



Hala Enterprises  
Limited



1ST QUARTERLY REPORT  
FOR THE PERIOD ENDED  
SEPTEMBER 30,

2019

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## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Tahir Jahangir Mr. Jillani Jahangir Mrs. Munizae Jahangir Mrs. Sulema Jahangir Mr. Rashid Ahmad Khan Mrs. Myra Husain Qureshi Mr. Abdul Munaf	Chairman/Non Executive Director Chief Executive Officer Non-Executive Director Non-Executive Director Independent Director Non-Executive Director Executive Director
<b>AUDIT COMMITTEE</b>	Mr. Rashid Ahmad Khan Mrs. Munizae Jahangir Mrs. Sulema Jahangir	Chairman/Member Member Member
<b>HUMAN RESOURCE &amp; REMUNERATION COMMITTEE</b>	Mr. Rashid Ahmad Khan Mr. Jillani Jahangir Mrs. Munizae Jahangir Mrs. Sulema Jahangir	Chairman/Member Member Member Member
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Abdul Munaf	
<b>COMPANY SECRETARY</b>	Muhammad Mushtaq Saeed Iqbal	
<b>AUDITORS</b>	M/s Tariq Abdul Ghani Maqbool & Co. Chartered Accountants	
<b>LEGAL ADVISORS</b>	A.G.H.S Law Associates	
<b>BANKERS</b>	J.S Bank Limited Faysal Bank Limited Askari Bank Limited MCB Bank Limited	
<b>REGISTERED OFFICE/WORKS</b>	Factory Premises, 17.5 KM Sheikhupura Road, Lahore Tel: 042-37970130, 37970230 Fax: 042-37970681 Email. hala@halaenterprises.com Website:www.halaenterprises.com	
<b>SHARE REGISTRAR OFFICE</b>	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 Directors of Hala Enterprises Limited ("the Company") are pleased to present the Director's Report for the Quarter Ended September 30, 2019.

Despite decrease in global demand of home textile items the revenue of the Company increased from Rs. 68.45 million to Rs. 110.15 million in the quarter ended September 30, 2019 as compared to the corresponding quarter ended September 30, 2018. Gross profit increased from Rs. 13.78 million to Rs. 21.30 million, operating profit increased from 3.01 million to 5.07 million and net profit increased from 0.66 million to 1.07 million as compared to same period last year.

The reason for increase in revenue during this quarter is mainly due to better cost management and increase in sales of specialized towels. Furthermore depreciation of Pak Rupee against US \$ also plays a positive roll in this achievement. The management is hopeful to be able to continue on this path in the upcoming period as well.

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

We would also like to thank our dedicated and talented team of executives, the Board, our staff and workers for the hard work put in towards the company's improvement in performance .

For & on behalf of the Board

A handwritten signature in black ink, appearing to read 'Jillani Jahangir', written over a white background.

**(JILLANI JAHANGIR)**  
**CHIEF EXECUTIVE OFFICER**

**LAHORE: October 31, 2019**



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
AS AT SEPTEMBER 30, 2019 (UN-AUDITED)

	<b>Sep-2019</b> <b>Un-Audited</b> Rupees	<b>Jun 2019</b> <b>Audited</b> Rupees
<b>CAPITAL AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
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	129,963,040	129,963,040
Reserves	19,077,917	19,585,154
Accumulated loss	(86,564,991)	(116,521,022)
Surplus on revaluation of Property,	<u>115,135,858</u>	<u>135,517,101</u>
	177,611,824	168,544,273
<b>Non Current Liabilities</b>		
Deferred liability	46,248,422	46,031,274
<b>Current Liabilities</b>		
Trade and other payables	44,583,602	41,342,028
Accrued mark up	892,530	558,032
Short term borrowings	112,310,000	107,150,592
Due to related parties	2,146,256	1,750,141
Provision for taxation	<u>1,084,722</u>	<u>3,698,144</u>
<b>Total Current Liabilities</b>	161,017,110	154,498,937
<b>Liabilities directly associated with non-current assets classified as held for sale</b>	3,775,000	23,775,000
<b>Contingencies and Commitments</b>		
	<u>388,652,356</u>	<u>392,849,484</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 Act, 2017
2. Accounting 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, 2019**



