

**1st Quarterly Report
for the period ended
September 30, 2016**



**Hala Enterprises
Limited**

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COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Tahir Jahangir Mr. Jillani Jahangir Miss Munizae Jahangir Mrs. Sulema Jahangir Mr. Rashid Ahmad Khan Sh. Ijaz Ahmed Mr. Abdul Munaf	Chairman/Non Executive Director Chief Executive Officer Non-Executive Director Non-Executive Director Independent Director Non-Executive Director Executive Director
AUDIT COMMITTEE	Mr. Rashid Ahmad Khan Miss Munizae Jahangir Mrs. Sulema Jahangir	Chairman/Member Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Rashid Ahmad Khan Mr. Jillani Jahangir Miss Munizae Jahangir Mrs. Sulema Jahangir Sh. Ijaz Ahmed Mr. Abdul Munaf	Chairman/Member Member Member Member Member Member
CHIEF FINANCIAL OFFICER	Mr. Abdul Munaf	
COMPANY SECRETARY	Muhammad Mushtaq Saeed Iqbal	
AUDITORS	Tariq Abdul Ghani Maqbool & Co. Chartered Accountants	
LEGAL ADVISORS	A.G.H.S Law Associates	
BANKERS	Faysal Bank Limited NIB Bank Limited Askari Bank Limited J.S Bank Limited	
REGISTERED OFFICE/WORKS	Factory Premises, 17.5 KM Sheikhpura Road, Lahore Tel: 042-37970130, 37970230 Fax: 042-37970681 Email. hala@halaenterprises.com Website: www.halaenterprises.com	
SHARE REGISTRAR OFFICE	M/s Corplink (Private) Limited Wings Arcade, 1-K, Commercial Model Town, Lahore Tel: 042-35916714, 35916719 Fax: 042-35869037 Email. corplink786@yahoo.com	

DIRECTORS' REPORT

The Board of Directors of Hala Enterprises Limited are pleased to present the interim financial report of the company for the quarter ended September 30, 2016 along with the interim financial information.

In the period under review, the company saw a lower volume of sales than regularly predicted. This was mainly due to the end of the summer season. The regular buyers of the company maintain higher stocks of goods for the beginning of the summer season. However, we are hopeful to see a better sales performance in the upcoming quarters as the next summer & spring seasons approach. The overall profit margin improved for the company thereby allowing to minimize the losses.

We are hopeful to catch up with a better sales performance till the end of the financial year and increase profitability by reducing weaving costs. The company has already undertaken a project of modernization for its machinery and hopes to achieve its set targets within the 3rd quarter.

We would like to take this opportunity to thank our customers, suppliers and bankers for their continue cooperation towards the progress of the company. We hope that this support would continue in the future as well.

We would also like to thank our dedicated and talented team of executives, staff and workers for the hard work put in towards the companies performance for the period.

For & on behalf of the Board



(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER

Dated: October 31, 2016

CONDENSED INTERIM BALANCE SHEET
As At September 30, 2016 (un-audited)

	1st Quarter ended Sep-16 Un-Audited Rupees	Year ended Jun-16 Audited Rupees
CAPITAL AND LIABILITIES		
Share capital and reserves		
Authorized capital		
16,000,000 ordinary shares of Rs. 10 each	<u>160,000,000</u>	<u>160,000,000</u>
Issued, subscribed and paid up capital	68,040,000	68,040,000
Share deposit money	61,923,044	61,923,044
Reserves	26,991,076	22,682,680
Accumulated loss	<u>(135,229,907)</u>	<u>(134,549,853)</u>
	21,724,213	18,095,871
Surplus on revaluation of Property,	83,459,215	83,810,126
Non Current Liabilities		
Deferred liability	43,529,943	44,335,297
Current Liabilities		
Trade and other payables	49,896,724	52,242,764
Accrued mark up	5,969,480	7,770,541
Short term borrowings	85,400,000	89,210,000
Due to related parties	9,420,866	3,405,189
Provision for taxation	538,111	2,152,292
	151,225,181	154,780,786
Advance against assets held for disposal	3,775,000	3,775,000
Contingencies and Commitments	-	-
	<u>303,713,552</u>	<u>304,797,080</u>

NOTES TO THE ACCOUNTS

- 1 These accounts are un-audited and are being submitted to the share holders in accordance with the requirements of the companies ordinance 1984.
- 2 Accounts policies adopted for the preparation of these accounts are the same as those applied in the preparation of the preceding annual accounts of the company
- 3 Amounts set aside in these accounts for taxation are provisional. Final liability will be determined on the basis of annual results.
- 4 Cash flow statement, comprehensive income statement and statement of changes in equity has been disclosed as per requirements of the IAS No 34
- 5 where necessary, previous figures have been re-arranged for the purpose of fair comparison.

