

2018

1ST QUARTERLY REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30,



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 30th September, 2018.

For the Quarter under review, the company's performance remained steady. Although turnover decreased, compared to the previous quarter same period last year - and compared to the previous consecutive quarter by approximately 20 percent. However, we also saw a witnessed an increase in gross margins. This increase was mainly attributed to better priced orders - which helped keep profitability intact.

Overall, it is expected that the next consecutive quarter will be better in terms of turnover - as a number of orders remained under production during the first quarter - and are expected to be realized in the subsequent period. Hence, we expect the overall performance of the company to remain steady and are also expecting a positive impact from the devaluation of local currency.

The new Government has also announced favorable conditions for exporters - whereby we expect a rationalized expense over the winter period for our energy costs. The quarter ended with a small net profit - whereas expenses remained under control. We hope to achieve better results over the upcoming quarter as the company has a full order book and favorably priced export orders.

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, 2018



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018 (UN-AUDITED)

	Sep-18 Un-Audited Rupees	Jun 2018 Audited 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	129,963,044	68,040,000
Share deposit money	-	61,923,044
Reserves	21,866,472	24,230,233
Accumulated loss	(123,645,126)	(124,590,308)
Surplus on revaluation of Property, plant & equipment	80,286,980	80,571,990
Total Equity	108,471,370	110,174,959
Non Current Liabilities		
Deferred liability	44,835,832	44,577,951
Current Liabilities		
Trade and other payables	45,386,348	44,365,283
Accrued mark up	2,426,033	1,759,740
Short term borrowings	104,110,000	91,440,000
Due to related parties	10,941,220	10,221,193
Provision for taxation	662,710	3,238,886
Total Current Liabilities	163,526,311	151,025,102
Liabilities directly associated with non-current assets classified as held for sale	21,775,000	21,775,000
Contingencies and Commitments		
	<u>338,608,513</u>	<u>327,553,012</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.
6. After seeking necessary approvals, share deposit money is transferred to share capital

LAHORE: October 31, 2018



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018 (UN-AUDITED)

	Sep-18 Un-Audited Rupees	Jun 2018 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	86,786,415	87,750,348
Long term Investments	13,775,819	16,139,580
Long term deposits	4,614,796	4,614,796
Total Non-Current assets	105,177,030	108,504,724
Current assets		
Stores and spares	6,759,431	7,683,123
Stock in trade	89,999,175	85,530,435
Trade debtors	43,940,435	32,706,745
Advances, deposits, prepayments and other receivables	41,623,733	38,850,272
Tax refund due from Government	15,017,428	17,427,420
Due from associates	5,286,182	6,211,211
Cash and bank balances	2,983,987	2,817,970
Total Current Assets	205,610,371	191,227,176
Non- current assets classified as held for sale	27,821,112	27,821,112
	<u><u>338,608,513</u></u>	<u><u>327,553,012</u></u>

CHIEF EXECUTIVE OFFICER

DIRECTOR



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Quarter Ended Sep 30,2018 (Un-audited) Rupees	Quarter Ended Sep 30,2017 (Un-audited) Rupees
Revenue	68,449,415	84,744,163
Cost of sales	(54,674,011)	(69,429,916)
Gross profit	<u>13,775,404</u>	<u>15,314,247</u>
OPERATING EXPENSES		
Selling and distribution costs	5,462,889	6,274,355
Administrative expenses	5,208,849	5,681,582
Other operating expenses	93,750	93,750
	<u>(10,765,488)</u>	<u>(12,049,687)</u>
Operating profit	<u>3,009,916</u>	<u>3,264,560</u>
Finance Costs	(2,158,009)	(1,877,740)
Other operating income	470,975	489,241
Profit before taxation	<u>1,322,882</u>	<u>1,876,061</u>
Taxation	(662,710)	(826,291)
Net profit after taxation	<u>660,172</u>	<u>1,049,770</u>
Earning per share-Basic	<u>0.05</u>	<u>0.15</u>

