



**Hala
Enterprises
Limited**



**3RD QUARTERLY REPORT
FOR THE PERIOD ENDED
MARCH 31, 2024**



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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 Mr. Hassan Ahmad Mr. Abdul Munaf	Chairman/Non Executive Director Chief Executive Officer Non-Executive Director Non-Executive Director Independent Director Independent 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	Malik Haroon Shahid Safder & 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 Sheikhupura 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 hereby present the interim financial report of the company for the 3rd Quarter ended 31st March, 2024, together with the interim financial information.

As mentioned in the half yearly report the textile sector in Pakistan is facing several challenges such as high raw material costs, expensive energy, costly bank financing, and delayed government refunds. These factors have negatively impacted the profitability and overall performance of the textile sector. In addition to these factors, the export sector's performance was also negatively impacted due to the Suez Canal crisis. As trade through the Suez Canal came to a halt; freight rates tripled or quadrupled, and the transit time started to take four to five times longer for the average European destination. All C&F contracts saw an additional cost of freight which had to be borne by the supplier, while the disruption in sea transport added to financial costs while adversely affecting cash flows.

These factors not only impacted the profitability, but also impeded the ongoing cash flow cycle. During the period, the revenue decreased 17.5% while gross profit decreased from by 37% as compared to the same period last year.

The Management has been trying to improve operational efficiency by lowering energy costs and increasing the volume of higher value added products to the sales mix. This would in turn help restore the profitability of the company in the upcoming period. Furthermore, all new contracts being negotiated are taking higher freight costs into account, and therefore the brunt of these additional freight costs will be borne by the Customers in the upcoming period.

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



(TAHIR JAHANGIR)
CHAIRMAN



(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER

LAHORE: April 29, 2024



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024 (UN-AUDITED)

	Mar 2024 Un-Audited Rupees	Jun 2023 Audited Rupees
CAPITAL AND LIABILITIES		
Share capital and reserves		
Authorized Share Capital		
16,000,000 ordinary shares of Rs. 10 each	160,000,000	160,000,000
Issued, subscribed and paid up capital	129,963,040	129,963,040
Capital reserves		
Surplus on revaluation of Property, Plant & equipment	217,707,206	223,302,128
Fair value reserve of financial assets at FVOC	7,229,654	5,157,639
Other capital reserves	2,274,287	2,274,287
	227,211,147	230,734,054
Revenue reserves		
Other revenue reserves	7,000,000	7,000,000
Accumulated loss	(56,169,802)	(37,880,120)
	(49,169,802)	(30,880,120)
Total Share Capital And Reserve	308,004,385	329,816,974
Non Current Liabilities		
Deferred liability	32,915,139	34,646,760
Long term borrowing	1,492,000	3,167,500
Total Non Current Liabilities	34,407,139	37,814,260
Current Liabilities		
Trade and other payables	30,335,620	42,789,522
Accrued mark up	6,320,140	4,645,835
Short term borrowings	176,356,000	125,125,000
Current portion of long term financing	2,609,000	2,234,000
Due to related parties	5,476,845	4,883,472
Provision for taxation	-	-
Total Current Liabilities	221,097,605	179,677,829
Liabilities directly associated with non-current assets classified as held for sale	3,775,000	3,775,000
Contingencies and Commitments	-	-
TOTAL EQUITY AND LIABILITIES	567,284,129	551,084,063

The annexed notes form an integral part of this condensed interim financial information.

LAHORE: April 29, 2024

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024 (UN-AUDITED)

	Mar 2024 Un-Audited Rupees	Jun 2023 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	275,518,933	276,369,713
Long term Investments	8,413,288	6,341,273
Long term deposits	6,392,617	5,660,617
Total Non- Current Assets	<u>290,324,838</u>	<u>288,371,603</u>
Current assets		
Stores, spares and loose tools	5,683,897	5,352,040
Stock in trade	93,243,293	89,409,049
Trade debtors	48,936,816	43,150,049
Advances, deposits, prepayments and other receivables	59,262,067	53,918,090
Tax refund due from Government	43,186,739	53,216,983
Due from related parties	10,009,417	8,598,837
Cash and bank balances	9,920,950	2,351,300
Total Current Assets	<u>270,243,178</u>	<u>255,996,348</u>
Non- current assets classified as held for sale	6,716,112	6,716,112
TOTAL ASSETS	<u>567,284,129</u>	<u>551,084,063</u>

The annexed notes form an integral part of this condensed interim financial information.

