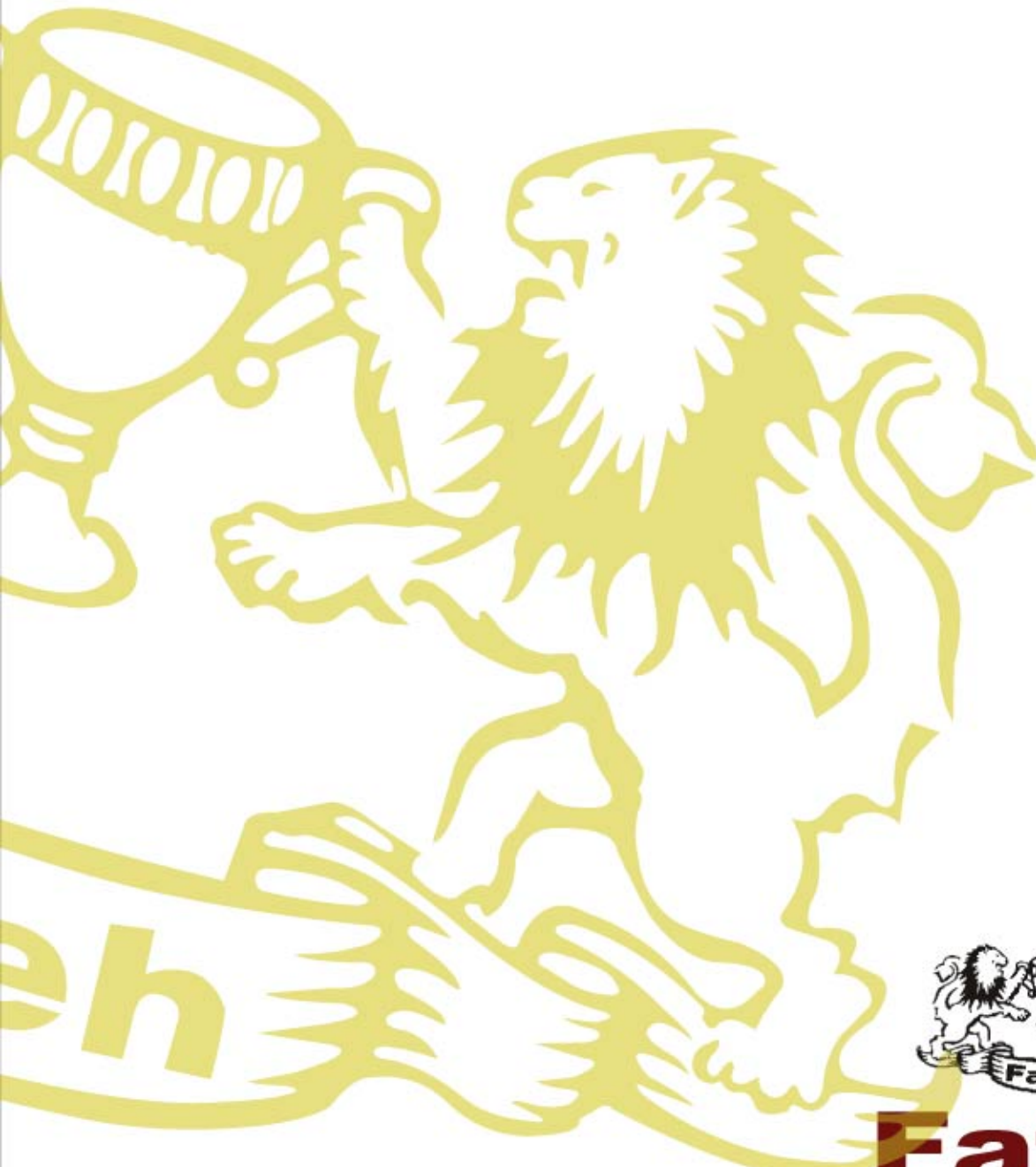




Fateh

Annual Report
2009/2010

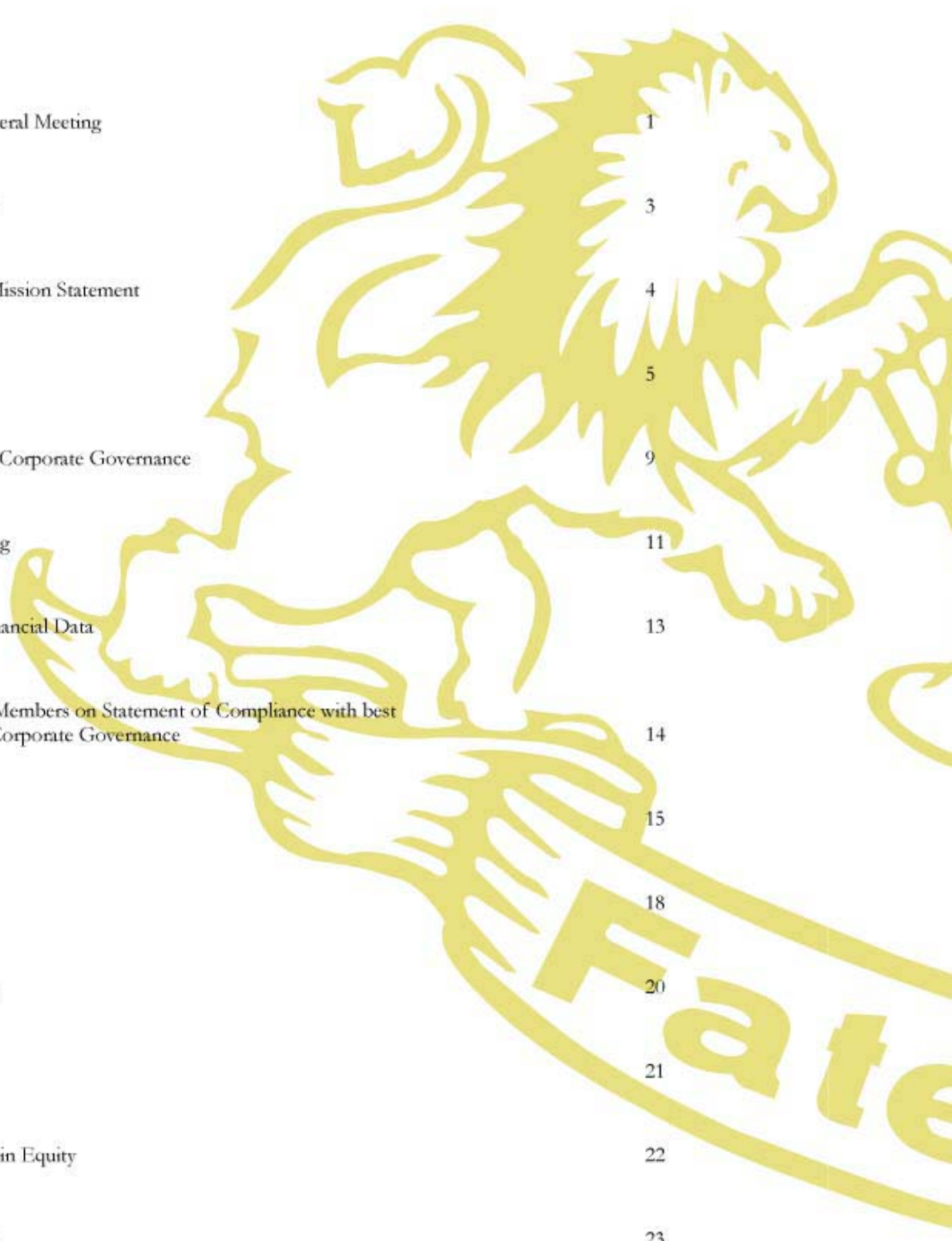


Fateh
TEXTILE MILLS LTD

Hali Road, Hyderabad, Pakistan.

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Notice is hereby given that the 58th Annual General Meeting of the Shareholders of FATEH TEXTILE MILLS LIMITED will be held on Saturday the 30th October 2010 at 08.00 a.m. at the Registered Office of the Company at Hali Road, S.I.T.E., Hyderabad for the purpose of transacting the following business:

1. To confirm the minutes of the last Annual General Meeting of the Company held on 31st October 2009.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2010 together with the Directors' and Auditors' Reports thereon.
3. To declare Cash Dividend @ 15% as recommended by the Directors for the year 2009-2010.
4. The Court through an interim order restrained the Company from taking up the dividend agenda for the year 2001-02 in Annual General Meeting held on 31st March 2003. Since the Court has vacated the order, the matter is being placed before the shareholders for consideration and approval.
5. To appoint Auditors for the year ending June 30, 2011 and to fix their remuneration.
6. To transact any other business with the permission of the Chair.

By Order of the Board
For FATEH TEXTILE MILLS LIMITED

MUHAMMAD NADEEMAQEEL

Company Secretary

HYDERABAD: 9th October 2010.

NOTES:

1. The Share Transfer Books of the Company will remain closed for 7 days from 24th to 30th October 2010 (both days inclusive). Transfer received at our Share Registrar Office M/s. Progressive Management Services (pvt) Ltd, 10th Floor, Mehdi Towers, A-115, S.M.C.H.S, Shahr-e-Faisal, Karachi, at the close of business on 23.10.2010 will be treated in time for the purpose of above entitlement to the transferees.
2. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company (except for a corporation).
3. Proxies in order to be effective must be received by the Company at the Registered Office not later than 48 hours before the time for holding meeting.
4. Shareholders who have deposited their shares into Central Depository Company of Pakistan Limited under Central Depository System (CDS) must bring their original National Identity Card (NIC) or Original Passport alongwith their account number in CDS at the time of attending the meeting. If proxies are granted by such shareholders the same must be accompanied with attested copies of the NIC or the Passport of the beneficial owners. Representatives of corporate members should bring the usual documents required for such purpose.
5. Shareholders are requested to immediately notify the Share Registrar of the Company change of their address, if any.
6. Members who have not yet submitted photocopy of their CNIC are requested to send the same to the Share Registrar of the Company at the earliest.





