

1st Quarterly Report
for the period ended
September 30, 2017



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 Sh. Ijaz Ahmed Mr. Abdul Munaf	Chairman/Member 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	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 Directors of Hala Enterprises Limited are pleased to present the Director's Report for the Quarter Ended September 30th, 2017.

The 1st Quarter of the FY 2017-2018 showed a marked improvement compared to the same period of the previous FY. The overall increase in sales volume achieved was a staggering 53% - which also helped reduce the costs by 3%. The overall position of the company remained profitable as compared to the previous years - and this was further re-assurance after the positive closing of the FY 2016-2017. It seems that the spell of losses was finally broken which allowed the company to increase its turnover. We are hopeful that through the process of continued modernization and improvements, we shall be able to see a positive impact on profitability - while also being able to sustain a higher sales volume than the previous years.

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: October 31, 2017



CONDENSED INTERIM BALANCE SHEET
As At September 30, 2017 (un-audited)

	Sep-17 Un-Audited Rupees	Jun 2017 Audited Rupees
CAPITAL AND LIABILITIES		
Share capital and reserves		
Authorized capital 8,000,000 ordinary shares of Rs. 10 each	160,000,000	160,000,000
Issued, subscribed and paid up capital	68,040,000	68,040,000
Share deposit money	61,923,044	61,923,044
Reserves	24,871,833	25,591,623
Accumulated loss	(129,824,056)	(131,191,722)
	25,010,821	24,362,945
Surplus on revaluation of Property, Non Current Liabilities	81,862,829	82,180,724
Deferred liability	44,533,198	44,295,050
Current Liabilities		
Trade and other payables	44,177,862	48,576,893
Accrued mark up	3,378,444	3,585,447
Short term borrowings	93,760,000	96,390,000
Due to related parties	13,460,117	13,835,038
Provision for taxation	826,291	2,388,697
Total Current Liabilities	155,602,714	164,776,075
Liabilities directly associated with non-current assets classified as held for sale	21,775,000	21,775,000
Contingencies and Commitments		
	328,784,562	337,389,794

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, 2017



CONDENSED INTERIM BALANCE SHEET
As At September 30, 2017 (un-audited)

	Sep-17 Un-Audited Rupees	Jun 2017 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	91,254,912	91,938,309
Long term Investments	16,781,180	17,500,970
Long term deposits	4,017,719	4,017,719
	112,053,811	113,456,998
Current assets		
Stores and spares	8,828,005	9,167,536
Stock in trade	89,345,175	93,135,308
Trade debtors	28,564,743	36,112,507
Advances, deposits, prepayments and other receivables	34,401,944	29,576,412
Tax refund due from Government	16,720,474	18,229,844
Due from associated undertakings	6,330,011	6,616,246
Cash and bank balances	4,719,287	3,273,831
Total Current Assets	188,909,639	196,111,684
Non- current assets classified as held for sale	27,821,112	27,821,112
	<u>328,784,562</u>	<u>337,389,794</u>

CHIEF EXECUTIVE OFFICER

DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30,2017 (un-audited)**

	Quarter Ended Sep 30,2017 (Un-audited) Rupees	Quarter Ended Sep 30,2016 (Un-audited) Rupees
Sales	84,744,163	55,160,056
Cost of sales	(69,429,916)	(47,277,309)
Gross profit	15,314,247	7,882,747
Gross profit ratio		
OPERATING EXPENSES		
Selling and distribution Costs	6,274,355	3,878,649
Administrative expenses	5,681,582	3,934,512
Other operating expenses	93,750	81,530
	(12,049,687)	(7,894,691)
Operating profit / (Loss)	3,264,560	(11,944)
Finance Costs	(1,877,740)	(1,035,911)
Other operating income	489,241	555,000
Profit / (loss) before taxation	1,876,061	(492,855)
Taxation	(826,291)	(538,111)
Net profit / (loss) after taxation	1,049,770	(1,030,966)
Earning per share-Basic	0.15	(0.15)

CHIEF EXECUTIVE OFFICER

DIRECTOR



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UN AUDITED)**

	Quarter ended Sep.2017	Quarter ended Sep.2016
	Rupees	Rupees
Net Profit/(Loss) for the period	1,049,770	(1,030,966)
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	(719,790)	4,308,396
Other comprehensive (loss)/income	(719,790)	4,308,396
Total comprehensive (Loss) for the period	<u>329,980</u>	<u>3,277,430</u>

CHIEF EXECUTIVE OFFICER

DIRECTOR



CONDENSED INTERIM CASH FLOW STATEMENT
For The Quarter Ended September 30,2017 (un-audited)

	QUARTER ENDED SEP 30,2017 (UN-AUDITED) Rupees	QUARTER ENDED SEP 30,2016 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	1,876,061	(492,855)
Adjustments for :		
Depreciation	1,143,397	886,147
Financial charges	1,877,740	1,035,911
Gratuity	1,313,148	992,685
	<u>4,334,285</u>	<u>2,914,743</u>
Operating profit before working capital changes	6,210,346	2,421,888
(Increase) / decrease in current assets		
Stores and spares	339,531	(196,928)
Stock in trade	3,790,133	1,599,525
Trade debtors	7,547,764	10,066,867
Advances, deposits, prepayments and other receivables	(4,825,532)	(5,432,920)
Sales tax refundable	1,509,370	1,178,730
Due from associated undertakings	286,235	(2,833,211)
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	(374,921)	6,015,677
Creditors, accrued and other liabilities	(4,399,031)	(2,346,040)
	<u>3,873,549</u>	<u>8,051,700</u>
Cash generated from operations	10,083,895	10,473,588
Financial charges paid	(2,084,742)	(2,836,971)
Income tax paid	(2,388,697)	(786,765)
Gratuity paid	(1,075,000)	(1,798,039)
Net cash (used in) / from operating activities	<u>4,535,456</u>	<u>5,051,813</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(460,000)	-
Long term deposits	-	-
Net cash (used in) investing activities	(460,000)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan from directors and associated undertakings	-	-
Short term finances	(2,630,000)	(3,810,000)
Net cash from / (used in) financing activities	<u>(2,630,000)</u>	<u>(3,810,000)</u>
Net increase in cash and cash equivalents	1,445,456	1,241,813
Cash and cash equivalents at the beginning of year	3,273,831	2,994,728
Cash and cash equivalents at the end of the period	<u>4,719,287</u>	<u>4,236,541</u>

CHIEF EXECUTIVE OFFICER

DIRECTOR



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For The Quarter Ended September 30,2017 (un-audited)**

Particulars	Share Capital	Share Deposit Money	Capital Reserve	Investment Revaluation Reserve	Revenue Reserve	Accumulated Loss	Total
Balance as at Jun 30,2016	68,040,000	61,923,044	2,274,287	13,408,393	7,000,000	(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
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period						350,912	350,912
Balance as at Sep 30,2016	68,040,000	61,923,044	2,274,287	17,716,789	7,000,000	(135,229,907)	21,724,213
Balance as at Jun 30,2017	68,040,000	61,923,044	2,274,287	16,317,336	7,000,000	(131,191,722)	24,362,945
Net loss for the period ended Sep 30, 2017						1,049,770	1,049,770
Other comprehensive income for the period ended Sep 30,2017				(719,790)			(719,790)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period						317,896	317,896
Balance as at Sep 30,2017	68,040,000	61,923,044	2,274,287	15,597,546	7,000,000	(129,824,056)	25,010,821

CHIEF EXECUTIVE OFFICER

DIRECTOR



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