**CHIEF EXECUTIVE
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CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER AND 9 MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)

	9 Months Ended MAR 31, 2024 (Un-audited) Rupees	9 Months Ended MAR 31, 2023 (Un-audited) Rupees	Quarter Ended MAR 31, 2024 (Un-audited) Rupees	Quarter Ended MAR 31, 2023 (Un-audited) Rupees
Revenue	395,990,047	479,418,649	116,377,356	156,447,993
Cost of revenue	(334,135,955)	(380,434,374)	(114,739,888)	(131,273,580)
Gross profit	61,854,092	98,984,275	1,637,468	25,174,413
OPERATING EXPENSES				
Selling and distribution Costs	(31,536,916)	(41,553,278)	(9,481,872)	(8,882,414)
Administrative expenses	(23,025,713)	(22,318,124)	(7,147,084)	(9,296,733)
Other operating expenses	(3,205,207)	(7,520,972)	(1,389,278)	(715,322)
	(57,767,836)	(71,392,374)	(18,018,234)	(18,894,469)
Operating profit / Loss	4,086,256	27,591,901	(16,380,766)	6,279,944
Finance Cost	(25,134,268)	(14,293,569)	(9,424,854)	(5,881,630)
Other income	1,096,507	5,763,067	(467,705)	4,480,776
(Loss) / Profit before taxation	(19,951,505)	19,061,399	(26,273,325)	4,879,090
Taxation	(3,933,099)	(4,644,567)	(1,395,709)	(1,607,388)
(Loss) / Profit after taxation and before disposal of Assets held for sale	(23,884,604)	14,416,832	(27,669,034)	3,271,702
Net loss for the period	(23,884,604)	14,416,832	(27,669,034)	3,271,702
(Loss) / earning per share-Basic	(1.84)	1.11	(2.13)	0.25

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE
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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR 3rd QUARTERLY ENDED MARCH 31, 2024 (UN AUDITED)

	9 Months Ended		Quarter Ended	
	MAR 31, 2024	MAR 31, 2023	MAR 31, 2024	MAR 31, 2023
	Rupees	Rupees	Rupees	Rupees
Net Profit after taxation for the period	(23,884,604)	14,416,832	(27,669,035)	3,271,702
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Unrecognised actuarial gain due to experience adjustment on remeasurement of staff retirement benefits	-	-	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>				
(Loss) / Gain on re-measurement of investment designated as FVOCI	2,072,014	(2,328,323)	(668,020)	(629,369)
Total comprehensive (loss) / income for the period	<u>(21,812,589)</u>	<u>12,088,509</u>	<u>(28,237,045)</u>	<u>2,642,333</u>

The annexed notes form an integral part of this condensed interim financial information.

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CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE 9 MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)