Board of Directors

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

Chief Financial Officer

Mr. Muhammad Saleem

Company Secretary

Mr. Muhammad Nadeem Aqeel

Audit Committee

Mr. Gohar Ullah	Chairman
Mr. Asad Ullah Barkat	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
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: fatehmills@aol.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

M/s. Progressive Management Services (pvt) Ltd
10th Floor, Mehdi Towers, A-115, S.M.C.H.S, Shahra-e-Faisal,
Karachi. Ph: 021-34526983-84, Fax: 021-34526985,
E-mail: pmsl-rta@hotmail.com



Vision

Fateh to be the first choice of customers in international textile market and to make the Fateh brand globally known for quality products with innovative design capabilities.

Mission

To be a market leader in textiles specially in bedwear items. Our mission is to exceed our customers' expectations by producing quality products employing state-of-art/latest technology, international best practices and an integrated approach to manufacturing technology, contributing to the economic growth of the nation by increasing exports and earning foreign exchange for our Country.



For and on behalf of your Board of Directors, I feel pleasure in welcoming you to this 58th Annual General Meeting of the Company and presenting you the Audited Accounts and Auditors Report thereon together with notes forming part thereof for the financial year ended on June 30, 2010.

Our Country's economic growth which has already being faced a serious set back because of inflation, high input cost, reduction in subsidies, security threats, instability, energy crises and now facing un-precedentant floods which has ruined the national economy in addition to inflicting colossal loss to the infrastructure.

The cotton crop production is estimated at 10,000 million to 11.5 million bales by considering crop damaged due to floods in cotton tracts of Punjab and Sindh against the potential production of 13,860 million bales under the current year sown area. Apart from flood damages, the sources further said that pest attack was also witnessed and continued its growth. However, the incidence of Cotton Leaf Curl Virus (CLCV) remained higher than the previous year up to 62.37 percent.

Economic challenges have heightened with the resurgence of inflationary pressures, growing energy shortages and widening of fiscal and external current account deficits. Moreover, increased domestic uncertainties have also impacted external investment inflows. High cost of doing business which includes increasing trend of power and gas tariffs, hitting astronomical highs, therefore declines gross margin along with reduction in Sales volume of your Company, thus putting upward pressure on the costs besides increase in wage bill.

OPERATING RESULTS:

During the accounting year under discussion, your Company has achieved a turnover of Rs.2,442 million as compared to Rs. 3,051 million, a decline up to 20% than the corresponding period of last year's result, due to the above describe factors up to some extent.

Cost of Sales depicts a picture of substantial increase, the main factors behind the surge includes increasing trend of raw material, power and gas tariffs, hitting astronomical highs, therefore declines gross margin thus putting upward pressure on the costs besides increase in other input cost.

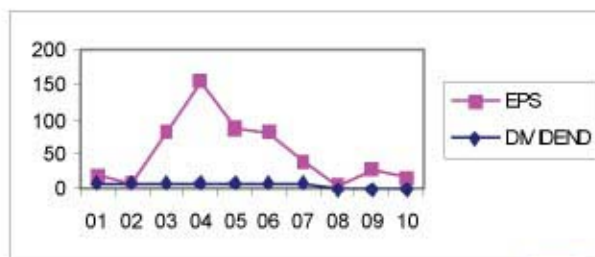
Administration expenses were Rs. 60,216 million as compared to last year results of Rs.61,659 million, a reduction up to 2%. Selling expenses is showing rising trend in proportionate to sales due to increase in freight and other charges. Other income was increased considerably due to provision of exchange gain difference.

Financial expenses has also shown a rising trend and stood at Rs.561,197 million due to mark up on refinance and running finance, KIBOR difference and late payment made by buyer up to some extent.

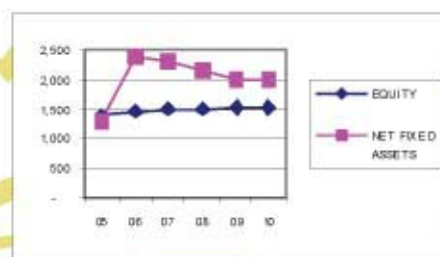
After provision of current and deferred taxation the profit stood at Rs.4,622 million as compared to Rs.34,026 million last year. The earnings per share worked out to Rs.3.70 per share against Rs.27.22 per share for the previous year.

Your Directors recommend the following appropriation:

Profit before taxation		Rs. 27,722 million	
Taxation			
Current	Rs. 8,100 million		
Deferred	<u>Rs.15,000 million</u>		Rs.23,100 million
Profit after taxation			Rs. 4,622 million
Un appropriated profit brought forward			<u>Rs.43,231 million</u>
			Rs.47,853 million
Appropriation:			
Transfer to General Reserve		Rs. 0	
Final Dividend paid - 2008-2009		<u>Rs. (1,250) million</u>	
			Rs. (1,250) million
Un appropriated profit carried forward			<u>Rs.46,604 million</u>



Dividend payout and Earning per Share



**Shareholders Equity v/s
Net Fixed Assets**

DIVIDEND:

Your Company is continuously facing more financial constraints due to the described factors, however it has always been policy of the company to distribute as much return to the members as possible. Therefore, your Directors are pleased to recommend a final cash dividend @15%. The final cash dividend @15% is proposed to be paid to all such shareholders of the company whose names appear in the company's register as on 24th October 2010.

The Court through an interim order restrained the Company from taking up the dividend for the year 2001-2002 agenda in Annual General Meeting held on 31st March 2003. Since the Court has vacated the order, the matter is being placed before the shareholders for consideration and approval.

MERGER SCHEME:

Your Company's merger plan of absorption of two of its associated undertakings with the object of strengthening its financial resources, resort to economy in cost and saving in taxation is pending with the Honourable High Court of Sindh, Karachi for approval.

COAL FIELD:

Thirty (30) years mining lease of Lakhra coalfield comprises of an area of 8626 acres equivalent to 35 square kilometer was awarded to your company by the Government of Sindh vide Notification dated 14.12.2005 for the development and establishment of coal mining and coal washing plant leading to power plant up to 200MW. The designated area is the fully explored coalfield of Pakistan having necessary infrastructure and connected by metallic road and a rail track.

The mining part of the mega project for the development of Coal Mines is moving satisfactory. Feasibility reports are also in preparation for the import of 30 MW coal fire power plants.

SOCIAL, HEALTH AND HUMAN RESOURCES

The Group is actively participating in the Social and Health uplift of the Group Companies in particular and the city of Hyderabad in general. Though the employees are covered under the government Social Security Scheme yet a Hospital with qualified Doctor and Compounders is working in the Mills round the clock. The Group is also running two charitable Hospitals in the city to provide medical facilities to poor ailing people. The Human Resource policy based on fairness, merit and on equal opportunity. The Company maintains a high standard of working environment.

ENVIRONMENTAL POLICY

Fateh Group is very conscious about the environmental conditions not only in the Plants but also in the adjoining area and all efforts are made to keep and maintain the environmental condition in a befitting manner. Big Plantation is done in the Factories area and beautiful grass-lawns, Mosque, play ground, canteen etc., are provided for the employees to make them fit to their work. Adequate arrangements are made to dispose off industrial waste and a julent to avoid pollution and degradation.

FUTURE PROSPECT:

Your Company is confronting with many challenges including record hiking of cotton prices as well as other input cost and their impact on varying degrees, therefore future performance will be reliant on cost savings, increased sales and high operating efficiencies. It is pretty clear that if the unfavorable environment continues, would make another year, very difficult. Keeping in view the foregoing constraints, your Directors are making all its efforts to remain competitive in the market. We believe that the uncompromising commitment to excellence and quality is the main driving force with which the company expects to steer forward to meet future challenges.

We are also working on different options for diversifying company's product line and as a part of such strategies your Company has directly entered into domestic market through opening of Company's Sales Outlets throughout the Country for the local sale of its products, where we have got encouraging sign and the Company is making efforts to gain handsome amount of share in the domestic market by way of



introduction of its products and also to introduce new products. It is hoped to get further acceleration in this growth pattern.

CORPORATE GOVERNANCE

The statement of compliance with the best practices of Code of Corporate Governance is annexed.

CORPORATE AND FINANCIAL FRAMEWORK

In compliance with the Code of Corporate Governance, the Board is committed to maintain the Corporate Governance in letter and spirit. The Board has reviewed the Code of Corporate Governance and gives hereunder statements of Corporate and Financial Reporting Framework:

- The financial statements under review have been prepared in accordance with the provisions of the Companies Ordinance, 1984 as amended by Companies (Amendment) Ordinance, 2002, the requirements of Securities and Exchange Commission of Pakistan and the Listing Regulations of Karachi Stock Exchange (G) Limited. These financial statements present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account 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.
- International Financial Reporting Standards (IFRS) as applicable in Pakistan have been followed in preparation of these financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control of the Company is sound in design and has been effectively implemented and monitored.
- 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 of Karachi Stock Exchange (G) Limited wherever applicable to the Company for the year ended June 30, 2010.
- Outstanding taxes and other government levies are given in related note(s) to the financial statements.
- The key operating and financial data for the last six years, in a summarized form, is annexed.
- The Company operates an unfunded gratuity scheme for its all eligible employees. Obligations under the scheme are provided annually. The provision is adjusted triennially as per actuarial valuation as required by IAS-19.
- During the year four meetings of the Board of Directors were held and attendance at meetings were as follows:

Name of Director	Meetings attended
Mr. Gohar Ullah	4
Mr. Asad Ullah Barkat	1
Mr. Humayun Barkat	4
Mr. Maqsood Ahmed Khan	4
Mr. Muhammad Saleem	4
Mr. Muhammad Ayub (NTI Nominee)	3
Mr. Soofi Taj Muhammad	4

Leave of absence was granted to Directors who could not attend some of the Board Meetings.

AUDIT COMMITTEE:

The Board of Directors in compliance to the Code of Corporate Governance has established an Audit Committee. The names of its members are given under Company Information.

PATTERN OF SHAREHOLDING:

The pattern of shareholding and the additional information as required by the Code of Corporate Governance is enclosed.

