

3rd Quarterly Report
for the period ended
March 31, 2016



**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
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 Board of Directors at Hala Enterprises Limited is pleased to present the interim Financial Report of the company for the Third Financial Quarter ended March 31, 2016, along with the interim financial information for the period.

The Third Quarter of the financial year has been a promising one. The company is persisting to achieve relatively better results with reduced costs and higher sales margins. While the total turnover in terms of sales volume remains the same as last year, the profitability achieved was much better in the current period, which in turn helped in reducing losses. We expect to achieve a breakeven scenario by the end of the financial year. The company is also planning on increasing its sales for the last quarter, in which a positive result is expected.

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 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 company's performance for the year.

For & on behalf of the Board



(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER

Dated: April 29, 2016

CONDENSED INTERIM BALANCE SHEET
As At March 31, 2016 (un-audited)

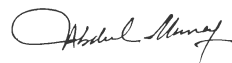
	Mar -2016 Un-Audited Rupees	Jun 2015 Audited Rupees
CAPITAL AND LIABILITIES		
Share capital and reserves		
Authorized capital 8,000,000 ordinary shares of Rs. 10 each	<u>80,000,000</u>	<u>80,000,000</u>
Issued, subscribed and paid up capital	68,040,000	68,040,000
Share deposit money	61,923,044	61,923,044
Reserves	22,551,448	18,290,866
Accumulated loss	<u>(133,650,761)</u>	<u>(132,669,964)</u>
	18,863,731	15,583,946
Surplus on Revaluation of Property, plant and Equipment	84,191,000	90,122,226
Non Current Liabilities		
Deferred liabilities	43,816,359	41,829,086
Current Liabilities		
Trade and other payables	57,899,398	73,919,667
Accrued mark up	7,960,175	8,537,288
Short term borrowings	83,910,000	90,347,000
Due to related parties	5,744,327	1,400,024
Provision for taxation	1,519,778	2,273,773
	157,033,678	176,477,752
Contingencies and Commitments	-	-
	<u>303,904,768</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 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.

CONDENSED INTERIM BALANCE SHEET
As At March 31, 2016 (un-audited)

	Mar -2016	Jun 2015
	Un-Audited	Audited
	Rupees	Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	104,471,368	107,117,076
Long term Investments	14,460,795	10,200,213
Long term deposits	3,906,290	3,906,290
Current Assets		
Stores and spares	9,186,476	9,470,363
Stock in trade	86,925,171	87,839,567
Trade debts	24,047,175	35,740,068
Advances, deposits, prepayments and other receivables	30,466,525	28,264,676
Sales tax refundable	10,758,527	9,148,092
Due from associated undertakings	9,842,181	18,105,492
Cash and bank balances	3,124,148	2,706,173
	174,350,203	191,274,431
Assets Held for Disposal	6,716,112	11,515,000
	<u>303,904,768</u>	<u>324,013,010</u>


CHIEF EXECUTIVE OFFICER

DIRECTOR

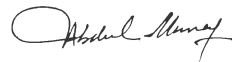
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For The Quarter And 9 Months Period Ended March 31, 2016 (un-audited)

	9 Months Ended		Quarter Ended	
	March 31, 2016 (Un-audited) Rupees	March 31, 2015 (Un-audited) Rupees	March 31, 2016 (Un-audited) Rupees	March 31, 2015 (Un-audited) Rupees
Sales	154,781,761	154,496,079	42,116,871	51,028,227
Cost of sales	(133,900,936)	(133,346,599)	(35,293,955)	(47,247,016)
Gross profit	20,880,825	21,149,480	6,822,916	3,781,211
OPERATING EXPENSES				
Selling and distribution Costs	9,996,584	9,589,755	3,154,382	3,731,832
Administrative expenses	14,470,458	14,385,690	3,996,910	5,232,824
	(24,467,042)	(23,975,445)	(7,151,292)	(8,964,656)
Operating profit / (Loss)	(3,586,217)	(2,825,965)	(328,376)	(5,183,445)
Finance Costs	(4,808,061)	(6,844,570)	(1,263,872)	(1,329,211)
Other operating expenses	(1,069,752)	(1,266,177)	(148,829)	(184,513)
Other income	4,071,823	2,072,597	925,501	1,569,346
Profit / (loss) before taxation	(5,392,207)	(8,864,115)	(815,576)	(5,127,823)
Taxation	(1,519,778)	(1,520,425)	(337,901)	(496,420)
Net profit / (loss) after taxation	(6,911,985)	(10,384,540)	(1,153,477)	(5,624,243)
Earning per share-Basic	(1.02)	(1.53)	(0.17)	(0.83)