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
AS AT SEPTEMBER 30, 2019 (UN-AUDITED)

	<b>Sep-2019</b> <b>Un-Audited</b> Rupees	<b>Jun 2019</b> <b>Audited</b> Rupees
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and equipment	144,701,625	146,056,870
Long term Investments	10,987,264	11,494,501
Long term deposits	5,038,617	5,038,617
<b>Current assets</b>		
Stores and spares	6,865,802	7,138,553
Stock in trade	83,758,815	83,957,696
Trade debtors	48,932,223	44,783,771
Advances, deposits, prepayments and other receivables	43,710,827	40,122,320
Tax refund due from Government	27,394,680	18,090,604
Due from associated undertakings	6,330,354	5,630,844
Cash and bank balances	4,216,037	2,714,596
<b>Total Current Assets</b>	<b>221,208,738</b>	<b>202,438,384</b>
<b>Non- current assets classified as held for sale</b>	<b>6,716,112</b>	<b>27,821,112</b>
	<b><u>388,652,356</u></b>	<b><u>392,849,484</u></b>

**CHIEF EXECUTIVE  
OFFICER**

**CHIEF FINANCIAL  
OFFICER**

**DIRECTOR**



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
FOR THE QUARTER ENDED SEPTEMBER 30,2019

	<b>Quarter Ended Sep 30,2019 (Un-audited) Rupees</b>	<b>Quarter Ended Sep 30,2018 (Un-audited) Rupees</b>
<b>Revenue</b>	<b>110,152,822</b>	<b>68,449,415</b>
Cost of sales	(88,852,460)	(54,674,011)
<b>Gross profit</b>	<b>21,300,362</b>	<b>13,775,404</b>
<b>OPERATING EXPENSES</b>		
Selling and distribution Costs	9,161,747	5,462,889
Administrative expenses	6,804,301	5,208,849
Other operating expenses	263,649	93,750
	(16,229,697)	(10,765,488)
<b>Operating profit</b>	<b>5,070,665</b>	<b>3,009,916</b>
Finance Costs	(3,047,978)	(2,158,009)
Other operating income	136,198	470,975
<b>Profit before taxation</b>	<b>2,158,885</b>	<b>1,322,882</b>
Taxation	(1,084,722)	(662,710)
<b>Net profit after taxation</b>	<b>1,074,163</b>	<b>660,172</b>
<b>Earning per share-Basic</b>	<b>0.08</b>	<b>0.05</b>

**CHIEF EXECUTIVE  
OFFICER**

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**DIRECTOR**



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN AUDITED)**

	Quarter ended Sep.2019	Quarter ended Sep.2018
	Rupees	Rupees
<b>Net Profit for the period</b>	1,074,163	660,172
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit and loss</b>		
Unrecognised actuarial gain due to experience adjustment on remeasurement of staff retirement benefits	-	-
<b>Items that may be reclassified subsequently to profit and loss</b>		
Deficit on remeasurement of investment available for sale	(507,237)	(2,363,761)
Other comprehensive (Loss) / income	(507,237)	(2,363,761)
<b>Total comprehensive (Loss) / income for the period</b>	<u>566,926</u>	<u>(1,703,589)</u>

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**CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE  
QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)**