AUDITORS:


As required by the Code of Corporate Governance, the Audit Committee of the Board has recommended the name of M/s. Rahim Jan & Company, Chartered Accountants, Karachi who retire and being eligible, offer themselves for reappointment for the financial year ending June, 2011.

ACKNOWLEDGEMENT:

The Board extends their thanks to the company's bankers and the financial institutions for their continued support, valuable financial assistance, timely services and cooperation.

The Board also wish to place on record the continuous hard work and efforts put up by all the employees for the business of the Company.

For and on behalf of the Board



Gohar Ullah
Chairman

Hyderabad: 28th September 2010.



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This statement is being presented to comply with the Code of Corporate Governance contained in Listing Regulations of Karachi Stock Exchange (G) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

- The Company encourages effective representation of independent non-executive Directors on its board. At present the Board includes non-executive directors.
- The Directors have confirmed that none of them is serving as a Director in more than ten listed companies, including this Company.
- All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- No casual vacancy occurred in the board during the year.
- The Company has prepared a 'Statement of Ethics and Business Practices' which has been signed by all the Directors and employees of the Company.
- 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.
- The Board has formed an audit committee. It comprises of three members, of whom two are non-executive directors.
- The Audit Committee was established to assist the Board in discharging its duties and responsibilities ensuring good Corporate Governance including review of reports of Company's financial results and internal control procedures for management decisions and evolving strategy for safeguarding Company's assets and its business potentials.
- The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and financial results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
- 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 and they are involved in the internal audit function on a full time basis.
- The Company has arranged an orientation course during the period.
- The transactions with related parties are placed before the Audit Committee and Board of Directors for review and approval along with the method for pricing.
- All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board,
- The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

- The Board has approved appointment of CFO, Company Secretary and Internal Audit function, including their remuneration and terms and conditions of employment, as determined by the CEO.
- The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
- The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- The Company has complied with all the corporate and financial reporting requirements of the Code.
- The Statutory Auditors of the Company have confirmed that they have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants 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 Institute of Chartered Accountants of Pakistan.
- The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all other material principles contained in the Code have been substantially complied with.



HUMAYUN BARKAT
Chief Executive

Hyderabad: 28th September 2010



**Pattern of share holding
as at 30th June, 2010**

NO. OF SHAREHOLDERS	SHAREHOLDING			TOTAL SHARES HELD	
159	From	1	To	100	15,054
21	From	101	To	500	5,445
4	From	501	To	1,000	3,033
8	From	1,001	To	5,000	24,708
1	From	5,001	To	10,000	6,400
1	From	10,001	To	15,000	14,061
1	From	40,001	To	45,000	40,200
1	From	55,001	To	60,000	59,500
1	From	90,001	To	95,000	94,649
1	From	105,001	To	110,000	109,900
1	From	110,001	To	115,000	113,250
1	From	120,001	To	125,000	124,013
1	From	130,001	To	135,000	132,600
1	From	150,001	To	155,000	151,100
1	From	170,001	To	175,000	171,837
1	From	180,001	To	185,000	184,250
<u>204</u>					<u>1,250,000</u>

S. No.	CATEGORIES OF SHAREHOLDERS	NUMBERS	SHARES HELD	% AGE
1.	Individuals	196	999,200	79.94%
2.	Investment Companies	0	0	0.00%
3.	Insurance Companies	0	0	0.00%
4.	Joint Stock Companies	1	132,600	10.61%
5.	Financial Institutions	6	118,100	9.44%
6.	Modaraba Companies	0	0	0.00%
7.	Abandoned Properties Organization	1	100	0.01%
		<u>204</u>	<u>1,250,000</u>	<u>100.00%</u>

Details of Pattern of Shareholding as per Requirement of Code of Corporate Governance

CATEGORIES OF SHAREHOLDERS	SHARES HELD	% AGE
● Associated companies, undertakings and related parties		
Barkat Limited	132,600	10.61
● NIT and ICP		
National Bank of Pakistan, Trustee Department	94,649	7.57
Investment Corporation of Pakistan	-	-
● Directors, CEO and their spouse and minor children		
Mr. Gohar Ullah	113,250	9.06
Mr. Asad Ullah Barkat	124,013	9.92
Mr. Humayun Barkat	151,100	12.09
Mr. Maqsood Ahmed Khan	2,500	0.20
Mr. Muhammad Saleem	2,500	0.20
Mr. Soofi Taj Muhammad	2,500	0.20
Mr. Muhammad Ayub (NIT Nominee)	-	-
● Executives	-	-
● Public Sector Companies and Corporations	-	-
● Banks, DFIs, NBFIs, Insurance Companies, Modaraba and Mutual Funds	23,451	1.88
● Administrator, Abandoned Properties, Govt. of Pakistan	100	0.01
● Joint Stock Companies	-	-
● Individuals	603,337	48.26
● Shareholders holding ten percent or more voting interest in the listed company		
Mr. Inayat Ullah	171,837	13.75
Mrs. Kulsoom Inayat	184,250	14.74
Mr. Humayun Barkat	151,100	12.09
Barkat Limited	132,600	10.61

Key Operating and Financial Data



Operating Data

	2010	2009	2008	2007	2006	2005
Sales	2,442,558,955	3,050,988,913	4,716,081,695	6,289,408,315	6,687,701,377	5,809,675,182
Cost of sales	2,423,990,825	2,971,848,461	4,272,302,110	5,745,212,649	6,020,802,274	5,174,959,851
Gross profit	18,568,130	79,140,452	443,779,585	544,195,666	666,899,103	634,715,331
Operating Profit/Loss	(60,098,077)	(1,541,196)	333,947,783	393,194,356	462,141,377	449,015,099
Profit before tax	27,722,147	39,026,362	37,556,385	101,667,425	138,705,485	140,190,451
Profit after tax	23,100,000	34,026,362	8,056,385	50,667,425	100,705,485	108,190,451

Financial Data

Paid-up capital	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
Fixed assets	2,003,222,631	1,995,513,077	2,140,103,181	2,300,148,442	2,369,911,366	1,282,427,959
Long term investment	525,701,132	524,357,579	526,032,414	528,134,792	526,511,947	523,688,559
Current assets	7,267,915,683	6,983,245,958	6,223,660,323	5,088,756,126	4,733,660,466	5,024,860,601
Current liabilities	6,094,464,222	5,587,473,433	4,629,474,587	3,403,589,885	2,963,491,821	3,179,415,765

Key Ratios

Gross margin	0.76%	2.59%	9.41%	8.65%	9.97%	10.93%
Operating margin	(2.46%)	(0.05%)	7.08%	6.25%	6.91%	7.73%
Net profit	0.19%	1.12%	0.17%	0.81%	1.51%	1.86%
Current ratio	1.19%	1.25	1.34	1.50	1.60	1.58
Earning per share (Rupees)	3.70	27.22	6.45	40.53	80.56	86.55
Cash dividend	15%	10%	10%	75%	75%	75%
Break-up value (Rs./share)	1234	1,230	1,205	1,208	1,173	1,099

Statistics

Number of spindles	30,720	30,720	30,720	30,720	30,720	30,720
Yarn production into 20/s counts (Kgs)	1,244,000	0	2,434,122	8,109,229	8,397,273	6,684,583

Review Report to the Members on Statement of Compliance with best practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Fateh Textile Mills Limited ("the company") to comply with the listing Regulation of the Karachi Stock Exchange (Guarantee) Limited, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provision of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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's statement on internal control all risk and controls, or to form an opinion of the effectiveness of such controls the company's corporate governance procedures and risk.

Further, sub regulation (xiii) of listing regulation 37 notified by the Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the company to place before the board of directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review nothing has come to our attention which causes us to believe that the Statements of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance.

Rahim Jan & Co.
RAHIM JAN & CO.
Chartered Accountants
Engagement Partner: Badrur Rehman

Date 28.09.2010
Karachi:



Fateh

We have audited the annexed balance sheet of Fateh Textile Mills Limited as at June 30, 2010 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the period then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that-

- a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- b) in our opinion-
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the period was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the period were in accordance with the objects of the company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affair as at June 30, 2010 and of the profit, its cash flows and changes in equity for the period then ended; and
- d) in our opinion Zakat deductible at source under Zakat and Usher Ordinance, (xviii of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Date: 28.09.2010
Karachi:


RAHIM JAN & CO.
Chartered Accountants
Engagement Partner: Badrur Rehman





2009/2010



Balance Sheet as at

CAPITAL & LIABILITIES	Note No.	2010 Rupees	2009 Rupees
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 capital	3	12,500,000	12,500,000
General reserve	4	1,481,000,000	1,481,000,000
Investment revaluation reserve		1,763,733	420,180
Unappropriated profit carried forward		46,603,959	43,231,812
		1,541,867,692	1,537,151,992
SURPLUS ON REVALUATION OF FIXED ASSETS	5	1,091,872,631	1,145,743,347
LOAN SUBORDINATE TO EQUITY	6	51,000,000	51,000,000
LONG TERM LOANS	7	1,235,000,000	1,235,000,000
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	8	11,542,926	28,840,614
DEFERRED LIABILITIES			
Gratuity and staff benefits	9	10,472,900	8,380,600
Deferred taxation	10	41,000,000	26,000,000
		51,472,900	34,380,600
CURRENT LIABILITIES			
Trade and others payable	11	398,375,451	438,766,033
Mark-up on secured finances		1,827,696,850	1,296,503,082
Short term running finances	12	3,152,781,660	3,153,938,733
Current portion of long term liabilities	13	683,441,466	667,053,179
Provision for taxation		32,168,795	31,212,407
		6,094,464,222	5,587,473,432
CONTINGENCIES AND COMMITMENTS	14		
		10,077,220,370	9,619,589,985

NOTE:

The annexed notes 1 to 40 form an integral part of these accounts.