LAHORE: October 31, 2016

CONDENSED INTERIM BALANCE SHEET
As At September 30, 2016 (un-audited)

	1st Quarter ended Sep-16 Un-Audited Rupees	Year ended Jun-16 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	102,106,643	102,992,790
Long term Investments	18,900,423	14,592,027
Long term deposits	3,906,290	3,906,290
Current assets		
Stores and spares	9,046,581	8,849,653
Stock in trade	86,668,840	88,268,365
Trade debtors	18,978,684	29,045,551
Advances, deposits, prepayments and other receivables	30,643,127	26,575,734
Sales tax refundable	10,275,019	11,453,749
Due from associated undertakings	12,235,292	9,402,081
Cash and bank balances	4,236,541	2,994,728
	172,084,084	176,589,861
Asset Held for Disposal	6,716,112	6,716,112
	<u>303,713,552</u>	<u>304,797,080</u>


CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30,2016 (un-audited)**

	1st Quarter ended Sep 30,2016	1st Quarter ended Sep 30,2015
	Rupees	Rupees
Sales	55,160,056	78,821,309
Cost of sales	(47,277,309)	(67,135,296)
Gross profit	7,882,747	11,686,013
OPERATING EXPENSES		
Selling and distribution Costs	3,878,649	4,571,522
Administrative expenses	3,934,512	6,476,867
	(7,813,161)	(11,048,389)
Operating profit / (Loss)	69,586	637,624
Finance Costs	(1,035,911)	(1,993,654)
Other operating Charges	(81,530)	(705,085)
Other operating income	555,000	853,113
Profit / (loss) before taxation	(492,855)	(1,208,002)
Taxation	(538,111)	(775,188)
Net profit / (loss) after taxation	(1,030,966)	(1,983,190)
Loss per share-Basic	(0.15)	(0.29)



CHIEF EXECUTIVE OFFICER



DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT
For The Quarter Ended September 30,2016 (un-audited)

	QUARTER ENDED SEP 30,2016 (UN-AUDITED) Rupees	QUARTER ENDED SEP 30,2015 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(492,855)	(1,208,002)
Adjustments for :		
Depreciation	886,147	984,578
Financial charges	1,035,911	1,993,654
Gratuity	992,685	1,718,796
	<u>2,914,743</u>	<u>4,697,028</u>
Operating profit before working capital changes	2,421,888	3,489,026
(Increase) / decrease in current assets		
Stores and spares	(196,928)	(186,971)
Stock in trade	1,599,525	1,289,374
Trade debtors	10,066,867	17,131,507
Advances, deposits, prepayments and other receivables	(5,432,920)	(1,627,262)
Sales tax refundable	1,178,730	(503,804)
Due from associated undertakings	(2,833,211)	2,423,008
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	6,015,677	801,118
Creditors, accrued and other liabilities	(2,346,040)	(8,393,192)
	<u>8,051,700</u>	<u>10,933,778</u>
Cash generated from operations	10,473,588	14,422,804
Financial charges paid	(2,836,971)	(2,874,045)
Income tax paid	(786,765)	(1,044,684)
Gratuity paid	(1,798,039)	(2,022,707)
Net cash (used in) / from operating activities	<u>5,051,813</u>	<u>8,481,368</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	-	(16,500)
Long term deposits	-	-
Net cash (used in) investing activities	-	(16,500)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan from directors and associated undertakings	-	-
Short term finances	(3,810,000)	(6,437,000)
Net cash from / (used in) financing activities	<u>(3,810,000)</u>	<u>(6,437,000)</u>
Net increase in cash and cash equivalents	1,241,813	2,027,868
Cash and cash equivalents at the beginning of year	2,994,728	2,706,173
Cash and cash equivalents at the end of the period	<u>4,236,541</u>	<u>4,734,041</u>



CHIEF EXECUTIVE OFFICER



DIRECTOR



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN AUDITED)**

	1st Quarter ended Sep.2016	1st Quarter ended Sep.2015
	Rupees	Rupees
Net Loss for the period	(1,030,966)	(1,983,190)
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Unrecognised actuarial gain due to experience adjustment on remeasurement of staff retirement benefits	-	-
Items that may be reclassified subsequently to profit and loss		
Surplus on remeasurement of investment available for sale	4,308,396	2,629,213
Other comprehensive income	4,308,396	2,629,213
Total comprehensive (Loss) for the period	<u>3,277,430</u>	<u>646,023</u>

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For The Quarter Ended September 30,2016 (un-audited)

Particulars	Share Capital	Share Deposit Money	Reserve				Accumulated Loss	Total
			Capital Reserve	Investment Revaluation Reserve	Revenue Reserve	Total		
Balance as at Jun 30,2015	68,040,000	61,923,044	2,274,287	9,016,579	7,000,000	18,290,866	(132,669,964)	15,583,946
Net loss for the period ended Sep 30, 2015	-	-	-	-	-	-	(1,983,190)	(1,983,190)
Other comprehensive income for the period ended Sep 30,2015	-	-	-	2,629,213	-	2,629,213	-	2,629,213
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period	-	-	-	2,629,213	-	2,629,213	-	646,023
							380,874	380,874
Balance as at Sep 30,2015	<u>68,040,000</u>	<u>61,923,044</u>	<u>2,274,287</u>	<u>11,645,792</u>	<u>7,000,000</u>	<u>20,920,079</u>	<u>(134,272,280)</u>	<u>16,610,843</u>
Balance as at Jun 30,2016	68,040,000	61,923,044	2,274,287	13,408,393	7,000,000	22,682,680	(134,549,853)	18,095,871
Net loss for the period ended Sep 30, 2016	-	-	-	-	-	-	(1,030,966)	(1,030,966)
Other comprehensive income for the period ended Sep 30,2016	-	-	-	4,308,396	-	4,308,396	-	4,308,396
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period	-	-	-	4,308,396	-	4,308,396	(1,030,966)	3,277,430
							350,912	350,912
Balance as at Sep 30,2016	<u>68,040,000</u>	<u>61,923,044</u>	<u>2,274,287</u>	<u>17,716,789</u>	<u>7,000,000</u>	<u>26,991,076</u>	<u>(135,229,907)</u>	<u>21,724,213</u>


CHIEF EXECUTIVE OFFICER

DIRECTOR

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