

3rd QUARTERLY REPORT

FOR THE PERIOD ENDED MARCH 31, 2021



Hala Enterprises Limited



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 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. 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@gmail.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, 2021; together with the interim financial information.

Sharp increase in raw material prices added to the existing problems created by Covid-19 pandemic. As a result of unprecedented rise in raw material cost, inflow of new orders on better prices has taken a direct hit; Buyers in foreign countries, whose economies have not fully recovered, are hesitating to pay competitive prices. Furthermore appreciation of Pakistan Rupees against US \$ have also reduced profit margins of exporters.

In spite of that, the revenue of the company increased from Rs. 248 million to Rs. 284 million compared to the last year same period and gross profit increased from 48 million to 59 million. Operating profit improved from Rs. 10 million to 14 million.

Throughout this period we have kept on adding to our capacity, while replacing all our older machinery. This was part of our long-term strategy of BMR (Balancing, Modernization and Replacement). We are also in the process of "right-sizing" - which shall help the overall profitability of the company.

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

A handwritten signature in black ink, appearing to read 'Jillani Jahangir', written over a white background.

(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER

LAHORE: April 30, 2021



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021 (UN-AUDITED)

	MAR 2021	Jun 2020
	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	129,963,040	129,963,040
Reserves	19,269,095	16,357,160
Accumulated loss	(73,573,407)	(81,553,930)
Surplus on revaluation of Property, plant & Equipment	<u>110,354,012</u>	<u>113,212,127</u>
Total Equity	186,012,740	177,978,397
Non Current Liabilities		
Deferred liability	41,687,877	43,608,244
Long term borrowing	12,881,032	7,431,103
Current Liabilities		
Trade and other payables	31,108,239	37,502,912
Accrued mark up	866,701	759,369
Short term borrowings	122,278,545	123,678,545
Current portion of deferred Government grant	653,663	3,032,841
Current portion of long term financing	10,281,555	3,550,117
Due to related parties	3,332,672	2,326,832
Provision for taxation	2,772,855	3,775,130
Total Current Liabilities	171,294,230	174,625,746
Liabilities directly associated with non-current assets classified as held for sale	3,775,000	3,775,000
Contingencies and Commitments		
	<u>415,650,879</u>	<u>407,418,490</u>

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

LAHORE: April 30, 2021

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021 (UN-AUDITED)

	MAR 2021 Un-Audited Rupees	Jun 2020 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	162,828,133	150,199,499
Long term Investments	11,178,442	8,266,507
Long term deposits	5,038,617	5,038,617
Total Non Current Assets	179,045,192	163,504,623
Current assets		
Stores and spares	7,801,700	6,244,850
Stock in trade	85,715,449	87,484,719
Trade debts	36,117,661	50,957,977
Advances, deposits, prepayments and other receivables	48,367,280	42,092,112
Tax refund due from Government	35,801,142	40,900,293
Due from associates	9,954,306	7,857,226
Cash and bank balances	6,132,037	1,660,578
Total Current Assets	229,889,575	237,197,755
Non- current assets classified as held for sale	6,716,112	6,716,112
	415,650,879	407,418,490

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

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER AND 9 MONTHS PERIOD ENDED MARCH 31, 2021(UN-AUDITED)

	9 Months Ended Mar 31, 2021 (Un-audited) Rupees	9 Months Ended Mar 31, 2020 (Un-audited) Rupees	Quarter Ended Mar 31,2021 (Un-audited) Rupees	Quarter Ended Mar 31,2020 (Un-audited) Rupees
Revenue	284,685,941	248,651,996	91,724,033	57,029,518
Cost of sales	(225,522,731)	(200,701,102)	(74,795,332)	(44,844,258)
Gross profit	59,163,210	47,950,894	16,928,701	12,185,260
OPERATING EXPENSES				
Selling and distribution Costs	24,804,589	19,150,620	5,898,490	5,991,663
Administrative expenses	18,889,139	17,184,599	6,309,141	3,701,773
Other operating expenses	1,738,367	641,739	1,109,001	(21,175)
	(45,432,095)	(36,976,958)	(13,316,632)	(9,672,261)
Operating profit	13,731,115	10,973,936	3,612,069	2,512,999
Finance Cost	(7,031,858)	(6,810,813)	(1,639,135)	(1,516,612)
Other income	1,196,006	1,490,110	(218,263)	395,558
Profit before taxation	7,895,263	5,653,233	1,754,671	1,391,945
Taxation	(2,772,855)	(2,395,474)	(722,821)	(215,157)
Profit for the year before disposal of "Assets held for sale"	5,122,408	3,257,759	1,031,850	1,176,788
Gain on disposal of asset held for sale	-	8,500,625	-	-
Net profit for the period	5,122,408	11,758,384	1,031,850	1,176,788
Earning per share-Basic	0.39	0.90	0.08	0.09

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, 2021 (UN AUDITED)

	9 Months Ended		Quarter Ended	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
	Rupees	Rupees	Rupees	Rupees
Net Profit for the period	5,122,408	3,257,759	1,031,850	1,176,788
Other comprehensive income				
Items that will not be reclassified to profit and loss				
Transfer from surplus on Revaluation of property plant & equipment in respect of incremental depreciation	1,764,803	1,923,731	588,268	641,244
Items that may be reclassified subsequently to profit and loss				
Gain / (Deficit) on remeasurement of investment available for sale	2,911,935	(1,440,117)	1,277,966	(25,465)
Total comprehensive income for the period	<u>9,799,146</u>	<u>3,741,373</u>	<u>2,898,084</u>	<u>1,792,567</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, 2020 (UN-AUDITED)