June 30, 2010

PROPERTY & ASSETS	Note No.	2010 Rupees	2009 Rupees
FIXED ASSETS - Tangible			
Operating fixed assets	15	2,003,222,631	1,995,513,077
CAPITAL WORK IN PROGRESS	16	276,563,379	112,655,825
LONG TERM INVESTMENTS	17	525,701,132	524,357,579
LONG TERM DEPOSITS		3,817,546	3,817,546
CURRENT ASSETS			
Stores , spares and loose tools	18	29,488,600	29,368,562
Stock-in-trade	19	1,303,098,761	1,761,621,326
Trade debts	20	5,655,316,029	4,949,818,505
Advances, deposits and prepayments	21	35,778,121	40,525,638
Other receivables	22	230,822,111	190,906,763
Cash and bank balances	23	13,412,062	11,005,163
		7,267,915,683	6,983,245,958
		10,077,220,370	9,619,589,985

HUMAYUN BARKAT
Chief Executive

MAQSOOD AHMED KHAN
Director

Profit & Loss Account for the year ended June 30, 2010

	Note No.	2010 Rupees	2009 Rupees
Sales	24	2,442,558,955	3,050,988,913
Cost of sales	25	2,423,990,825	2,971,848,461
Gross profit		18,568,130	79,140,452
Administration expenses	26	60,216,029	61,659,552
Selling expenses	27	18,450,179	19,022,097
		78,666,207	80,681,648
Operating loss		(60,098,077)	(1,541,196)
Other income	28	655,745,201	504,247,664
		595,647,124	502,706,468
Financial expenses	29	561,196,888	428,825,845
Other charges	30	6,728,088	34,854,261
		567,924,976	463,680,106
Profit before taxation		27,722,147	39,026,362
Taxation			
Current	31	8,100,000	5,000,000
Deferred		15,000,000	0
		23,100,000	5,000,000
Profit after taxation		4,622,147	34,026,362
Other Comprehensive income for the year			
Unrealized gain / (loss) on investment available- for- sale		1,343,553	(1,674,834)
Total Comprehensive income for the year		5,965,700	32,351,528
Earning Per Share	33	3.70	27.22

Note:

The annexed notes 1 to 40 form an integral part of these accounts.



HUMAYUN BARKAT
Chief Executive



MAQSOOD AHMED KHAN
Director

Statement of Changes in Financial Position
(Cash Flow Statement)
for the year ended June 30, 2010



Fateh

	Note No.	2010 Rupees	2009 Rupees
Cash from Operating Activities			
Net profit before taxation		27,722,147	39,026,360
Adjustment for:			
Depreciation	15.2	91,713,051	85,133,753
Profit on bank deposits	28	(376,978)	(377,032)
Dividend income	28	(113,129)	(128,342)
Provision for gratuity	9	2,294,700	406,374
Financial charges		560,053,780	427,900,714
Cash generated before working capital change		681,293,571	551,961,829
Changes in Working Capital			
(INCREASE) / DECREASE IN CURRENT ASSETS			
Stores, spares and loose tools		(120,037)	759,046
Stock-in-trade		458,522,565	364,006,805
Trade debts		(705,497,524)	(1,101,654,694)
Advances, deposits & prepayments		4,747,517	11,335,839
Other receivable		(39,915,347)	(35,625,735)
INCREASE/ (DECREASE) IN CURRENT LIABILITIES			
Creditors, accrued & other liabilities		(40,390,578)	(3,815,289)
		(322,653,404)	(764,994,029)
Cash generated from operations		358,640,167	(213,032,200)
Gratuity paid	9	(202,400)	(1,108,102)
Taxes paid		(7,143,612)	(6,386,783)
		(7,346,012)	(7,494,885)
Net cash generated from operations		351,294,154	(220,527,085)
(OUTFLOW)/INFLOW DUE TO INVESTING ACTIVITIES			
Additions in fixed assets	15	(153,293,325)	(400,002)
Long term investments- disposal of shares Investment		0	0
Profit on bank deposit received	28	376,978	377,032
Dividend received	28	113,129	128,342
Capital work - in - progress		(163,907,554)	(112,655,825)
		(316,710,772)	(112,550,453)
INFLOW/ (OUTFLOW) DUE TO FINANCING ACTIVITIES			
Repayment of finance leases		(909,401)	(3,311,051)
Payment of dividend		(1,250,000)	(1,250,000)
Increase in finance leases		0	2,471,988
Financial charges paid		(28,860,012)	(111,782,770)
		(31,019,413)	(113,871,833)
Net Increase/(Decrease) in cash and its equivalent during the year		3,563,970	(446,949,369)
Cash & cash equivalents at the beginning of the year		(3,142,933,569)	(2,695,984,201)
Cash & cash equivalents at the end of the year		(3,139,369,599)	(3,142,933,569)
Cash & Cash Equivalents			
Cash & bank balances	23	13,412,062	11,005,163
Short term bank borrowings	12	(3,152,781,660)	(3,153,938,733)
		(3,139,369,599)	(3,142,933,569)

HUMAYUN BARKAT
Chief Executive

MAQSOOD AHMED KHAN
Director

Statement of Changes in Equity for the year ended June 30, 2010

	Share Capital Rupees	General Reserve Rupees	Surplus on Revaluation of Investments Rupees	Unappropriated Profit/(Loss) Rupees	Total Rupees
Balance as at 1st July, 2008	12,500,000	1,481,000,000	2,095,014	10,455,450	1,506,050,464
Net Profit for the year ended June 30, 2009	0	0	0	34,026,362	34,026,362
Unrealised gain / (Loss) on revaluation of investments	0	0	(1,674,834)	0	(1,674,834)
Final Dividend Paid for 2007-2008	0	0	0	(1,250,000)	(1,250,000)
Transfer to General Reserves	0	0	0	0	0
Balance as at 1st July, 2009	12,500,000	1,481,000,000	420,180	43,231,812	1,537,151,992
Net Profit for the year ended June 30, 2010	0	0	0	4,622,147	4,622,147
Unrealised gain on revaluation of investments	0	0	1,343,553	0	1,343,553
Final Dividend Paid for 2008-2009	0	0	0	(1,250,000)	(1,250,000)
Transferred from / to General Reserves	0	0	0	0	0
Balance as at June 30, 2010	12,500,000	1,481,000,000	1,763,733	46,603,959	1,541,867,692
Balance as at June 30, 2009	12,500,000	1,481,000,000	420,180	43,231,812	1,537,151,992



HUMAYUN BARKAT
Chief Executive



MAQSOOD AHMED KHAN
Director



Notes to the Accounts for the year ended June 30, 2010

1. STATUS AND NATURE OF BUSINESS

Fateh Textile Mills Limited was incorporated in Pakistan as a private limited company and converted into public limited company in 1960 and subsequently listed on Karachi Stock Exchange. The company is engaged in the business of manufacturing, bleaching, dyeing, printing, buying, selling and dealing in textile, yarn, cloth and fabrics made from raw cotton and polyester fiber.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

These accounts have been prepared under the historical cost convention, except for certain fixed assets which include revaluation amount and investments "available for sale" which are stated at fair value. The investments in shares of ABL are, however, stated at cost.

2.2 Statement of Compliance

These accounts have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board as are notified under the provision of the Companies Ordinance, 1984. Wherever the requirements of Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.3 Fixed Assets and Depreciation

These are stated at cost less accumulated depreciation and impairment loss except land, factory and colony building and plant and machinery in which element of revaluation is included. Depreciation is calculated on written down value of assets. Full year's depreciation is charged on additions, while no depreciation is charged on deletions during the year. Charge for depreciation in profit and loss account is on the basis of historical cost. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised. Gain or loss on disposal of operating fixed assets is recognised in current year's income statement.

2.4 Stores, Spares and Loose tools

These are valued at lower of cost and net realizable value using moving average cost method except items in transit which are stated at cost accumulated upto the date of balance sheet.

2.5 Stock-in-Trade

These are valued at lower of cost and net realisable value. Cost is calculated on the following basis:

Raw Materials	At weighted average cost
Material-in-Transit	At cost accumulated upto the date of balance sheet
Goods in process	At manufacturing cost
Finished Goods	At average manufacturing cost.

Net realisable value signifies the estimated selling price prevailing in the market less estimated selling expenses incidental to sales and average manufacturing cost includes direct overheads.

2.6 Trade Debts

Trade receivables are recognized and carried at original invoice amount except that export bills receivable are carried at the rate of exchange prevailing at the year end. Bad debts are adjusted against provision for doubtful debts or written off against the profit of the company during the year in which these are deemed to be irrecoverable. Provision is made for debts which are considered doubtful of recovery.

2.7 Long Term Investments

2.7.1 All investments are initially recognised at cost, being fair value of the consideration given including acquisition charges associated with investments and classified as either “held for trading” or “available for sale”.

2.7.2 Investment “held for trading” are those which are either acquired for generating a profit for short-term fluctuation in prices or dealer’s margin, or are securities included in a portfolio in which a pattern of short term profit taking exists. Gains and losses on investments held for trading are recognised in income statement.

2.7.3 Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or change in interest rate are classified as “available for sale”. These are classified as non current unless management has an intention of holding the investment for not more than 12 months from the balance sheet date in which case they are included as current assets.

Gains and losses on investments “available for sale” are recognised as separate component of equity until investments are disposed of or until the investment is determined to be impaired, at which time the accumulated gains / loss previously reported in equity is included in income statement.

2.7.4 All purchases and sales of investments are recognised on the trade date, which is the date that the company commits to purchase or sell the investments.

2.7.5 Fair value of publicly traded investment is based on quoted market prices at balance sheet date.

2.8 Staff Retirement Benefits

The Company operates unfunded gratuity scheme for all its entitled workmen. In terms of the scheme the workers are entitled for encashment of this entitlement at their option. The provision is adjusted triennially as per actuarial valuation required under IAS -19. During the interim period provision is updated on the old basis. The most recent actuarial valuation was carried out in September 2007 using projected unit credit method, which has been given effect to in these accounts.

2.9 Taxation

Charge for current taxation is based on taxable income at current tax rates after considering tax credits and tax rebates if any, available to the company.

Provision for deferred taxation is made on all significant temporary timing differences which are likely to reverse in future, using the liability method.

