

2018

3RD QUARTERLY REPORT
FOR THE PERIOD ENDED
MARCH 31,



www.halaenterprises.com



Hala Enterprises Limited



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COMPANY INFORMATION

BOARD OF DIRECTORS	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
AUDIT COMMITTEE	Mr. Rashid Ahmad Khan Mrs. Munizae Jahangir Mrs. Sulema Jahangir	Chairman/Member Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Rashid Ahmad Khan Mr. Jillani Jahangir Mrs. Munizae Jahangir Mrs. Sulema Jahangir	Chairman/Member Member Member Member
CHIEF FINANCIAL OFFICER	Mr. Abdul Munaf	
COMPANY SECRETARY	Muhammad Mushtaq Saeed Iqbal	
AUDITORS	M/s Tariq Abdul Ghani Maqbool & Co. Chartered Accountants	
LEGAL ADVISORS	A.G.H.S Law Associates	
BANKERS	J.S Bank Limited Faysal Bank Limited Askari Bank Limited MCB 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 Directors of Hala Enterprises Limited ("the Company") are pleased to present the Director's Report for the Quarter ended 31st March, 2019.

For the nine months under review, the company's performance improved significantly and showed much better results in the last two quarters. Compared to the same period in the previous FY 2017-2018, we saw a growth of approximately 16% while the GP ratio remained constant.

When comparing the current FY 2018-2019 with the FY 2017-2018, we can see that the current year's 3rd Quarter Sales were at an increase of almost 50%. This is primarily owing to the rapid devaluation of the Pak Rupee against the USD and Euro on one hand, and a steady volume growth of exports on the other hand.

The 3rd Quarter under review closed with a net profit of 2% and we are expecting better results in the upcoming quarter. The company is expected to close the final FY at an increase of approx 20-25% in sales revenue against the previous FY - thereby continuing to have healthy growth in the following period as well.

During the BOD meeting scheduled for the Quarter it was also decided upon to go for the installation of new machinery during the upcoming period. This modernization effort undertaken by the Directors and Sponsors of the company shall ensure that a large part of the old machinery is replaced with new machinery - thereby further lowering costs of manufacturing and increasing the net margins. We are hopeful that this project will be undertaken in the next quarter and the installation of the new machinery shall have taken place by the end of the 1st Quarter of the next FY.

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'.

(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER

Dated: April 30th, 2018



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At March 31, 2019 (Un Audited)

	MAR 2019 Un-Audited Rupees	Jun 2018 Audited Rupees
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share 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	129,963,044	68,040,000
Shaer deposit money	-	61,923,044
Reserves	19,827,650	24,230,233
Accumulated loss	(119,565,808)	(124,590,308)
Surplus on revaluation of Property, plant & equipment	79,716,959	80,571,990
Total Equity	109,941,845	110,174,959
Non Current Liabilities		
Deferred liability	45,405,167	44,577,951
Current Liabilities		
Trade and other payables	46,599,228	44,365,283
Accrued mark up	599,412	1,759,740
Short term borrowings	99,284,474	91,440,000
Due to related parties	6,931,080	10,221,193
Provision for taxation	2,545,004	3,238,886
Total current Liabilities	155,959,198	151,025,102
Liabilities directly associated with non-current asstes classified as held for sale	21,775,000	21,775,000
Contingencies and Commitments	<u>-</u>	<u>-</u>
	333,081,210	327,553,012

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 Accounts policies adopted for the preparation of these accounted 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: April 30, 2019



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At March 31, 2019 (Un Audited)

	MAR 2019 Un-Audited Rupees	Jun 2018 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	85,971,092	87,750,348
Long term Investments	11,736,997	16,139,580
Long term deposits	4,614,796	4,614,796
Total Non-current assets	102,322,885	108,504,724
Current Assets		
Stores and spares	7,094,164	7,683,123
Stock in trade	84,341,425	85,530,435
Trade debtors	38,995,780	32,706,745
Advances, deposits, prepayments and other receivables	45,119,318	38,850,272
Tax refund due from Government	17,225,499	17,427,420
Due from associated undertakings	6,085,601	6,211,211
Cash and bank balances	4,075,426	2,817,970
Total current Assets	202,937,213	191,227,176
Non current assets classified as held for sale	27,821,112	27,821,112
	<u>333,081,210</u>	<u>327,553,012</u>