CHIEF EXECUTIVE OFFICER

DIRECTOR



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (UN AUDITED)

	Quarter ended Sep.2018	Quarter ended Sep.2017
	Rupees	Rupees
Net Profit for the period	660,172	1,049,769
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Unrecognised actuarial gain due to experience adjustment on remeasurement of staff retirement benefits	-	-
Items that may be reclassified subsequently to profit or loss		
Deficit on remeasurement of investment available for sale	(2,363,761)	(719,790)
Other comprehensive (Loss) / income	(2,363,761)	(719,790)
Total comprehensive (Loss) / income for the period	<u>(1,703,589)</u>	<u>329,979</u>

CHIEF EXECUTIVE OFFICER

DIRECTOR



**CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE
QUARTER ENDED SEPTEMBER 30,2018 (UN-AUDITED)**

	QUARTER ENDED SEP 30,2018 (UN-AUDITED) Rupees	QUARTER ENDED SEP 30,2017 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,322,882	1,876,061
Adjustments for :		
Depreciation	1,048,932	1,143,397
Financial charges	2,158,009	1,877,740
Gratuity	1,313,148	1,313,148
	<u>4,520,089</u>	<u>4,334,285</u>
Operating profit before working capital changes	5,842,971	6,210,346
(Increase) / decrease in current assets		
Stores and spares	923,692	339,531
Stock in trade	(4,468,740)	3,790,133
Trade debtors	(11,233,690)	7,547,764
Advances, deposits, prepayments and other receivables	(2,773,461)	(4,825,532)
Sales tax refundable	2,409,992	1,509,370
Due from associated undertakings	925,029	286,235
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	720,027	(374,921)
Creditors, accrued and other liabilities	1,021,065	(4,399,031)
	<u>(12,476,086)</u>	<u>3,873,549</u>
Cash generated from operations	(6,633,115)	10,083,895
Financial charges paid	(1,491,715)	(2,084,742)
Income tax paid	(3,238,886)	(2,388,697)
Gratuity paid	(1,055,267)	(1,075,000)
Net cash (used in) / from operating activities	(12,418,983)	4,535,456
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(85,000)	(460,000)
Long term deposits	-	-
Net cash (used in) investing activities	(85,000)	(460,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan from directors and associated undertakings	-	-
Short term finances	12,670,000	(2,630,000)
Net cash from / (used in) financing activities	<u>12,670,000</u>	<u>(2,630,000)</u>
Net increase in cash and cash equivalents	166,017	1,445,456
Cash and cash equivalents at the beginning of year	2,817,970	3,273,831
Cash and cash equivalents at the end of the period	<u>2,983,987</u>	<u>4,719,287</u>

CHIEF EXECUTIVE OFFICER

DIRECTOR



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)**

Particulars	Share Capital	Share Deposit Money	Capital Reserve	Investment Revaluation Reserve	Revenue Reserve	Accumulated Loss	surplus on revaluation of Property plant and equipment	Total
Balance as at Jun 30,2017 as Previously reported	68,040,000	61,923,044	2,274,287	16,317,336	7,000,000	(131,191,722)	-	24,362,945
Impact of re-statement							82,180,724	
Balance as at July 30,2017 restated	68,040,000	61,923,044	2,274,287	16,317,336	7,000,000	(131,191,722)	82,180,724	106,543,669
Net profit for the period ended Sep 30, 2017						1,049,770		1,049,770
Other comprehensive loss 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)	81,862,828	106,873,649
Balance as at Jun 30,2018	68,040,000	61,923,044	2,274,287	14,955,946	7,000,000	(124,590,308)	80,571,990	110,174,959
Net profit for the period ended Sep 30, 2018						660,172		660,172
Other comprehensive loss for the period ended Sep 30,2017				(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)	-
Balance as at Sep 30,2018	68,040,000	61,923,044	2,274,287	12,592,185	7,000,000	(123,645,126)	80,286,980	108,471,370

CHIEF EXECUTIVE OFFICER

DIRECTOR



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