2.10 Assets Subject to Finance Lease

These are recognised as assets and liabilities at the inception of the lease equal to the



fair value of the leased assets or, if lower, at the present value of minimum lease payments, using the discount factor as interest rate which is implicit in the lease. The financial charges are allocated to the related accounting periods in a manner so as to provide a constant periodic rate of charge. These leased assets are depreciated in accordance with the depreciation policy, which is consistent with depreciable assets, which are owned.

2.11 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into rupees at the rate of exchange ruling on the balance sheet date. Exchange gains and losses are included in income statement currently.

2.12 Trade and other Payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

2.13 Borrowing Cost

Borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying assets are capitalized as a part of the cost of that asset. All other borrowing costs are charged to income.

2.14 Revenue Recognition

Sales are recorded on dispatch of goods. Dividend income on equity investment is recognised when the company's right to receive the payment has been established. Return on deposits are recognised on accrual basis.

2.15 Research and Development Support

The manufacturing cum exporting units in respect of certain type of fabrics have been allowed Research and Development Support by the Government at specified rates and with specified conditions.

The income is accounted for on accrual basis and is grouped under "other income" in the financial statements.

Research and development cost is charged to income as and when incurred.

2.16 Sales

Sales are recognize on dispatch of goods. Sales include export rebates, which are accounted for on accrual basis.

2.17 Offsetting of Financial Assets and Financial Liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the company has the legal enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.18 Provisions

A provision is recognised when the company has a present obligation (legal or constructive) as a result of a present or past event and it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be

required to settle the obligation, the provision is reversed.

2.19 **Impairment of assets**

The company assesses at each balance sheet date whether there is any indication that an asset has been impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and is recognised as an expense in the income statement.

2.20 **Cash and its Equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement it comprises cash in hand and demand deposits, short term highly liquid investments that are readily convertible to known amount of cash and which are not subject of significant change in value.

2.21 **Related Party Transactions**

Transactions between the company and related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method which sets the price by reference to comparable goods sold in an economically comparable market to a buyer unrelated to seller.

2.22 **Dividend and Appropriation to Reserves**

Dividend is recognized in the financial statements in the period in which this is approved.

2.23 **Financial Assets and Liabilities**

All financial assets and liabilities are initially recognised at cost which is fair value for the consideration received or given. These financial assets and liabilities are subsequently measured at fair value.

2.24 **Capital Work in Progress**

This is stated at cost which includes all specific expenses incurred for installation / erection and are transferred to fixed assets when put to use.



	2010 Rupees	2009 Rupees
3. ISSUED, SUBSCRIBED & PAID-UP SHARE CAPITAL		
1,250,000 (2009: 1,250,000) Fully paid ordinary shares of Rs. 10/- each issued for cash.	<u>12,500,000</u>	<u>12,500,000</u>
4. GENERAL RESERVE		
Opening Balance	1,481,000,000	1,481,000,000
Transfer during the year	0	0
	<u>1,481,000,000</u>	<u>1,481,000,000</u>
5. SURPLUS ON REVALUATION OF FIXED ASSETS		
<p>Revaluation of Land, Factory & Colony Building and Plant & Machinery was carried out by Sidat Hyder & Co. Chartered Accountants under asset valuation method duly assisted by an independent valuer viz. M/s. Iqbal A. Nanjee & Co. Surveyors and valuation consultants as on September 30, 1999 resulting into creation of a surplus of Rs 717.856 million. Subsequently it was carried out by M/s. Iqbal A. Nanjee & Co. Surveyors and valuation consultants as on June 21, 2005 resulting into creation of a surplus of Rs. 1,139.013 million. Amortization of both revaluations are given in Note no. 15.2.</p> <p>The movement in this account is as under:-</p>		
Opening Balance as at July 1	1,145,743,347	1,205,599,699
Amortization of revaluation surplus representing Incremental Depreciation for current year transferred to accumulated depreciation - (5.1)	(53,870,716)	(59,856,352)
	<u>1,091,872,631</u>	<u>1,145,743,347</u>
(5.1) In accordance with the amendment in Section 235 of Companies Ordinance, 1984 inserted by Companies (Amendment) Ordinance 2002, the balance of revaluation surplus is being amortized by the incremental depreciation which has been transferred to Accumulated Depreciation.		
6. LOANS SUBORDINATE TO EQUITY (UNSECURED)	<u>51,000,000</u>	<u>51,000,000</u>
These have been received from directors and bear no interest.		
7. LONG TERM LOANS		
Financial Institutions		
Demand Finance - Secured		
MCB Bank Limited (7.1)	5,004,000	5,004,000
Allied Bank Limited (7.2)	1,235,000,000	1,235,000,000
National Bank of Pakistan (7.3)	469,558,692	469,558,692
	<u>1,709,562,692</u>	<u>1,709,562,692</u>
Less: Current Maturity (Note # 13)	(474,562,692)	(474,562,692)
	<u>1,235,000,000</u>	<u>1,235,000,000</u>

7.1 The total loan liability was Rs. 90.504 million in terms of the compromise agreement in suit # B-75 filed in 2001 and decreed by Honorable High Court of Sindh by an order passed on 25th September, 2002 against which Rs. 85.500 million were paid as down payment and in instalments, leaving the balance of Rs. 5.004 million payable as on 30.06.2006, which was payable in monthly instalment of Rs. 1.500

million each, but remains unpaid. However the markup is fully provided.

In case of default in payment of any two instalments as per repayment schedule the entire balance of loan liability with up to date mark up at the prevailing rate will become payable.

This is secured by hypothecation of raw material, cloth and garments stored at mills premises or elsewhere in Pakistan and charge over book debts as well as fixed assets, as additional security.

- 7.2 On 5th October 2005, Company and Allied Bank Limited agreed to settle this long term loan liability at a sum of Rs 1300 million out of which company paid a sum of Rs. 65 million as down payment leaving the balance of Rs. 1235 million payable within the period of five years. The first four quarterly payments were of Rs. 50 million commencing from 15th March, 2006 and the remaining balance of Rs. 1035 million were to be paid in 16 equal quarterly instalments with mark up of KIBOR plus 1%.

The bank defaulted in fulfilling the requirements as enunciated in para 5 of the above said agreement and therefore the company has filed a suit against the bank for specific performance in Sindh High Court which is pending. For the same reason markup on the loan is not being provided.

In spite of reminders by the auditors, the bank does not respond

This is secured by:

- (a) An equitable mortgage which ranked (pari passu) with National Bank of Pakistan of Plot of land bearing No-A / 47 / A, S.I.T.E, Hyderabad together with all factory buildings, workshop, plant & machinery and hypothecation of equipments, stores etc. of spinning unit # 2.
 - (b) Second charge by way of mortgage of plot No A- 4 SITE, Hyderabad, together with buildings, plant & machinery and equipments, and hypothecation of stock of raw materials, goods in process, finished goods, stores, spares & packing materials.
 - (c) A floating charge on the current assets of the company to rank as third, the first charge being in favour of National Bank of Pakistan and second charge in favour of Askari Bank Limited.
 - (d) Hypothecation over stocks and raw materials, charge over present and future book debts, receivables, claims, investments, and rights over assets, .
- 7.3 As a result of compromise agreement of April 2003 with NBP, the principal amount settled was Rs. 1256.588 million plus mark-up of Rs. 250.000 million. The mark-up has already been fully paid.

Out of the above principal amount, Rs. 35.000 million has been paid in the previous year and Rs. 784.431 million has been converted into long term loan, payable from 1st December, 2005 in half yearly equal instalment of Rs. 78.443 million each along with mark-up @ 2% above SBP discount rate. The balance of Rs. 437.157 has been converted into short term facility. The accrued mark-up was payable on or before 1st December, 2005 and thereafter on or before first day of every six months which is being paid.

It has been agreed that company's exports to the extent of Rs 2,500 million would be routed through NBP and the bank would deduct 10% of the export proceeds to be adjusted first against the outstanding mark-up thereafter against the half yearly



principal amount.

This is secured by:

- (a) First charge by way of registered mortgage of plot no. A-4 , S.I.T.E. Hyderabad together with all factory building, plant and machinery and all fixed assets.
- (b) First charge by way of hypothecation and letter of lien on book debts, stock and all movable assets.

	2010 Rupees	2009 Rupees
8. OBLIGATION FOR ASSETS ACQUIRED UNDER FINANCE LEASE		
Future Minimum Lease Payments		
2009 - 2010	0	54,002,974
2010 - 2011	20,109,852	20,109,852
2011 - 2012	10,227,552	10,227,552
2012 - 2013	2,556,888	2,556,888
	32,894,292	86,897,266
Less: Financial charges allocated to future periods.	<u>4,053,678</u>	<u>11,277,572</u>
	28,840,614	75,619,694
Less: Current Portion (Note-9)	17,297,688	46,779,080
	<u>11,542,926</u>	<u>28,840,614</u>

Reconciliation of minimum lease payments and their present value is given below:

(Amount in Rupees)

	2010		2009	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Due within one year	20,109,852	17,297,688	54,002,974	46,779,080
Due after one year but not later than five year	12,784,440	11,542,926	32,894,292	28,840,614
	<u>32,894,292</u>	<u>28,840,614</u>	<u>86,897,266</u>	<u>75,619,694</u>

The implicit rate used as the discounting factor ranges from 7.5% to 25% per annum.

Lease rentals are payable in equal monthly/ quarterly instalments.

The cost of repair, taxes and insurance are to be borne by the company.

The company has purchase option after the expiry of lease period.