CHIEF EXECUTIVE OFFICER

DIRECTOR



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For The Quarter And 9 Months Period Ended March 31, 2019 (Un-Audited)

	9 Months Ended Mar 31, 2019 (Un-audited) Rupees	9 Months Ended Mar 31, 2018 (Un-audited) Rupees	Quarter Ended Mar 31, 2019 (Un-audited) Rupees	Quarter Ended Mar 31, 2018 (Un-audited) Rupees
Revenue	267,037,048	230,928,651	105,151,185	69,985,904
Cost of sales	(219,361,619)	(189,663,284)	(85,993,489)	(57,286,693)
Gross profit	47,675,429	41,265,367	19,157,696	12,699,211
OPERATING EXPENSES				
Selling and distribution Costs	20,742,782	15,816,018	8,325,491	4,251,442
Administrative expenses	16,462,275	15,890,875	5,256,213	5,191,955
Other operating expenses	1,344,774	325,000	1,157,274	85,133
	(38,549,831)	(32,031,893)	(14,738,978)	(9,528,530)
Operating profit	9,125,598	9,233,474	4,418,718	3,170,681
Finance Costs	(6,288,931)	(5,885,482)	(2,029,665)	(2,171,178)
Other income	3,877,806	1,886,547	398,572	695,392
Profit before taxation	6,714,473	5,234,539	2,787,625	1,694,895
Taxation	(2,545,004)	(2,202,674)	(700,360)	(562,064)
Profit for the year before disposal of "Asset held for disposal"	4,169,469	3,031,865	2,087,265	1,132,831
Gain on disposal of asset	-	-	-	-
Net profit after taxation	4,169,469	3,031,865	2,087,265	1,132,831
Earning per share-Basic	0.32	0.45	0.31	0.17

CHIEF EXECUTIVE OFFICER

DIRECTOR



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For The Quarter And 9 Months Period Ended March 31, 2019 (Un Audited)

	9 MONTHS Ended		9 MONTHS Ended	
	Mar.31, 2019	Mar.31, 2018	Mar.31, 2019	Mar.31, 2018
	Rupees	Rupees	Rupees	Rupees
Profit after taxation for the period	4,169,469	3,031,865	2,087,265	1,132,831
Other comprehensive income				
(Deficite) / surplus on remeasurement of investment available for sale	(4,402,583)	(3,117,740)	(1,074,240)	(2,409,901)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation	855,031	953,687	285,010	323,515
Total comprehensive income /(Loss) for the period	<u>621,917</u>	<u>867,812</u>	<u>1,298,035</u>	<u>(953,555)</u>

CHIEF EXECUTIVE OFFICER

DIRECTOR



CONDENSED INTERIM STATEMENT OF FLOW STATEMENT

For The 9 Months Period Ended March 31, 2019 (Un-Audited)

