



**Hala
Enterprises
Limited**



**3rd Quarterly
REPORT**
FOR THE PERIOD ENDED
MARCH 31, 2023





CONTENTS

Company Information	2
Director's Review Report	3
Condensed Interim Statement of Financial Position	4-5
Condensed Interim Statement of Profit or Loss	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Statement of Cash Flows	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim financial Information	10



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, 2023; together with the interim financial information.

The Pakistani Textile Industry's performance has been declining due to multiple reasons such as a sharp rise in local cotton prices, a slump in global demand for textile products due to a recession, and other reasons such as the regionally uncompetitive rates which our manufacturers were offering due to their increased costs of production. The increase in fuel/energy rates triggered by the Ukraine-Russian war have also affected the performance of the textile sector. During the last three quarters, we also witnessed a very high increase in freight costs world over; which also had an effect on the consumption patterns of non-essential goods. At the same time, the global hospitality industry which was coming out of a Pandemic struck market was also struggling with a cashflow crunch, due to which the demand for hospitality linens was lower than usual.

Despite the prevailing economic and financial challenges, the performance of the Company remained robust during the last nine months and we witnessed a consistent trend of growth and expansion. In comparison to the corresponding period last year March 31, 2022, the revenue increased from Rs. 385 M to Rs. 480 M; indicating a growth trend of 25% per annum in revenue. Gross profit increased from Rs. 67 M to Rs. 99 M, while the Operating profit increased from Rs. 17M to Rs. 28M. The Net margins saw an increase of about 90% for the period, which is highly encouraging.

Unfortunately the company was unable to fully optimize its growth and earning potentials due to restricted cash flows. During this period we were hopeful to import additional machinery which would have greatly helped in increasing our productivity; however, due to the uncertain political and economic domestic situation this was not possible. The high interest rates are also discouraging to any expansionist policy at the moment.

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

**(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER**

DIRECTOR



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023 (UN-AUDITED)

	Mar 2023 Un-Audited Rupees	Jun 2022 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	225,359,117	231,780,100
Fair value reserve of financial assets at FVOC	5,738,881	8,067,204
Other capital reserves	2,274,287	2,274,287
	233,372,285	242,121,591
Revenue reserves		
Other revenue reserves	7,000,000	7,000,000
Accumulated loss	(40,226,589)	(61,064,404)
	(33,226,589)	(54,064,404)
Total Share Capital And Reserve	330,108,736	318,020,227
Non Current Liabilities		
Deferred liability	27,741,488	29,424,667
Long term borrowing	3,726,000	6,918,795
Total Non Current Liabilities	31,467,488	36,343,462
Current Liabilities		
Trade and other payables	48,622,542	55,450,486
Accrued mark up	1,033,549	929,889
Short term borrowings	112,858,000	125,850,000
Current portion of deferred Government grant	-	28,247
Current portion of long term borrowing	2,628,492	3,731,810
Due to related parties	4,745,161	3,864,257
Provision for taxation	-	-
Total Current Liabilities	169,887,744	189,854,689
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	535,238,968	547,993,378

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

LAHORE: April 29, 2023

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023 (UN-AUDITED)

	Mar 2023 Un-Audited Rupees	Jun 2022 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	275,967,578	280,264,376
Long term Investments	6,922,515	9,250,838
Long term deposits	5,660,617	5,038,617
Total Non- Current Assets	<u>288,550,709</u>	<u>294,553,831</u>
Current assets		
Stores, spares and loose tools	5,655,320	4,747,685
Stock in trade	83,186,239	84,328,729
Trade debts	30,153,556	46,692,624
Advances, deposits, prepayments and other receivables	54,396,677	48,637,812
Tax refund due from Government	49,858,064	39,894,482
Due from related parties	6,846,561	11,694,910
Cash and bank balances	9,875,729	10,727,193
Total Current Assets	<u>239,972,146</u>	<u>246,723,435</u>
Non- current assets classified as held for sale	6,716,112	6,716,112
TOTAL ASSETS	<u>535,238,968</u>	<u>547,993,378</u>

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



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER AND 9 MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	9 Months Ended MAR 31, 2023 (Un-audited) Rupees	9 Months Ended MAR 31, 2022 (Un-audited) Rupees	Quarter Ended MAR 31, 2023 (Un-audited) Rupees	Quarter Ended MAR 31, 2022 (Un-audited) Rupees
Sales	479,418,649	384,659,776	156,447,993	134,067,533
Cost of sales	(380,434,374)	(317,760,507)	(131,273,580)	(112,864,716)
Gross profit	98,984,275	66,899,269	25,174,413	21,202,817
OPERATING EXPENSES				
Selling and distribution Costs	41,553,278	30,401,018	8,882,414	9,836,495
Administrative expenses	22,318,124	18,680,652	9,296,733	6,285,456
Other operating expenses	7,520,972	988,073	715,322	172,321
	(71,392,374)	(50,069,743)	(18,894,469)	(16,294,272)
Operating profit	27,591,901	16,829,526	6,279,944	4,908,545
Finance Cost	(14,293,569)	(8,307,225)	(5,881,630)	(2,464,695)
Other income	5,763,067	2,861,594	4,480,776	330,707
Profit before taxation	19,061,399	11,383,895	4,879,090	2,774,557
Taxation	(4,644,567)	(3,757,999)	(1,607,388)	(1,301,824)
Profit after taxation and before disposal of Assets held for sale	14,416,832	7,625,896	3,271,702	1,472,733
Gain on disposal of land held for sale	-	-	-	-
Net profit for the year	14,416,832	7,625,896	3,271,702	1,472,733
Earning per share-Basic	1.11	0.59	0.25	0.11