	2010 Rupees	2009 Rupees
9. GRATUITY AND STAFF BENEFITS		
Provision for gratuity		
Opening balance	8,380,600	9,082,328
Provision made during the year	2,294,700	406,374
	<u>10,675,300</u>	<u>9,488,702</u>
Less: Paid during the year	202,400	1,108,102
	<u>10,472,900</u>	<u>8,380,600</u>
MEMBERSHIP DATA		
Number of members	126	126
Total monthly eligible salary	723,150	567,350
ACTUARIAL ASSUMPTIONS		
Discount rate	10 %	10 %
Expected rate of salary increase in future years	9 %	9 %
Average expected remaining working lifetime of Employees.	10 years	10 years
EMPLOYEES COMPENSATED ABSENCE		
Employees are allowed to proceed on annual earned leave accrued to them as a result of services rendered by them to company.		
10. DEFERRED TAXATION		
Deferred Tax (10.1)	<u>41,000,000</u>	<u>26,000,000</u>
10.1	In view of the fact that the company is an export oriented company whose export sales are approximately 67% of the total sales and whereas export proceeds are subject to collection of tax at source which are treated as discharge of full and final tax liability for the purpose of Income Tax Ordinance 2001 and therefore timing difference are unlikely to reverse on this portion of sales which warrants deferred tax provision. The remaining 33% of sales will be assessed under the normal assessment on which the deferred tax is provided after considering the accelerated depreciation, lease rentals and staff gratuity etc.	
11. TRADE AND OTHERS PAYABLES		
Trade creditors	320,146,194	381,653,215
Accrued expenses	60,195,805	37,200,809
Security deposits	20,000	20,000
Income tax deducted at source	14,150,015	15,530,125
Workers' profit participation fund	3,863,437	4,361,883
	<u>398,375,451</u>	<u>438,766,033</u>
	Rupees	Rupees
(11.1) WORKERS' PROFIT PARTICIPATION FUND	2010	2009
Opening at July 01	4,361,883	10,345,704
Profit Allocation for the year	1,500,000	2,055,000
Interest Accrued	308,250	326,700
	<u>6,170,133</u>	<u>12,727,404</u>
Less: Payment made during the year	2,306,696	8,365,521
Balance at June 30	<u>3,863,437</u>	<u>4,361,883</u>



12 SHORT TERM RUNNING FINANCES UNDER MARK-UP ARRANGEMENT

From Banking Companies
(Secured)

3,152,781,660	3,153,938,733
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These are secured against hypothecation and pledge of stock-in-trade and stores, book debts, lien on export contracts, letters of credit and foreign bills drawn, personal guarantee of sponsoring directors as well as equitable mortgage of fixed assets.

Facility extended to company amounts to Rs. 4463.706 million. Mark up is charged on the Running finance facility ranges from KIBOR (3 months ask) plus 2% to 2.5% per Annum.

13. CURRENT PORTION OF LONG TERM LIABILITIES

Long Term Loans	(Note # 7)	474,562,692	474,562,692
Finance Leases	(Note # 8)	17,297,688	46,779,080
Over Due Lease Rentals		191,581,086	145,711,407
		683,441,466	667,053,179

13.1 NIB Bank Limited has filed a suit on June 11, 2009, in the Banking Court-1 Karachi for the recovery of Rs. 44,820,550 representing principal as well as mark up and surcharge on default payment. The suit has been decreed by the Court in favour of bank on February 10, 2010, for an amount of Rs. 27,643,415. along with the cost of fund from the date of decree. The liability has been fully provided.

14 CONTINGENCIES & COMMITMENTS

- (i) In respect of letters of credit 35,646 million 30,360 million
- (ii) In respect of letters of credit (Local) 10,400 million 10,400 million
- (iii) Payment against documents (PAD) Nil 0.813 million
- (iv) The company is contesting a number of cases under foreign exchange regulations in respect of non repatriation of export proceeds, however, the legal advisor of the company has opined that no financial loss is expected. The aggregate epatriable amount is Rs. 161.893 million. (2009 Rs. 153.742 million)
- (v) There exists contingent liability:

In respect of export bills sold.	Rs. 434.233 million	Rs. 430.770 million
In respect of bank Guarantee	Rs. 7.654 million	Rs. 7.654 million
- (vi) Mark up on loan from Allied Bank Limited amounting to Rs. 735.103 million (2009 Rs. 565.181 million).
This is not provided in the books because the matter is subjudice in the court.

15. FIXED ASSETS

AMOUNT IN RUPEES

PARTICULARS	COST				DEPRECIATION					WRITTEN DOWN VALUE AS ON 30-06-2010	WRITTEN DOWN VALUE AS ON 30-06-2009	
	AS ON 01-07-2009	ADDITION/ (DELETION)	REVALUATION	AS ON 30-06-2010	RATE %	AS ON 01-07-2009	FOR THE PERIOD	AMORIZATION OF SURPLUS ON REVALUATION	ADDITION/ (DELETION)			ACCUMULATED DEPRECIATION
Factory Land-Lease hold	385,110,000	0	0	385,110,000	0	0	0	0	0	0	385,110,000	385,110,000
Agricultural Land	317,325,000	0	0	317,325,000		0	0	0	0	0	317,325,000	317,325,000
Factory & Colony Building on Lease Hold Land	451,923,251	985,909	0	432,909,140	10	248,403,715	4,171,924	14,278,619	0	266,854,258	166,054,882	183,519,516
Garden Building	299,658	0	0	299,658	10	94,984	20,467	0	0	115,451	184,207	204,674
Plant & Machinery	2,634,715,610	150,920,400	0	2,785,636,010	10	1,813,815,319	57,589,971	39,592,098	0	1,910,997,388	874,638,622	820,900,291
Garden Fixed Assets	328,507	0	0	328,507	10	89,722	23,879	0	0	113,601	214,906	238,785
Office Equipments	11,824,669	9,000	0	11,833,669	10	9,585,958	224,771	0	0	9,810,729	2,022,940	2,238,711
Tools & Equipments	30,291,826	671,000	0	30,962,826	10	21,249,994	971,283	0	0	22,221,277	8,741,549	9,041,832
Electric Fittings	39,257,107	71,424	0	39,328,531	10	47,907,603	1,142,039	0	0	49,049,606	10,278,835	11,349,514
Furniture & Fixtures	17,843,614	331,291	0	18,174,905	10	14,572,578	301,223	0	0	14,932,811	3,242,094	3,271,036
Water Pipe Line	7,879,250	0	0	7,879,250	10	6,781,649	109,760	0	0	6,891,409	987,841	1,097,601
Vehicles	39,142,089	6,284,000	0	45,426,089	20	33,189,869	1,540,498	0	4,533,730	39,264,097	6,161,992	5,952,220
Air Conditioning Plant	12,567,477	258,300	0	12,825,777	10	9,951,353	287,442	0	0	10,238,795	2,586,982	2,616,124
Arms	942,185	0	0	942,185	10	791,833	15,035	0	0	806,868	135,317	150,352
Computers	35,919,568	46,000	0	35,965,568	10	28,054,470	791,110	0	0	28,845,580	7,119,988	7,865,098
	3,985,369,791	159,577,325	0	4,144,947,116		2,204,489,047	67,248,467	53,870,716	4,533,730	2,360,141,960	1,784,805,156	1,750,880,746
ASSETS SUBJECT TO FINANCE LEASE												
Plant & Machinery	391,094,225	0	0	391,094,225	10	149,975,950	24,111,828	0	0	174,087,778	217,006,447	241,118,275
Vehicles	9,930,847	(6,284,000)	0	3,646,847	20	6,416,789	352,758	0	(4,533,730)	2,235,817	1,411,030	3,514,058
	401,025,072	(6,284,000)	0	394,741,072		156,392,739	24,464,586	0	(4,533,730)	176,323,595	218,417,477	244,632,333
TOTAL 2009 - 2010	4,386,394,863	153,293,325	0	4,539,688,188		2,390,881,786	91,713,053	53,870,716	0	2,536,465,555	2,003,222,633	1,995,513,079
TOTAL 2008 - 2009	4,385,994,863	400,000	0	4,386,394,863		2,245,891,682	85,133,752	59,856,352	0	2,390,881,786	1,995,513,079	



Fateh

	Rupees 2010	Rupees 2009
15.1 Depreciation of assets have been apportioned as under:		
(a) Cost of sales	88,096,858	89,871,587
(b) Administration Expenses	3,571,847	4,950,967
(c) Garden Income	44,346	54,749
	<u>91,713,051</u>	<u>94,877,303</u>

15.2 Surplus on revaluation of land, factory & colony building and plant & machinery was incorporated firstly on 30th September, 1999 and subsequently on June 30, 2006, summarized position of which are as follows:-

	Agricultural Land Rupees	Factory Land Rupees	Factory & Colony Building Rupees	Plant And Machinery Rupees	Total Rupees
Cost as at June 30, 2005	6,694,287	45,355,125	231,905,730	2,497,571,852	2,781,526,994
Less: Accumulated depreciation upto June 30, 2005.	0	0	152,429,258	1,418,767,759	1,571,197,017
Written down value	6,694,287	45,355,125	79,476,472	1,078,804,093	1,210,329,977
Depreciated replacement cost	317,325,000	385,110,000	268,982,019	1,377,925,600	2,349,342,619
Surplus	310,630,713	339,754,875	189,505,547	299,121,507	1,139,012,642
Opening Balance	0	41,575,595	57,209,369	619,070,686	717,855,650
	310,630,713	381,330,470	246,714,916	918,192,193	1,856,868,292
Incremental depreciation transferred to Retained earnings.					
Upto 30-06-2009	0	0	103,928,727	522,271,218	626,199,945
Related Deferred tax	0	0	0	0	84,925,000
Current years - Incremental depreciation transferred to accumulated depreciation.	0	0	14,278,619	39,592,098	53,870,716
Balance					<u>1,091,872,631</u>

Had there been no revaluation the figures of land, factory and colony building and plant & machinery as at June 30, 2010 would have been as follows:-

	Cost Rupees	Accumulated Depreciation Rupees	Written Down Value Rupees
Land	3,779,530	0	3,779,530
Factory and colony Building	183,510,812	140,246,623	43,264,189
Plant and Machinery	2,036,992,180	1,420,446,929	616,545,250
2010	2,224,282,522	1,560,693,553	663,588,969
2009	2,073,362,122	1,474,819,829	598,542,292

	2010 Rupees	2009 Rupees
16. CAPITAL WORK IN PROGRESS		
Development of coal mines	<u>276,563,379</u>	<u>112,655,825</u>

This represents development of coal mines which are in progress and permission for the sale of surplus coal has also been granted to the company by the Government till the functioning of their power plant.