	9 Months ended Mar. 31, 2019 (UN-AUDITED) Rupees	9 Months ended Mar. 31, 2018 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,714,473	5,234,539
Adjustments for :		
Depreciation	3,146,797	3,500,575
Provision for gratuity	3,939,444	3,939,444
Dividend income	-	(207,884)
Gain on disposal of property, plant and equipment	-	(180,130)
Finance costs	6,288,931	5,885,482
	<u>13,375,172</u>	<u>12,937,487</u>
Operating profit before working capital changes	20,089,645	18,172,026
(Increase) / decrease in current assets		
Stores and spares	588,959	163,297
Stock in trade	1,189,010	1,365,530
Trade debts	(6,289,035)	2,030,517
Advances, deposits, prepayments and other receivables	(6,469,711)	(7,338,747)
Balance due from related parties / associates	125,610	(660,418)
(Decrease)/ increase in current liabilities		
Balance due to related parties / associates	(3,290,112)	461,163
Trade and other payables	2,233,945	1,136,044
	<u>(11,911,334)</u>	<u>(2,842,614)</u>
Cash generated from operations	8,178,311	15,329,412
Income tax paid	(2,836,300)	(2,514,741)
Finance cost paid	(7,449,259)	(6,953,418)
Gratuity paid	(3,112,228)	(2,214,152)
	<u>(13,397,787)</u>	<u>(11,685,709)</u>
Net cash (used in) / from operating activities	(5,219,476)	3,647,101
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment	(1,367,542)	(685,000)
Proceeds from disposal of property, plant and equipment	-	1,660,000
Dividend income	-	207,884
Net cash generated from / (used in) investing activities	(1,367,542)	1,182,884
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan from directors and associated undertakings	-	-
Short term finances	7,844,474	(4,540,000)
Net cash from / (used in) financing activities	7,844,474	(4,540,000)
Net increase / decrease in cash and cash equivalents	1,257,456	289,985
Cash and cash equivalents at the beginning of year	2,817,970	3,273,831
Cash and cash equivalents at the end of period	4,075,426	3,563,816

CHIEF EXECUTIVE OFFICER

DIRECTOR



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For The 9 Months Period Ended March 31, 2019 (Un-Audited)

Particulars	Share Capital	Share Deposit Money	Reserves				Accumulated Loss	Surplus on revaluation of property, plant & equipment	Total
			Capital Reserve	Investment Revaluation Reserve	Revenue Reserve	Total			
Balance as at July 01, 2017	68,040,000	61,923,044	2,274,287	16,317,336	7,000,000	25,591,623	(131,191,722)	-	24,362,945
Impact of restatement	-	-	-	-	-	-	-	82,180,724	82,180,724
Balance as at July 01, 2017 - as restated	68,040,000	61,923,044	2,274,287	16,317,336	7,000,000	25,591,623	(131,191,722)	82,180,724	106,543,669
Net profit for the 9 months period ended Mar 31, 2018							3,031,865		3,031,865
Total comprehensive loss for the 9 months Period ended March 31, 2018				(3,117,740)	-	(3,117,740)			(3,117,740)
Incremental depreciation for the year on surplus on revaluation of property, plant & equipment							953,687	(953,687)	-
Surplus realized on disposal							325,913	(325,913)	-
Balance as at Mar 31, 2018 - Restated	68,040,000	61,923,044	2,274,287	13,199,596	7,000,000	22,473,883	(126,880,257)	80,901,124	106,457,794
Net profit for the year ended Jun 30, 2018							5,421,326		5,421,326
Other comprehensive income for the year				(1,361,390)		(1,361,390)	(428,646)		(1,790,036)
Incremental depreciation for the year on surplus on revaluation of property, plant & equipment							1,282,821	(1,282,821)	-
Surplus realized on disposal							325,913	(325,913)	-
Total comprehensive income for the 9 months period ended march 31, 2018 reversed				3,117,740		3,117,740	(3,031,865)		85,875
Incremental depreciation for the year on surplus on revaluation of property for 9 months reversed							(953,687)	953,687	-
Surplus realized on disposal for 9 months reversed							(325,913)	325,913	-
Balance as at June 30, 2018	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
Balance as at June 30, 2018	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 9 months period ended Mar 31, 2019							4,169,469		4,169,469
Total comprehensive loss for the six months Period ended March 31, 2019				(4,402,583)	-	(4,402,583)			(4,402,583)
Incremental depreciation for the year on surplus on revaluation of property, plant & equipment							855,031	(855,031)	-
Issuance of shares during the period	61,923,044	(61,923,044)							-
Balance as at Mar. 31, 2019	129,963,044	-	2,274,287	10,553,363	7,000,000	19,827,650	(119,565,808)	79,716,959	109,941,845

CHIEF EXECUTIVE OFFICER

DIRECTOR



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