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

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED MARCH 31, 2023 (UN AUDITED)**

	9 Months Ended		Quarter Ended	
	MAR 31, 2023	MAR 31, 2022	MAR 31, 2023	MAR 31, 2022
	Rupees	Rupees	Rupees	Rupees
Net Profit after taxation for the period	14,416,832	7,625,896	3,271,702	1,472,733
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	(2,328,323)	(4,268,378)	(629,369)	(629,369)
Total comprehensive income for the period	<u>12,088,508</u>	<u>3,357,518</u>	<u>2,642,333</u>	<u>843,364</u>

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

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE 9 MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	9 MONTHS ENDED Mar 31, 2023 (UN-AUDITED) Rupees	9 MONTHS ENDED Mar 31, 2022 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	19,061,399	11,383,895
Adjustments for :		
Depreciation	10,124,335	5,406,077
Provision for gratuity	3,039,444	3,039,444
Dividend income	(103,942)	(51,971)
Loss /(Gain) on disposal of property, plant and equipment	554,267	(117,494)
Financial charges	14,293,569	8,307,225
	<u>27,907,673</u>	<u>16,583,281</u>
Operating profit before working capital changes	46,969,072	27,967,176
(Increase) / decrease in current assets		
Stores and spares	(907,635)	(1,848,738)
Stock in trade	1,142,490	244,804
Trade debtors	16,539,068	10,401,781
Advances, deposits, prepayments and other receivables	(5,758,865)	(2,248,479)
Sales tax refundable	(9,963,582)	(8,451,233)
Due from associated undertakings	4,848,349	(6,885,775)
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	880,904	504,160
Creditors, accrued and other liabilities	(6,827,944)	9,547,301
	<u>(47,215)</u>	<u>1,263,821</u>
Cash generated from operations	46,921,857	29,230,997
Income tax paid	(4,644,567)	(3,757,999)
Financial charges paid	(14,189,909)	(8,842,784)
Change in long term deposits	(622,000)	-
Dividend paid	103,942	51,971
Gratuity paid	(4,722,623)	(4,097,247)
Net cash (used in) / from operating activities	<u>22,846,700</u>	<u>12,584,938</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(6,711,804)	(2,443,999)
Proceeds from sale of fixed assets	330,000	125,000
Net cash (used in) investing activities	<u>(6,381,804)</u>	<u>(2,318,999)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans	(3,192,795)	(6,535,192)
Deferred grant liability	-	(245,684)
Current portion of deferred Government grant	(28,247)	-
Current portion of long term loans	(1,103,318)	685,629
Short term finances	(12,992,000)	(1,628,000)
Net cash from / (used in) financing activities	<u>(17,316,360)</u>	<u>(7,723,247)</u>
Net increase in cash and cash equivalents	<u>(851,464)</u>	<u>2,542,693</u>
Cash and cash equivalents at the beginning of year	10,727,193	2,390,254
Cash and cash equivalents at the end of the period	<u>9,875,729</u>	<u>4,932,947</u>

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

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND 9 MONTHS PERIOD ENDED MARCH 31, 2023 (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, 2021	129,963,040	108,136,803	11,810,155	2,274,287	122,221,245	7,000,000	(72,161,201)	(65,161,201)	187,023,084
Net Profit for the 9 months period ended Mar 31, 2022							7,625,896	7,625,896	7,625,896
Other comprehensive income for the period			(4,268,378)		(4,268,378)			-	(4,268,378)
Incremental depreciation for the year due to surplus on revaluation of property, plant & equipment transferred to equity		(1,415,927)			(1,415,927)		1,415,927	1,415,927	-
Surplus realized on disposal of plant & machinery		-			-		-	-	-
Balance as at Mar 31, 2022	129,963,040	106,720,876	7,541,777	2,274,287	116,536,940	7,000,000	(63,119,378)	(56,119,378)	190,380,602
Net Profit for the year ended Jun 30, 2022	-				-		11,784,446	11,784,446	11,784,446
Other comprehensive income for the year			(3,742,951)		(3,742,951)		(3,264,125)	(3,264,125)	(7,007,076)
Addition in surplus on revaluation of property plant & equipment		126,219,773			126,219,773				126,219,773
Incremental depreciation for the year due to surplus on revaluation of property, plant & equipment transferred to equity		(1,811,395)			(1,811,395)		1,811,395	1,811,395	-
Surplus realized on disposal of plant & machinery		(765,081)			(765,081)		765,081	765,081	-
Net Profit for 9 months ended Mar 31, 2022 reversed							(7,625,896)	(7,625,896)	(7,625,896)
Total comprehensive income for 9 months period ended Mar 31 2022 reversed			4,268,378		4,268,378				4,268,378
Incremental depreciation for the year on surplus on revaluation of property for 9 months reversed		1,415,927			1,415,927		(1,415,927)	(1,415,927)	-
Balance as at Jun 30, 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
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							14,416,832	14,416,832	14,416,832
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	(40,226,589)	(33,226,589)	330,108,735

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 2023

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 Sheikhpura 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, 2022.

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 preparation 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, 2022

4 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 29, 2023 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

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

 BCI
Better
Cotton
Initiative

 OEKO-TEX®
CONFIDENCE IN TEXTILES
STANDARD 100 



 amfori  BSCI