Thirty (30) years mining lease of Lakhra coalfield comprises of an area of 8626 acres equivalent to 35 square kilometer was awarded to the company by the Government of Sindh vide notification dated 14th December, 2005 for the development and establishment of coal mining and coal washing plant leading to power plant upto 200MW.

17. LONG TERM INVESTMENTS

Quoted Companies - Available for sale	5,620,165	4,276,612
Less:-		
Provision for share investment theft	1,382,588	1,382,588
Provision for diminution in value	<u>119,438</u>	<u>119,438</u>
	4,118,139	2,774,586
Add:		
Others (17.1)	<u>521,582,993</u>	<u>521,582,993</u>
	<u>525,701,132</u>	<u>524,357,579</u>

17.1 This is made up as under:-

Allied Bank Limited (17.1.1)		
16.376 million shares of Rs. 10 each	521,582,993	521,582,993
Investment in Talpur Textile Mills (17.1.2)		
Goodwill	775,371	775,371
51% shareholding	2,550,000	2,550,000
Current Account	1,116,127	1,116,127
Loan Account	2,300,000	2,300,000
	6,741,498	6,741,498
Less:-		
Provision for diminution in value	<u>6,741,498</u>	<u>6,741,498</u>
	0	0
	<u>521,582,993</u>	<u>521,582,993</u>

17.1.1 The ABL shares were pledged with the bank as security for the loan obtained. On 23rd July, 2004, the bank invited bids for the sale of these shares with reserve price of Rs. 25 per share. Highest bid is stated to have been received at Rs. 25.51 per share which was approved and sum of Rs. 417.754 (m) has been kept in the deposit account by Allied Bank Limited.

At the same time, i.e. on 23rd July, 2004 Privatization Commission of Pakistan invited



open bid to raise additional 75% capital of Allied Bank Limited and the Highest bid received was Rs. 43 per share.

It would therefore be noted that right shares were sold for Rs. 43 per share where as at the same time the holding of the company's investments was sold for Rs. 25.51 per share.

The above disparity and injustice compelled the company to file suit against the bank in the High Court of Sindh which is still pending.

The price of ABL shares quoted at Karachi Stock Exchange (Guarentee) Ltd. was Rs.56.95 per share as at June 30, 2010. However gain (of Rs. 411.030 m) on these shares have not been taken to " statement of changes in equity" as required by IAS 39 since management has decided that these shares should remain at its cost price till the outcome of suit and countersuit in Sindh High Court.

17.1.2 It was a joint venture with PIDC, Management of which was taken over by them in 1968. The project is stated to have been closed in 1977 and does not exists any more.

PIDC has sold out the machinery and other equipments of TTM for Rs. 7.1 (m) and deposited the proceeds with Nazir Sindh High Court.

What happened to the Land, Building and other assets like store & Spares, Debtors, Bank Balances etc., is not known and requires to be ascertained. The amount deposited with Nazir Sindh High Court is got to be released for which action is on hand. Necessary adjustment shall be carried out after the entire position is sorted out.

		2010 Rupees	2009 Rupees
18.	STORES, SPARES & LOOSE TOOLS		
	Stores	20,758,165	24,124,298
	Spares	8,730,435	5,244,264
		29,488,600	29,368,562
19	STOCK - IN - TRADE		
	Raw and Packing materials	1,267,658,996	1,694,516,130
	Goods in Process	15,013,722	19,946,736
	Finished Goods	20,426,043	47,114,145
	Raw material in Transit	0	44,315
		1,303,098,761	1,761,621,326
20.	TRADE DEBTS -UNSECURED		
	Considered good	5,655,316,029	4,949,818,505
	Considered doubtful	312,208,453	312,208,453
		5,967,524,482	5,262,026,958
	Provision for bad and doubtful debts	(312,208,453)	(312,208,453)
		5,655,316,029	4,949,818,505
	The amounts due from associated undertakings included in the above good balance are as under:-		
	Hero Motors Limited	14,369,245	20,035,035
	Fateh Motors Limited	30,291,707	0
		44,660,952	20,035,035



	2010 Rupees	2009 Rupees
Goods-in-Process		
Opening inventory	19,946,736	21,259,431
Closing inventory	(15,013,722)	(19,946,736)
	<u>4,933,014</u>	<u>1,312,695</u>
COST OF GOODS MANUFACTURED	2,397,302,723	2,961,945,865
Finished Goods		
Opening balance	47,114,145	57,016,741
Closing balance	(20,426,043)	(47,114,145)
	<u>26,688,102</u>	<u>9,902,596</u>
	<u>2,423,990,825</u>	<u>2,971,848,461</u>
25.1 RAW & PACKING MATERIAL CONSUMED		
Opening inventory	1,694,516,130	2,024,389,576
Add: Purchases	1,641,039,600	2,437,732,770
	<u>3,335,555,731</u>	<u>4,462,122,346</u>
Less: Closing Inventory	1,267,658,996	1,694,516,130
	<u>2,067,896,736</u>	<u>2,767,606,216</u>
26. ADMINISTRATIVE EXPENSES		
Salaries, Wages and Benefits	30,396,351	34,751,687
Travelling, Conveyance and Entertainment	7,889,128	3,043,586
Rent, Rates, Taxes and Subscription	5,616,142	3,064,532
Repairs and Maintenance	66,702	80,100
Printing and Stationery	401,079	350,621
Communication	2,275,822	1,627,626
Vehicles Running Expenses	2,013,816	2,009,896
Computer Consumables	54,856	54,550
Other Administrative Expenses	3,045,964	2,652,131
Legal & Professional Charges	4,206,500	9,105,000
Guest Expenses	677,822	1,123,221
Depreciation	3,571,847	3,796,602
	<u>60,216,029</u>	<u>61,659,552</u>
27. SELLING EXPENSES		
Freight & Handling	10,295,719	8,009,435
Export Expenses	6,375,454	8,529,482
Advertisement	1,125,806	1,017,402
Export Development Surcharge	653,200	1,465,778
	<u>18,450,179</u>	<u>19,022,097</u>
28. OTHER INCOME		
Dividend Income	113,129	128,342
Profit on Bank Deposits	376,978	377,032
Miscellaneous Income	29,708	0
Gain on Exchange Rate	654,407,292	504,799,581
Income from Gardens-net	818,093	31,919
Research and Development Support- Net (28.1)	0	(1,089,211)
	<u>655,745,201</u>	<u>504,247,664</u>

	2010 Rupees	2009 Rupees
28.1		
Research and Development Support	0	476,324
Research and Development Expenses	0	1,565,535
	<u>0</u>	<u>(1,089,211)</u>
29.	FINANCIAL EXPENSES	
	Interest & Other Charges on:	
	Long Term Loans	
	67,202,316	37,429,617
	Mark-up on Export Refinance	
	214,781,683	223,080,627
	Mark-up on Running Finance	
	270,407,905	151,012,661
	Mark-up on Lease Finance	
	7,353,626	16,051,110
	Bank Charges & Commission	
	1,143,108	925,130
	W. P. P. F.	
	308,250	326,700
	<u>561,196,888</u>	<u>428,825,845</u>
30.	OTHER CHARGES	
	Auditors' Remuneration (30.1)	
	773,270	765,300
	Workers Profit Participation Fund	
	1,500,000	2,055,000
	Niaz Expenses	
	3,497,966	3,020,376
	Provision for bad & doubtful debts	
	0	28,000,000
	Donations (30.2)	
	956,852	1,013,585
	<u>6,728,088</u>	<u>34,854,261</u>
30.1	Audit Fee	
	500,000	500,000
	Review of half yearly account	
	200,000	200,000
	Out of Pocket Expenses	
	73,270	65,300
	<u>773,270</u>	<u>765,300</u>
30.2	Recipients of donations do not include anybody in whom any director or his spouse had any interest.	
31.	TAXATION CURRENT	
	<u>8,100,000</u>	<u>5,000,000</u>
32.	PROPOSED DIVIDEND	
	Pursuant to requirement of IAS-10 "Events after the balance sheet date" the proposed dividend has not been included as a liability in these financial statements.	
33.	EARNING PER SHARE	
	Net (Loss)/Profit after tax for the year	
	4,622,147	34,026,362
	Number of Ordinary Shares	
	1,250,000	1,250,000
	Earning per Share (Rupees)	
	<u>3.70</u>	<u>27.22</u>
34.	FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE	
34.1	Credit Risk	
	Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The company applies credit limits to its customers and does not have significant exposure to any individual customer.	



34.2 Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The company is not exposed to any interest rate risk.

34.3 Fair value of Financial Instruments

The carrying value of all the financial instruments reported in the financial statements approximate their fair value.

34.4 Market Risk

Market risk includes (1) currency risk which signifies that value of a financial instrument will fluctuate due to changes in foreign exchange rates. (2) Price risk which signifies that value of financial instrument will fluctuate as result of exchange in market prices. This risk embodies potential loss and gain. the company is not exposed to any material market risk.

34.5 Financial Assets & Liabilities as on 30th June, 2010

	Rate of interest	Interest Bearing			Non Interest Bearing	2010 Total Rupees	2009 Total Rupees
		Maturity Upto One Year	Maturity After One Year	Sub Total			
Financial Assets							
Investment	0	0	0	0	525,701,132	525,701,132	524,357,579
Trade Debtor's	0	0	0	0	5,655,316,029	5,655,316,029	4,949,818,505
Advances, deposits and prepayments	0	0	0	0	35,778,121	35,778,121	40,525,638
Other receivable	0	0	0	0	230,822,111	230,822,111	190,906,763
Cash and bank	0	0	0	0	13,412,062	13,412,062	11,005,163
	0	0	0	0	6,461,029,454	6,461,029,454	5,716,613,649
Financial Liabilities							
Liabilities Against Assets Subject to Finance Lease	7.5% to 25%	17,297,688	11,542,926	28,840,614	0	28,840,614	75,619,694
Long Terms Loans	3 months (ask) KIBOR +25%	474,562,692	1,235,000,000	1,709,562,692	0	1,709,562,692	1,709,562,692
Short Term Bank Borrowings	3 months (ask) KIBOR +25%	3,152,781,660	0	3,152,781,660	0	3,152,781,660	3,153,938,733
Trade & Other Payables	0	0	0	0	398,375,451	398,375,451	438,766,033
Mark up on secured Finance	0	0	0	0	1,827,696,850	1,827,696,850	1,296,503,082
		3,644,642,040	1,246,542,926	4,891,184,966	2,226,072,301	7,117,257,267	6,674,390,233

34.6 Liquidity Risk

Inability to raise funds to meet commitments indicates liquidity risk. The management closely monitors the ability of the company to raise funds and its cash flow position.