	9 MONTHS ENDED Mar 31, 2024 (UN-AUDITED) Rupees	9 MONTHS ENDED Mar 31, 2023 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(19,951,505)	19,061,399
Adjustments for :		
Depreciation	9,967,411	10,124,335
Provision for gratuity	3,591,905	3,039,444
Dividend income	(112,257)	(103,942)
Loss /(Gain) on disposal of property, plant and equipment	-	554,267
Financial charges	25,134,268	14,293,569
	<u>38,581,327</u>	<u>27,907,673</u>
Operating profit before working capital changes	18,629,822	46,969,072
(Increase) / decrease in current assets		
Stores and spares	(331,857)	(907,635)
Stock in trade	(3,834,244)	1,142,490
Trade debtors	(5,786,767)	16,539,068
Advances, deposits, prepayments and other receivables	(5,343,977)	(5,758,865)
Sales tax refundable	10,030,244	(9,963,582)
Due from associated undertakings	(1,410,580)	4,848,349
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	593,373	880,904
Creditors, accrued and other liabilities	(12,453,902)	(6,827,944)
	<u>(18,537,710)</u>	<u>(47,215)</u>
Cash generated from operations	92,112	46,921,857
Income tax paid	(3,933,099)	(4,644,567)
Financial charges paid	(23,459,963)	(14,189,909)
Change in long term deposits	(732,000)	(622,000)
Dividend paid	112,257	103,942
Gratuity paid	(5,323,526)	(4,722,623)
Net cash (used in) / from operating activities	<u>(33,244,219)</u>	<u>22,846,700</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(9,116,631)	(6,711,804)
Proceeds from sale of fixed assets	-	330,000
Advance against assets held for sale	-	-
Net cash (used in) investing activities	<u>(9,116,631)</u>	<u>(6,381,804)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans	(1,675,500)	(3,192,795)
Current portion of deferred Government grant	-	(28,247)
Current portion of long term loans	375,000	(1,103,318)
Short term finances	51,231,000	(12,992,000)
Net cash from / (used in) financing activities	<u>49,930,500</u>	<u>(17,316,361)</u>
Net increase in cash and cash equivalents	<u>7,569,650</u>	<u>(851,464)</u>
Cash and cash equivalents at the beginning of year	2,351,300	10,727,193
Cash and cash equivalents at the end of the period	<u>9,920,950</u>	<u>9,875,729</u>

The annexed notes form an integral part of this condensed interim financial information.

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND 9 MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)

Particulars	Share Capital	Capital Reserves				Revenue Reserves			Total Share Capital and Reserve
		surplus on revaluation of Property plant and equipment	Fair value Reserve of Financial Assets at FVOCI	Other Capital Reserve	Total Capital Reserve	Other Revenue Reserve	Accumulated Loss	Total Revenue Reserve	
Balance as at Jul 01, 2022	129,963,040	231,780,100	8,067,204	2,274,287	242,121,591	7,000,000	(61,064,404)	(54,064,404)	318,020,227
Net Profit for the 9 months period ended Mar 31, 2023							14,416,831	14,416,831	14,416,831
Other comprehensive income for the period			(2,328,323)		(2,328,323)			-	(2,328,323)
Incremental depreciation for the year due to surplus on revaluation of property, plant & equipment transferred to equity		(6,170,751)			(6,170,751)		6,170,751	6,170,751	-
Surplus realized on disposal of plant & machinery		(250,232)			(250,232)		250,232	250,232	-
Balance as at Mar 31, 2023	129,963,040	225,359,117	5,738,881	2,274,287	233,372,285	7,000,000	(40,226,590)	(33,226,590)	330,108,735
Net Profit for the year ended Jun 30, 2023							18,934,374	18,934,374	18,934,374
Other comprehensive income for the year			(2,909,565)		(2,909,565)		(4,228,062)	(4,228,062)	(7,137,627)
Incremental depreciation for the year due to surplus on revaluation of property, plant & equipment transferred to equity		(8,227,669)			(8,227,669)		8,227,669	8,227,669	-
Surplus realized on disposal of plant & machinery		(250,303)			(250,303)		250,303	250,303	-
Net Profit for 9 months ended Mar 31, 2023 reversed							(14,416,831)	(14,416,831)	(14,416,831)
Total comprehensive income for 9 months period ended Mar 31 2023 reversed			2,328,323		2,328,323				2,328,323
Incremental depreciation for the year on surplus on revaluation of property for 9 months reversed		6,170,751			6,170,751		(6,170,751)	(6,170,751)	-
Surplus realized on disposal of plant & machinery for 9 months reversed		250,232			250,232		(250,232)	(250,232)	-
Balance as at Jun 30, 2023	129,963,040	223,302,128	5,157,639	2,274,287	230,734,054	7,000,000	(37,880,120)	(30,880,120)	329,816,974
Balance as at Jul 01, 2023	129,963,040	223,302,128	5,157,639	2,274,287	230,734,054	7,000,000	(37,880,120)	(30,880,120)	329,816,974
Net Profit for the 9 months period ended Mar 31, 2024							(23,884,605)	(23,884,605)	(23,884,605)
Other comprehensive income for the period			2,072,015		2,072,015			-	2,072,015
Incremental depreciation for the year due to surplus on revaluation of property, plant & equipment transferred to equity		(5,594,922)			(5,594,922)		5,594,922	5,594,922	-
Surplus realized on disposal of plant & machinery									-
Balance as at Mar 31, 2024	129,963,040	217,707,206	7,229,654	2,274,287	227,211,147	7,000,000	(56,169,803)	(49,169,803)	308,004,834

