

1st Quarterly Report
for the period ended
September 30, 2015



**HALA ENTERPRISES
LIMITED**

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COMPANY INFORMATION

BOARD OF DIRECTORS	<p>Mr. Tahir Jahangir Chairman/ Director Mr. Jillani Jahangir Chief Executive Officer Miss Munizae Jahangir Non -Executive Director Mrs. Sulema Jahangir Non -Executive Director Mr. Rashid Ahmad Khan Non -Executive Director Sh. Ijaz Ahmed Non -Executive Director Mr. Abdul Munaf Executive Director</p>
AUDIT COMMITTEE	<p>Mr. Rashid Ahmad Khan Chairman/Member Miss Munizae Jahangir Member Sh. Ijaz Ahmed Member</p>
HUMAN RESOURCE & REMUNERATION COMMITTEE	<p>Mr. Rashid Ahmad Khan Chairman/Member Mr. Jillani Jahangir Member Miss Munizae Jahangir Member Mrs. Sulema Jahangir Member Sh. Ijaz Ahmed Member Mr. Abdul Munaf Member</p>
CHIEF FINANCIAL OFFICER	Mr. Abdul Munaf
COMPANY SECRETARY	Muhammad Mushtaq Saeed Iqbal
HEAD OF INTERNAL AUDIT	Mr. Usman Saleem
AUDITORS	M/s. Horwath Hussain Chaudhary & Co. Chartered Accountants
LEGAL ADVISORS	A.G.H.S Law Associates
BANKERS	Faysal Bank Limited NIB Bank Limited Askari 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 the Company hereby present the Interim Financial Report of the company for the first financial quarter ended September 30th, 2015 together with the interim financial information.

The overall towel exports for the year 2015 have remained more or less stagnant, seeing even a nominal decrease till this period. However, we have managed to gain ground over the first quarter where we have witnessed a 43% increase in sales compared to last year. Unfortunately we were unable to reflect this big increase of sales into profits due to the weak Euro. The higher volume of sales was achieved by cutting prices and getting larger volumes. This trend has led the management of the company to go for further cost cutting to be able to achieve better profitability in the upcoming periods.

We hope to see a major reduction in our overall costs in the upcoming periods and to be able to achieve higher sales prices. This will eventually lead the company into a secure position with some good profitability.

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.

For & on behalf of the Board



(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER

Dated: October 31, 2015

CONDENSED INTERIM BALANCE SHEET
As At September 30, 2015 (un-audited)

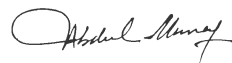
	1st Quarter ended Sep-15 Un-Audited Rupees	Year ended Jun-15 Audited Rupees
CAPITAL AND LIABILITIES		
Share capital and reserves		
Authorized capital		
8,000,000 ordinary shares of Rs. 10 each	<u>80,000,000</u>	<u>80,000,000</u>
Issued, subscribed and paid up capital	68,040,000	68,040,000
Share deposit money	61,923,044	61,923,044
Reserves	20,920,079	18,290,866
Accumulated loss	<u>(134,272,280)</u>	<u>(132,669,964)</u>
	16,610,843	15,583,946
Surplus on revaluation of Property,	89,741,352	90,122,226
Non Current Liabilities		
Deferred liability	41,525,175	41,829,086
Current Liabilities		
Trade and other payables	65,526,475	73,919,667
Accrued mark up	7,656,897	8,537,288
Short term borrowings	83,910,000	90,347,000
Due to related parties	2,201,142	1,400,024
Provision for taxation	775,188	2,273,773
	160,069,702	176,477,752
Contingencies and Commitments		
	-	-
	<u>307,947,072</u>	<u>324,013,010</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, 2015

CONDENSED INTERIM BALANCE SHEET
As At September 30, 2015 (un-audited)

	1st Quarter ended Sep-15 Un-Audited Rupees	Year ended Jun-15 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	106,148,998	107,117,076
Long term Investments	12,829,426	10,200,213
Long term deposits	3,906,290	3,906,290
Current assets		
Stores and spares	9,657,334	9,470,363
Stock in trade	86,550,193	87,839,567
Trade debtors	18,608,561	35,740,068
Advances, deposits, prepayments and other receivables	28,662,849	28,264,676
Sales tax refundable	9,651,896	9,148,092
Due from associated undertakings	15,682,484	18,105,492
Cash and bank balances	4,734,041	2,706,173
	173,547,358	191,274,431
Asset Held for Disposal	11,515,000	11,515,000
	<u>307,947,072</u>	<u>324,013,010</u>