34.7 Foreign Exchange Risk

Foreign exchange risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The company is not materially exposed to foreign currency risk on assets and liabilities.

35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

The aggregate amount charged in accounts during the year for remuneration, including benefits to the Chief Executive, full time working Directors and other Executives of the company is as follows:-

	Chief Executive Rupees	Directors Rupees	Executives Rupees	Total 2010 Rupees	Total 2009 Rupees
Meeting fees	0	1,500	0	1,500	2,000
Remunerations	414,000	1,242,000	0	1,656,000	1,414,500
House rent allowance	186,000	372,000	0	55,8000	558,000
Utilities	198,650	555,600	0	754,250	690,085
Reimbursable expenses	60,450	203,480	0	263,930	235,385
Rupees	859,100	2,374,580	0	3,233,680	2,899,970

Number of persons

2010	1	3	0	4
2009	1	3	0	4

There was no loan or advance granted to Directors during the year. Company maintained car is provided to Chief Executive and to full time working Directors and medical expenses for self and family are paid at actual.

	2010 Rupees	2009 Rupees
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36 PRODUCTION CAPACITY

Spinning

Plant capacity of yarn after conversion into 20 counts (Kgs.)	9,400,000	9,400,000
Actual production of yarn after conversion into 20 counts (Kgs.)	1,244,000	0
Number of spindles	30,720	30,720
Number of shifts worked per day	Nil	Nil

Due to different kinds of products mix the production capacity of composite unit cannot be accurately determined.



Fateh

		2010 Rupees	2009 Rupees
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37. RELATED PARTY TRANSACTIONS

Related parties comprise associated companies, major shareholders, directors, companies with common directorship. Transactions of the company with related party and balances outstanding at the year end are as follows.

Associated Companies

Hero Motors Limited

Sale of tractor parts	713,000	179,582,414
Receivables as at 30 June	14,369,245	20,035,035

Fateh Motors Limited

Sale of automobile parts	79,936,218	0
Receivables as at 30 June	30,291,707	0

Fateh Construction Company Limited

Purchase of showrooms	21,503,208	0
Payable as at 30 June	0	0

Fateh Petroleum Limited

Services for coal mines	0	112,655,825
Payable as at 30 June	0	0

38. NUMBER OF EMPLOYEES AT YEAREND		322	334
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39. CORRESPONDING FIGURES

Figures have been rounded off to the nearest rupee.

40. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 28th September, 2010 by the board of directors of the company.

HUMAYUN BARKAT
Chief Executive

MAQSOOD AHMED KHAN
Director

Turn Over

Year	Amount (000' Rupees)	Growth %age
2000-01	3,225,767	-11
2001-02	5,443,784	69
2002-03	7,091,941	30
2003-04	7,470,440	5
2004-05	5,809,675	-22
2005-06	6,687,701	15
2006-07	6,289,408	-6
2007-08	4,716,082	-25
2008-09	3,050,989	-35
2009-10	2,442,558	-20





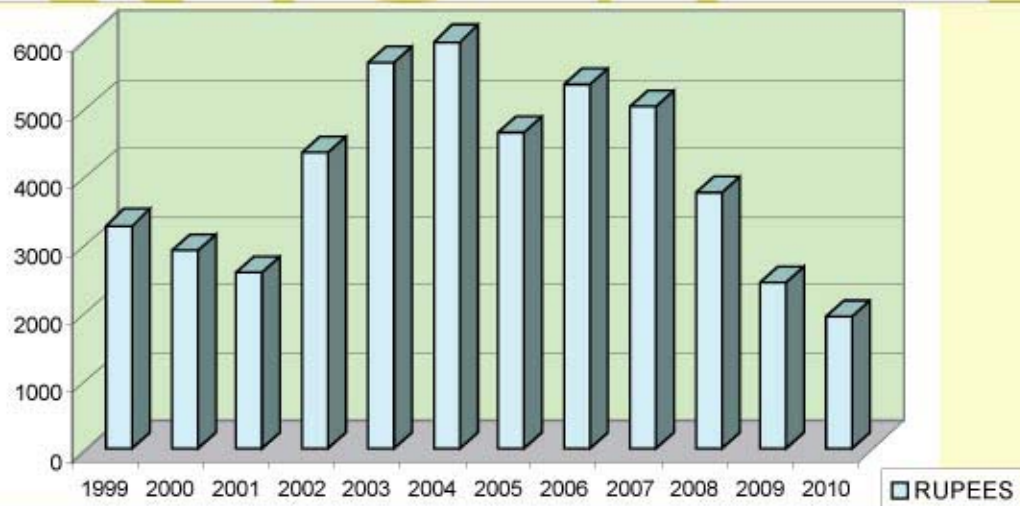
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Year	Rupees
2000-01	18.66
2001-02	7.6
2002-03	82.94
2003-04	155.5
2004-05	86.55
2005-06	80.56
2006-07	40.53
2007-08	6.45
2008-09	27.22
2009-10	3.70



Revenue Realised Per Share

Year	Rupees
1999	3280.72
2000	2908.97
2001	2580.61
2002	4355.03
2003	5673.55
2004	5976.35
2005	4647.74
2006	5350.16
2007	5031.53
2008	3772.87
2009	2440.79
2010	1954.00



Profitability Brief

(Rs. '000)

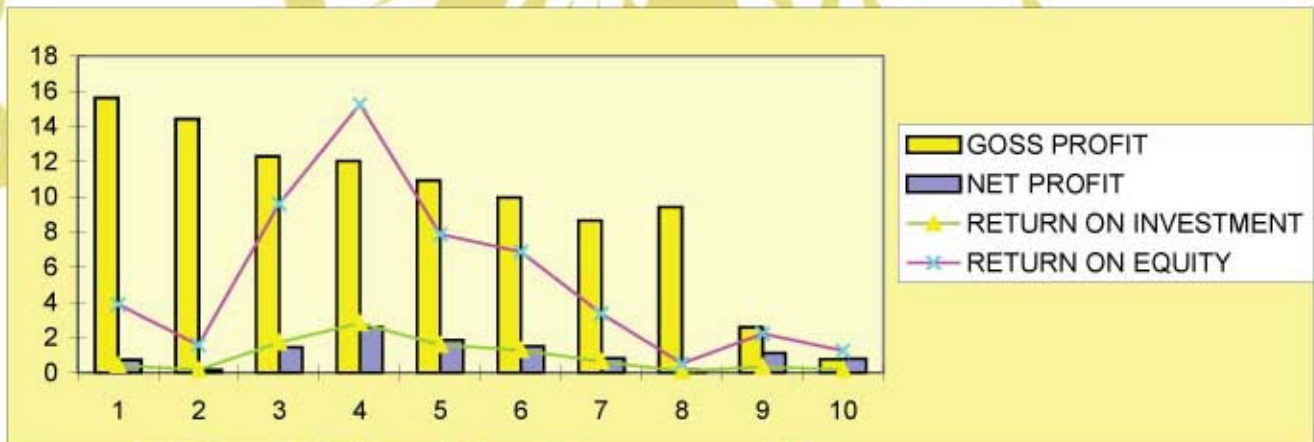


Fateh

DATA	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10
Sales	3,225,767	5,443,784	7,091,941	7,470,440	5,809,675	6,687,701	6,289,408	4,716,082	3,050,989	2,442,558
Gross Profit	503,525	785,107	871,952	898,426	634,715	666,899	544,195	443,780	79,140	18,568
Profit After Tax	23,325	9,499	103,673	194,376	108,190	100,705	50,667	8,056	34,026	19,622
Total Assets	5,204,783	5,755,435	5,995,619	6,883,214	6,834,795	7,730,657	7,920,856	8,893,613	9,619,590	10,077,220
Equity	599,169	599,293	1,079,459	1,274,298	1,373,140	1,466,464	1,509,470	1,506,050	1,537,152	1,556,867

PROFITABILITY

Gross Profit	15.61	14.42	12.29	12.03	10.93	9.97	8.65	9.41	2.59	0.76
Net Profit	0.72	0.17	1.46	2.60	1.86	1.51	0.81	0.17	1.12	0.80
Return on Investment	0.44	0.16	1.73	2.82	1.58	1.30	63.00	0.10	0.35	0.19
Return on Equity	3.89	1.59	9.60	15.25	7.88	6.87	3.36	0.53	2.21	1.26







FATEH TEXTILE MILLS LIMITED FORM OF PROXY

I/we _____ of _____ being a member(s) of the Fateh Textile Mills Limited, Hyderabad, holding _____ Ordinary Shares hereby appoint _____ of _____ or failing him/her _____ of _____ another member of the Company, as my/our proxy to attend and vote for me/us and on my/our behalf at the 58th Annual General Meeting of the Company to be held on Saturday the 30th October 2010 at 08.00 a.m. and or any adjournment thereof.

1) Witness: _____ Signed by me this _____ day of _____ 2010.

Name _____

Signed _____

Address: _____

Affix Revenue Stamp Rs. 5/-

NIC No. _____

2) Witness: _____

Name _____

Address: _____

NIC No. _____

Folio No./CDC Account No. _____

1. A member entitled to vote at the meeting may appoint a proxy. Proxies in order to be effective, must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting.
2. Proxies granted by shareholders who have deposited their shares into Central Depository Company of Pakistan Limited must be accompanied with attested copies of the National Identity Card (NIC) or the Passport of the beneficial owners. Representatives of corporate members should bring the usual documents required for such purpose.
3. A proxy must be a member of the Company.
4. If the member is a corporation its common seal should be affixed to the proxy form.