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED MARCH, 31 2024

1 LEGAL STATUS AND OPERATIONS

Hala Enterprises Limited ("the Company") was incorporated in Pakistan as a Private Limited Company and was subsequently converted into a public limited company. The registered office of the Company is located at 17.5 KM Sheikhupura Road, Lahore and its shares are listed on Pakistan Stock Exchange. The Company is primarily engaged in manufacturing and sale of terry towels, kitchen towels and terry cloth.

2 BASIS OF PERPRATION

The condensed interim financial information is un-audited and has been prepared in accordance with the requirements of international financial reporting standards (IFRS) IAS 34 - 'Interim Financial Reporting' and provisions of and directives issued under the companies Act 2017. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company for the year ended June 30, 2023

This condensed interim financial information is being submitted to the shareholders as required by the listing regulation of Pakistan stock Exchange and section 237 of the Companies Act ,2017

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation which have been used in the prepration of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the preceding year ended June 30, 2023

4 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 29, 2024 by the board of directors of the company

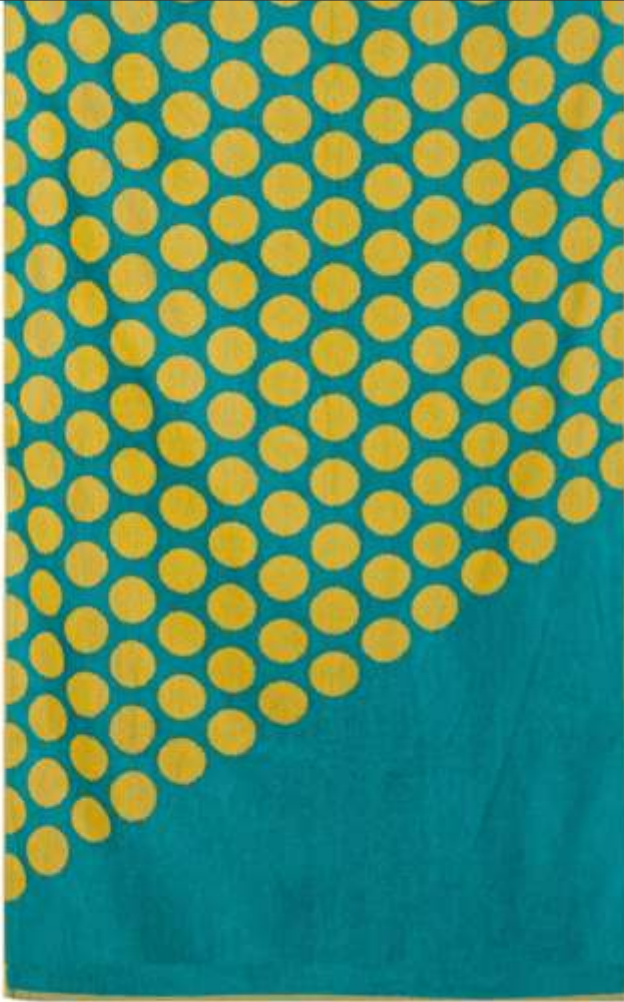
5 General

Where necessary, previous figures have been re-arranged for the purpose of fair comparison.

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



Hala
Enterprises Limited

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