CHIEF EXECUTIVE OFFICER



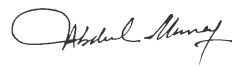
DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For The Quarter And 9 Months Period Ended March 31, 2016 (un Audited)

	9 Months Ended		Quarter Ended	
	March.31, 2016	March.31, 2015	March.31, 2016	March.31, 2015
	Rupees	Rupees	Rupees	Rupees
(Loss) / profit after taxation for the period	(6,911,985)	(10,384,541)	(1,153,477)	(5,624,243)
Other comprehensive income				
Surplus/ (Deficite) on remeasurement of investment available for sale	4,260,582	1,814,307	1,215,601	2,497,727
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current year	1,142,621	1,241,070	380,873	413,690
Other comprehensive income	5,403,203	3,055,377	1,596,474	2,911,417
Total comprehensive (Loss) / income for the period	<u>(1,508,782)</u>	<u>(7,329,164)</u>	<u>442,997</u>	<u>(2,712,826)</u>



CHIEF EXECUTIVE OFFICER



DIRECTOR

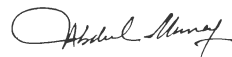
CONDENSED INTERIM CASH FLOW STATEMENT

For The 9 Months Period Ended March 31, 2016 (un-audited)

	9 Months Ended March 31, 2016 (UN-AUDITED) Rupees	9 Months Ended March 31, 2015 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(5,392,207)	(8,864,115)
Adjustments for :		
Depreciation	2,978,708	3,251,495
Financial charges	4,808,061	6,844,570
Gratuity	3,946,203	5,148,134
(Gain) / loss on sale of fixed assets	(1,431,705)	-
Dividend income	(675,623)	(51,971)
	<u>9,625,644</u>	<u>15,192,228</u>
Operating profit before working capital changes	4,233,437	6,328,113
(Increase) / decrease in current assets		
Stores and spares	283,887	260,967
Stock in trade	914,396	1,165,775
Trade debtors	11,692,893	10,637,368
Advances, deposits, prepayments and other receivables	(2,749,646)	7,522,512
Sales tax refundable	(1,610,435)	(1,219,689)
Due from associated undertakings	8,263,311	(25,500,006)
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	4,344,303	15,460,809
Creditors, accrued and other liabilities	(16,020,269)	3,612,619
	<u>5,118,440</u>	<u>11,940,355</u>
Cash generated from operations	9,351,877	18,268,468
Financial charges paid	(5,385,174)	(8,590,273)
Income tax paid	(1,725,976)	(2,177,858)
Gratuity paid	(1,958,930)	(2,665,580)
Net cash (used in) / from operating activities	281,797	4,834,757
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(333,000)	-
Proceeds from sale of fixed assets	6,230,555	23,700
Dividend income	675,623	51,971
Net cash (used in) investing activities	6,573,178	75,671
CASH FLOW FROM FINANCING ACTIVITIES		
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	417,975	(380,481)
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	3,124,148	2,418,755



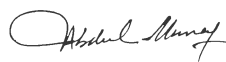
CHIEF EXECUTIVE OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For 9 Months Period Ended March 31,2016 (un-audited)

Particulars	Share Capital	Share Deposit Money	Reserve				Acccumulated Loss	Total
			Capital Reserve	Investment Revaluation Reserve	Revenue Reserve	Total		
Balance as at June 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
Total comprehensive (Loss) / Income for the 9 months period ended March 31,2015				(1,814,307)		(1,814,307)	(9,143,470)	(10,957,777)
Balance as at March 31,2015	68,040,000	47,031,914	2,274,287	3,137,100	7,000,000	12,411,387	(131,676,351)	(4,193,050)
Total comprehensive (Loss) / Income for the year 2015				4,065,172		4,065,172	(11,791,843)	(7,726,671)
Transfer from surplus on revaluation of property, plant & equipment in respect of incremental depreciation charged in current year							1,654,760	1,654,760
Total comprehensive (Loss) / Income for the 9 months period ended March 31,2016 reversed				1,814,307		1,814,307	9,143,470	10,957,777
Share deposit money received during the year		14,891,130						14,891,130
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
Net loss for the 9 months period ended march 31,2016							(6,911,985)	(6,911,985)
Total comprehensive (Loss) / Income for the 9 months period ended March 31,2016				4,260,582		4,260,582		4,260,582
Transfer from surplus on revaluation of property, plant & equipment in respect of incremental depreciation charged in current year							1,142,621	1,142,621
Transfer from surplus on revaluation of property, plant & equipment on disposal of land held for disposal							4,788,567	4,788,567
Balance as at March 31,2016	68,040,000	61,923,044	2,274,287	13,277,161	7,000,000	22,551,448	(133,650,761)	18,863,731


CHIEF EXECUTIVE OFFICER

DIRECTOR



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