

**3rd Quarterly Report
for the period ended
March 31, 2017**



**Hala Enterprises
Limited**

CONTENTS

Company Information	2
Director's Report	3
Condensed Interim Balance Sheet	4-5
Condensed Interim Profit & Loss Account	6
Condensed Interim Cash Flow Statement	7
Condensed Interim Statement of Comprehensive Income	8
Condensed Interim Statement of Changes in Equity	9

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Tahir Jahangir	Chairman/Non Executive Director
Mr. Jillani Jahangir	Chief Executive Officer
Miss Munizae Jahangir	Non-Executive Director
Mrs. Sulema Jahangir	Non-Executive Director
Mr. Rashid Ahmad Khan	Independent Director
Sh. Ijaz Ahmed	Non-Executive Director
Mr. Abdul Munaf	Executive Director

AUDIT COMMITTEE

Mr. Rashid Ahmad Khan	Chairman/Member
Miss Munizae Jahangir	Member
Mrs. Sulema Jahangir	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

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

DIRECTOR'S REVIEW REPORT

The Board of Directors of Hala Enterprises Limited are pleased to present the interim financial report of the company for the third quarter ended March 31, 2017 along with the interim financial information.

The overall exports of the textile sector remained under pressure from Jul-2016 to Mar-2017 as compared to same period last year. Our country is losing competitiveness in terms of the cost of doing business. Furthermore, the other regional players in the towel sector seem to be benefiting more through government subsidies, lower costs of energy and better technical proficiency of labor. Our company is also facing similar challenges. In spite of these difficulties and decrease in the sales quantum, our company managed to control its costs. The 3rd quarter also saw an increase in sales compares to the same period last year. The gross profit improved from 21 million to 24 million and the net loss for the period decreased from Rs 6.9 million to 3.8 million.

The company has imported new modern shuttle-less looms to update its weaving section. We are hopeful that this addition will be fully operational from mid May-2017 and contribute in increasing the sales volume on a comparatively low cost to achieve even better profitability for the future.

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 and on behalf of the Board

LAHORE

Dated: April 29, 2017



(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER

**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2017 (Un-audited)**

	Mar -2017	Jun 2016
	Un-Audited	Audited
	Rupees	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	26,476,563	22,682,680
Accumulated loss	<u>(137,312,185)</u>	<u>(134,549,853)</u>
	19,127,422	18,095,871
Surplus on Revaluation of Property, plant and Equipment	82,757,392	83,810,126
Non Current Liabilities		
Deferred liabilities	44,698,692	44,335,297
Current Liabilities		
Trade and other payables	55,594,717	52,242,764
Accrued mark up	4,348,783	7,770,541
Short term borrowings	90,940,000	89,210,000
Due to related parties	29,067,326	3,405,189
Provision for taxation	1,489,364	2,152,292
	181,440,190	154,780,786
Advance against Assets Held for Disposal	3,775,000	3,775,000
Contingencies and Commitments		
	-	-
	<u>331,798,696</u>	<u>304,797,080</u>

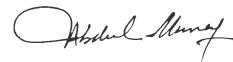
NOTES TO THE ACCOUNTS

- 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: April 29, 2017

**CONDENSED INTERIM BALANCE SHEET
 AS AT MARCH 31, 2017 (Un-audited)**

	Mar -2017	Jun 2016
	Un-Audited	Audited
	Rupees	Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	100,395,630	102,992,790
Long term Investments	18,385,910	14,592,027
Long term deposits	3,906,290	3,906,290
Current Assets		
Stores and spares	7,939,928	8,849,653
Stock in trade	90,075,900	88,268,365
Trade debts	35,257,090	29,045,551
Advances, deposits, prepayments and other receivables	47,952,772	26,575,734
Sales tax refundable	10,259,235	11,453,749
Due from associated undertakings	7,077,749	9,402,081
Cash and bank balances	3,832,080	2,994,728
	202,394,754	176,589,861
Assets Held for Disposal	6,716,112	6,716,112
	<u>331,798,696</u>	<u>304,797,080</u>

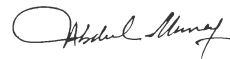

CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND 9 MONTHS PERIOD ENDED MARCH 31,2017 (Un-audited)**