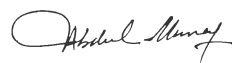

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
For The Quarter Ended September 30,2015

	1st Quarter ended Sep 30,2015	1st Quarter ended Sep 30,2014
	Rupees	Rupees
Sales	78,821,309	54,978,608
Cost of sales	(67,135,296)	(45,856,558)
Gross profit	11,686,013	9,122,050
OPERATING EXPENSES		
Selling and distribution Costs	4,571,522	3,051,937
Administrative expenses	6,476,867	4,527,152
	(11,048,389)	(7,579,089)
Operating profit	637,624	1,542,961
Finance Costs	(1,993,654)	(2,475,353)
Other operating Charges	(705,085)	(326,511)
Other operating income	853,113	225,000
Loss before taxation	(1,208,002)	(1,033,903)
Taxation	(775,188)	(538,424)
Net Loss after taxation	(1,983,190)	(1,572,327)
Loss per share-Basic	(0.29)	(0.23)



CHIEF EXECUTIVE OFFICER



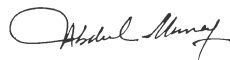
DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT
 For The Quarter Ended September 30,2015 (un-audited)

	QUARTER ENDED SEP 30,2015 (UN-AUDITED) Rupees	QUARTER ENDED SEP 30,2014 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,208,002)	(1,033,903)
Adjustments for :		
Depreciation	984,578	1,084,424
Financial charges	1,993,654	2,475,353
Gratuity	1,718,796	1,710,542
	<u>4,697,028</u>	<u>5,270,319</u>
Operating profit before working capital changes	3,489,026	4,236,416
(Increase) / decrease in current assets		
Stores and spares	(186,971)	256,634
Stock in trade	1,289,374	(1,665,593)
Trade debtors	17,131,507	(2,483,172)
Advances, deposits, prepayments and other receivables	(1,627,262)	2,625,596
Sales tax refundable	(503,804)	(479,085)
Due from associated undertakings	2,423,008	(134,075)
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	801,118	6,511,277
Creditors, accrued and other liabilities	(8,393,192)	1,055,541
	<u>10,933,778</u>	<u>5,687,123</u>
Cash generated from operations	14,422,804	9,923,539
Financial charges paid	(2,874,045)	(3,807,408)
Income tax paid	(1,044,684)	(565,128)
Gratuity paid	(2,022,707)	(345,611)
Net cash (used in) / from operating activities	8,481,368	5,205,392
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	(6,437,000)	(5,290,909)
Net cash from / (used in) financing activities	(6,437,000)	(5,290,909)
Net increase in cash and cash equivalents	2,027,868	(85,517)
Cash and cash equivalents at the beginning of year	2,706,173	2,799,236
Cash and cash equivalents at the end of the period	4,734,041	2,713,719



CHIEF EXECUTIVE OFFICER



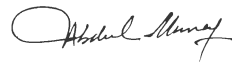
DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For The Quarter Ended September 30, 2015 (un Audited)

	1st Quarter ended Sep.2015	1st Quarter ended Sep.2014
	Rupees	Rupees
Net Loss for the period	(1,983,190)	(1,572,327)
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	2,629,213	(768,651)
Other comprehensive income	2,629,213	(768,651)
Total comprehensive income/(Loss) for the period	646,023	(2,340,978)



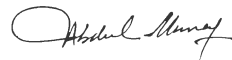
CHIEF EXECUTIVE OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For The Quarter Ended September 30, 2015 (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, 2014	68,040,000	47,031,914	2,274,287	4,951,407	7,000,000	14,225,694	(122,532,881)	6,764,727
Net loss for the period ended Sep 30, 2014	-	-	-	-	-	-	(1,572,327)	(1,572,327)
Other comprehensive income for the period ended Sep 30, 2014	-	-	-	(768,651)	-	(768,651)	-	(768,651)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period	-	-	-	(768,651)	-	(768,651)	(1,572,327)	(2,340,978)
							413,690	413,690
Balance as at Sep 30, 2014	<u>68,040,000</u>	<u>47,031,914</u>	<u>2,274,287</u>	<u>4,182,756</u>	<u>7,000,000</u>	<u>13,457,043</u>	<u>(123,691,518)</u>	<u>4,837,439</u>
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	(1,983,190)	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>


CHIEF EXECUTIVE OFFICER

DIRECTOR



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