	9 Months ended Mar 31, 2021 (UN-AUDITED) Rupees	9 Months ended Mar 31, 2020 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	7,895,263	14,153,858
Adjustments for :		
Depreciation	4,888,968	4,560,231
Provision for gratuity	3,139,444	4,039,444
Dividend income	-	(176,701)
Gain on disposal of property, plant and equipment	(642,395)	(8,576,329)
Financial charges	7,031,858	6,810,813
	<u>14,417,875</u>	<u>6,657,458</u>
Operating profit before working capital changes	22,313,138	20,811,316
(Increase) / decrease in current assets		
Stores and spares	(1,556,850)	(1,254,468)
Stock in trade	1,769,270	(2,228,257)
Trade debts	14,840,316	11,610,943
Advances, deposits, prepayments and other receivables	(1,692,520)	(17,569,025)
Due from associated undertakings	(2,097,080)	(912,860)
(Decrease) / increase in current liabilities		
Due to directors and associated undertakings	1,005,840	3,401,979
Trade and other payables	(6,394,673)	616,716
	<u>5,874,303</u>	<u>(6,334,972)</u>
Cash generated from operations	28,187,441	14,476,344
Income tax paid	(3,258,626)	(2,797,359)
Finance cost paid	(6,924,526)	(6,762,535)
Gratuity paid	(4,753,438)	(2,584,350)
Net cash (used in) / from operating activities	13,250,851	2,332,100
CASH FLOW FROM INVESTING ACTIVITIES		
Sale proceed from property, plant and equipment	2,340,000	(6,061,659)
Capital expenditure on property plant and equipment	(19,215,208)	-
Advance against assets held for sale	-	(20,000,000)
Proceeds from disposal of assets held for sale	-	32,305,625
Dividend received	-	176,701
Net cash (used in) investing activities	(16,875,208)	6,420,667
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans	5,449,929	-
Deferred grant liability	(306,373)	-
Current portion of deferred Government grant	(2,379,178)	-
Current portion of long term loans	6,731,438	-
Short term finances	(1,400,000)	(7,230,592)
Net cash from / (used in) financing activities	8,095,816	(7,230,592)
Effect of exchange gain / (loss) on cash & cash equivalents	-	-
Net increase in cash and cash equivalents	4,471,459	1,522,175
Cash and cash equivalents at the beginning of year	1,660,578	2,714,596
Cash and cash equivalents at the end of the period	6,132,037	4,236,771

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, 2021 (UN-AUDITED)

Particulars	Share Capital	Share Deposit Money	Reserves				Accumulated Loss	Surplus on revaluation of property, plant & equipment	Total
			Capital Reserve	Investment Revaluation Reserve	Revenue Reserve	Total			
Balance as at July 01, 2019	129,963,040	-	2,274,287	10,310,867	7,000,000	19,585,154	(116,521,022)	135,517,101	168,544,273
Net profit for the 9 months period ended Mar 31, 2019							11,758,384		11,758,384
Total comprehensive loss for the 9 months period ended March 31, 2020				(1,440,117)	-	(1,440,117)			(1,440,117)
Incremental depreciation for the year on surplus on revaluation of property, plant & equipment							1,923,732	(1,923,732)	-
Surplus realized on disposal							-	-	-
Transfer from surplus on revaluation of property plant & equipment on disposal							19,740,000	(19,740,000)	-
Balance as at Mar 31, 2020	129,963,040	-	2,274,287	8,870,750	7,000,000	18,145,037	(83,098,206)	113,853,369	178,862,540
Net profit for the year ended Jun 30, 2020							12,883,275		12,883,275
Other comprehensive income for the year				(3,227,994)		(3,227,994)	(221,157)		(3,449,151)
Incremental depreciation for the year on surplus on revaluation of property, plant & equipment							2,564,974	(2,564,974)	-
Total comprehensive income for the 9 months period ended march 31, 2019 reversed				1,440,117		1,440,117	(11,758,384)		(10,318,267)
Incremental depreciation for the year on surplus on revaluation of property for 9 months reversed							(1,923,732)	1,923,732	-
Balance as at June 30, 2020	129,963,040	-	2,274,287	7,082,873	7,000,000	16,357,160	1,544,976	113,212,127	177,978,397
Balance as at July 01, 2021	129,963,040	-	2,274,287	7,082,873	7,000,000	16,357,160	(81,553,930)	113,212,127	177,978,397
Net profit for the 9 months period ended Mar 31, 2021							5,122,408		5,122,408
Total comprehensive loss for the six months period ended March 31, 2021				2,911,935		2,911,935			2,911,935
Incremental depreciation for the year on surplus on revaluation of property, plant & equipment							1,764,803	(1,764,803)	-
Transfer from surplus on revaluation of property plant & equipment on disposal							1,093,312	(1,093,312)	-
Balance as at Mar. 31, 2021	129,963,040	-	2,274,287	9,994,808	7,000,000	19,269,095	(73,573,407)	110,354,012	186,012,740

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 2021

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, 2020

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, 2020

4 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 30, 2021 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

 Better
Cotton
Initiative

OEKO-TEX®
CONFIDENCE IN TEXTILES
STANDARD 100 



amfori  BSCI
322 40 53 241 9972