	9 Months Ended March 31,2017 (Un-audited) Rupees	9 Months Ended March 31,2016 (Un-audited) Rupees	Quarter Ended March 31,2017 (Un-audited) Rupees	Quarter Ended March 31,2016 (Un-audited) Rupees
Sales	152,441,362	154,781,761	46,067,234	42,116,871
Cost of sales	(128,764,628)	(133,900,936)	(39,058,344)	(35,293,955)
Gross profit	23,676,734	20,880,825	7,008,890	6,822,916
OPERATING EXPENSES				
Selling and distribution Costs	11,207,265	9,996,584	3,868,889	3,154,382
Administrative expenses	12,812,554	14,470,458	4,056,590	3,996,910
	(24,019,819)	(24,467,042)	(7,925,479)	(7,151,292)
Operating profit / (Loss)	(343,085)	(3,586,217)	(916,589)	(328,376)
Finance Costs	(3,906,749)	(4,808,061)	(1,315,211)	(1,263,872)
Other operating expenses	(604,239)	(1,069,752)	(44,606)	(148,829)
Other income	2,528,371	4,071,823	738,912	925,501
Profit / (loss) before taxation	(2,325,702)	(5,392,207)	(1,537,494)	(815,576)
Taxation	(1,489,364)	(1,519,778)	(449,171)	(337,901)
Net profit / (loss) after taxation	(3,815,066)	(6,911,985)	(1,986,665)	(1,153,477)
Earning per share-Basic	(0.56)	(1.02)	(0.29)	(0.17)



CHIEF EXECUTIVE OFFICER



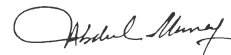
DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE 9 MONTHS PERIOD ENDED MARCH 31,2017 (UN-AUDITED)**

	9 Months Ended March 31,2017 (UN-AUDITED) Rupees	9 Months Ended March 31,2016 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(2,325,701)	(5,392,207)
Adjustments for :		
Depreciation	2,637,664	2,978,708
Financial charges	3,906,749	4,808,061
Gratuity	3,618,981	3,946,203
(Gain) / loss on sale of fixed assets	(371,801)	(1,431,705)
Dividend income	(675,623)	(675,623)
	<u>9,115,970</u>	<u>9,625,644</u>
Operating profit before working capital changes	6,790,269	4,233,437
(Increase) / decrease in current assets		
Stores and spares	909,725	283,887
Stock in trade	(1,807,535)	914,396
Trade debtors	(6,211,539)	11,692,893
Advances, deposits, prepayments and other receivables	(21,633,792)	(2,749,646)
Sales tax refundable	1,194,514	(1,610,435)
Due from associated undertakings	2,324,332	8,263,311
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	25,662,137	4,344,303
Creditors, accrued and other liabilities	3,351,953	(16,020,269)
	<u>3,789,795</u>	<u>5,118,440</u>
Cash generated from operations	10,580,064	9,351,877
Financial charges paid	(7,328,507)	(5,385,174)
Income tax paid	(1,895,538)	(1,725,976)
Gratuity paid	(3,255,587)	(1,958,930)
Net cash (used in) / from operating activities	<u>(1,899,568)</u>	281,797
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(238,703)	(333,000)
Proceeds from sale of fixed assets	570,000	6,230,555
Dividend income	675,623	675,623
Net cash (used in) investing activities	1,006,920	6,573,178
CASH FLOW FROM FINANCING ACTIVITIES		
Short term finances	1,730,000	(6,437,000)
Net cash from / (used in) financing activities	<u>1,730,000</u>	<u>(6,437,000)</u>
Net increase in cash and cash equivalents	837,352	417,975
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><u>3,832,080</u></u>	<u><u>3,124,148</u></u>



CHIEF EXECUTIVE OFFICER



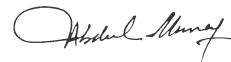
DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND 9 MONTHS PERIOD ENDED MARCH 31, 2017 (UN AUDITED)**

	9 Months Ended		Quarter Ended	
	March.31, 2017	March.31, 2016	March.31, 2017	March.31, 2016
	Rupees	Rupees	Rupees	Rupees
(Loss) / profit after taxation for the period	(3,815,066)	(6,911,985)	(1,986,664)	(1,153,477)
Other comprehensive income				
Surplus/ (Deficite) on remeasurement of investment available for sale	3,793,883	4,260,582	623,652	1,215,601
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current year	1,052,734	1,142,621	350,911	380,873
Other comprehensive income	4,846,617	5,403,203	974,563	1,596,474
Total comprehensive (Loss) / income for the period	<u>1,031,551</u>	<u>(1,508,782)</u>	<u>(1,012,101)</u>	<u>442,997</u>



CHIEF EXECUTIVE OFFICER



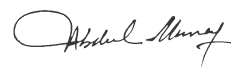
DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
 FOR 9 MONTHS PERIOD ENDED MARCH 31, 2017 (Un-audited)**