	<b>QUARTER ENDED SEP 30, 2019 (UN-AUDITED) Rupees</b>	<b>QUARTER ENDED SEP 30, 2018 (UN-AUDITED) Rupees</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,158,885	1,876,061
Adjustments for :		
Depreciation	1,520,077	1,143,397
Financial charges	3,047,978	1,877,740
Gratuity	1,313,148	1,313,148
	<u>5,881,203</u>	<u>4,334,285</u>
<b>Operating profit before working capital changes</b>	<b>8,040,088</b>	<b>6,210,346</b>
(Increase) / decrease in current assets		
Stores and spares	272,751	339,531
Stock in trade	198,881	3,790,133
Trade debtors	(4,148,452)	7,547,764
Advances, deposits, prepayments and other receivables	(3,588,507)	(4,825,532)
Sales tax refundable	(9,304,076)	1,509,370
Due from associated undertakings	(699,510)	286,235
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	396,115	(374,921)
Creditors, accrued and other liabilities	3,241,574	(4,399,031)
	<u>(13,631,224)</u>	<u>3,873,549</u>
<b>Cash generated from operations</b>	<b>(5,591,136)</b>	<b>10,083,895</b>
Financial charges paid	(2,713,479)	(2,084,742)
Income tax paid	(3,698,144)	(2,388,697)
Gratuity paid	(1,096,000)	(1,075,000)
<b>Net cash (used in) / from operating activities</b>	<b>(13,098,759)</b>	<b>4,535,456</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(164,833)	(460,000)
Proceeds from sale of fixed assets	29,605,625	-
Advance against assets held for sale	(20,000,000)	-
<b>Net cash (used in) investing activities</b>	<b>9,440,792</b>	<b>(460,000)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loan from directors and associated undertakings	-	-
Short term finances	5,159,408	(2,630,000)
<b>Net cash from / (used in) financing activities</b>	<b>5,159,408</b>	<b>(2,630,000)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,501,441</b>	<b>1,445,456</b>
Cash and cash equivalents at the beginning of year	2,714,596	3,273,831
<b>Cash and cash equivalents at the end of the period</b>	<b>4,216,037</b>	<b>4,719,287</b>

**CHIEF EXECUTIVE  
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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)**

Particulars	Share Capital	Share Deposit Money	Reserve				Total	Accumulated Loss	surplus on revaluation of Property plant and equipment	Total
			Capital Reserve	Fair value Reserve of Financial Assets at FVOCI	Investment Revaluation Reserve	Revenue Reserve				
Balance as at Jun 30, 2018 as Previously reported	68,040,000	61,923,044	2,274,287		14,955,946	7,000,000	24,230,233	(124,590,308)	80,571,990	110,174,959
Effect of re-statement				14,955,946	(14,955,946)		-			-
<b>Balance as at Jul 01, 2018 restated</b>	68,040,000	61,923,044	2,274,287	14,955,946	-	7,000,000	24,230,233	(124,590,308)	80,571,990	110,174,959
Net profit for the period ended Sep 30, 2018								660,172		660,172
Other comprehensive income for the period ended Sep 30, 2017				(2,363,761)			(2,363,761)			(2,363,761)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period								285,010	(285,010)	-
<b>Balance as at Sep 30, 2018</b>	<b>68,040,000</b>	<b>61,923,044</b>	<b>2,274,287</b>	<b>12,592,185</b>	<b>-</b>	<b>7,000,000</b>	<b>21,866,472</b>	<b>(123,645,126)</b>	<b>80,286,980</b>	<b>108,471,370</b>
<b>Balance as at Jul 01, 2019</b>	129,963,040	-	2,274,287	10,310,867	-	7,000,000	19,585,154	(116,521,022)	135,517,101	168,544,273
Net Profit for the period ended Sep 30, 2019								1,074,163		1,074,163
Other comprehensive income for the period ended Sep 30, 2019				(507,237)			(507,237)	8,500,625		7,993,388
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period								641,243	(641,243)	-
Surplus realized on disposal								19,740,000	(19,740,000)	-
<b>Balance as at Sep 30, 2019</b>	<b>129,963,040</b>	<b>-</b>	<b>2,274,287</b>	<b>9,803,630</b>	<b>-</b>	<b>7,000,000</b>	<b>19,077,917</b>	<b>(86,564,991)</b>	<b>115,135,858</b>	<b>177,611,824</b>

  
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