Particulars	Share Capital	Share Deposit Money	Reserve				Accumulated Loss	Total
			Capital Reserve	Investment Revaluation Reserve	Revenue Reserve	Total		
Balance as at June 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
Total comprehensive (Loss) / Income for the 9 months period ended March 31, 2016				4,260,582		4,260,582	(980,797)	3,279,785
Balance as at March 31, 2016	68,040,000	61,923,044	2,274,287	13,277,161	7,000,000	22,551,448		18,863,731
Total comprehensive (Loss) / Income for the year 2016	-			4,391,814		4,391,814	(8,191,989)	(3,800,175)
Transfer from surplus on revaluation of property, plant & equipment in respect of incremental depreciation charged in current year							1,523,495	1,523,495
Surplus realized on disposal of land (Assets held for disposal)							4,788,605	4,788,605
Total comprehensive (Loss) / Income for the 9 months period ended March 31, 2016 reversed				(4,260,582)		(4,260,582)	980,797	(3,279,785)
Share deposit money received during the year								
Balance as at June 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 9 months period ended March 31, 2017							(3,815,066)	(3,815,066)
Total comprehensive (Loss) / Income for the 9 months period ended March 31, 2017				3,793,883		3,793,883		3,793,883
Transfer from surplus on revaluation of property, plant & equipment in respect of incremental depreciation charged in current year							1,052,734	1,052,734
Transfer from surplus on revaluation of property, plant & equipment on disposal of land held for disposal								
Balance as at March 31, 2017	68,040,000	61,923,044	2,274,287	17,202,276	7,000,000	26,476,563	(137,312,185)	19,127,422

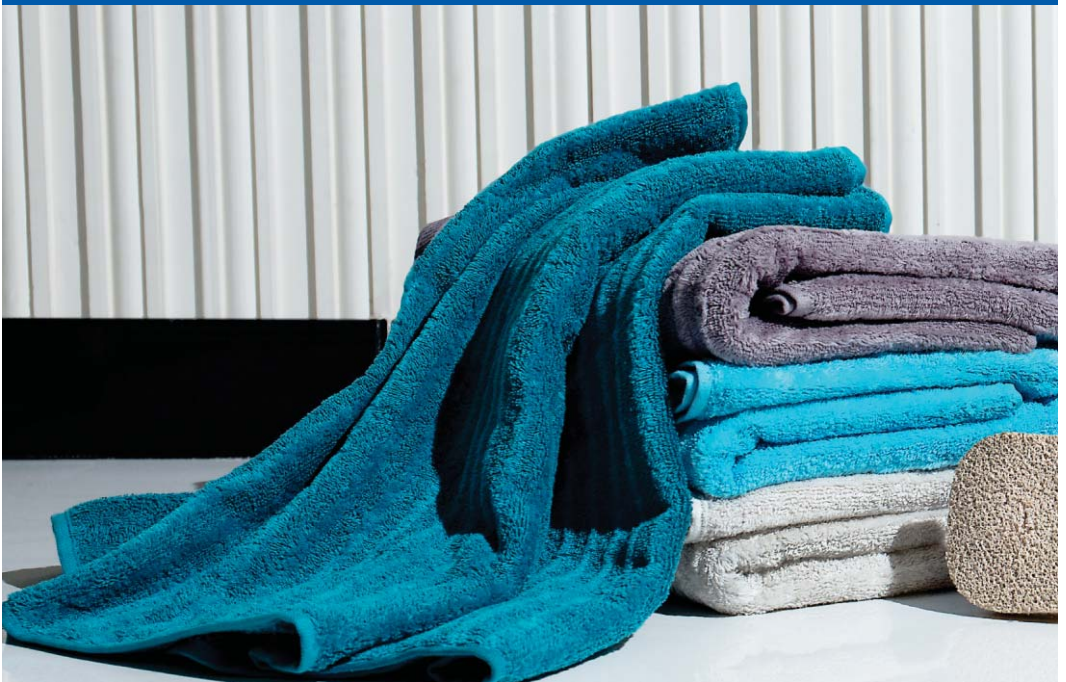


CHIEF EXECUTIVE OFFICER



DIRECTOR

BOOK POST



www.halaenterprises.com

If undelivered please return to,

 **Hala
Enterprises Limited**

17.5 km Sheikhpura Road, Lahore - PK
Tel: + 92 (42) 3797 0130, 3797 0230
Fax: + 92 (42) 3797 0681
E-mail: corporate@halaenterprises.com
www.halaenterprises.com

