

3rd QUARTERLY REPORT
FOR THE PERIOD ENDED
March 31, 2022

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. 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, 2022; together with the interim financial information.

For the period under review, the revenue of the company increased from Rs. 284.69 million to Rs. 384.66 million i.e. about 35 % compared to the last year same period. Operating profit increased from 13.73 million to 16.83 million and net profit increased from Rs. 5.12 million to Rs.7.63 million. However, unprecedented surge in raw material cost pushed home textile prices upward which was fiercely resisted by our foreign customers. But with better marketing strategy we were able to achieve good results.

As reported in 2nd Quarter, Quarter 3rd also experienced a rising trend of cotton yarn prices which has continued till date. While this should decreased the margins, we were able to cover the raw material in a timely manner and evade any negative impact on profitability. Overall Pakistani exports significantly increased during the period under review of this year in comparison to the corresponding period last year. We are hopeful that upcoming period of this year will also positive and June 2022 results would be much better than last year.

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', written over a white background.

(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER

LAHORE: 28-04-2022



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022 (UN-AUDITED)

	Mar 2022	Jun 2021
	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
Surplus on revaluation of Property, Plant & equipment	106,720,876	108,136,803
Fair value reserve of financial assets at FVOC	7,541,777	11,810,155
Other capital reserve	2,274,287	2,274,287
	116,536,940	122,221,245
Other revenue reserve	7,000,000	7,000,000
Accumulated loss	(63,119,378)	(72,161,201)
	(56,119,378)	(65,161,201)
Total Share Capital And Reserve	<u>190,380,602</u>	<u>187,023,084</u>
Non Current Liabilities		
Deferred liability	40,260,425	41,563,912
Long term borrowing	6,298,853	12,834,045
Total Non Current Liabilities	<u>46,559,278</u>	<u>54,397,957</u>
Current Liabilities		
Trade and other payables	36,731,450	27,184,149
Accrued mark up	356,328	891,887
Short term borrowings	135,892,000	137,520,000
Current portion of deferred Government grant	338,951	338,951
Current portion of long term financing	6,727,433	6,041,804
Due to related parties	3,738,626	3,234,466
Provision for taxation	-	-
Total Current Liabilities	<u>183,784,788</u>	<u>175,211,257</u>
Liabilities directly associated with non-current assets classified as held for sale	3,775,000	3,775,000
Contingencies and Commitments		
	<u>424,499,668</u>	<u>420,407,298</u>

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

Lahore April 28, 2022

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022 (UN-AUDITED)

	Mar 2022	Jun 2021
	Un-Audited	Audited
	Rupees	Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	155,129,701	158,099,285
Long term Investments	8,725,411	12,993,789
Long term deposits	5,038,617	5,038,617
Total Non- Current Assets	<u>168,893,729</u>	<u>176,131,691</u>
Current assets		
Stores and spares	6,242,007	4,393,269
Stock in trade	84,976,616	85,221,420
Trade debtors	43,736,496	54,138,277
Advances, deposits, prepayments and other receivables	52,575,911	50,327,432
Tax refund due from Government	39,133,308	30,682,075
Due from associated undertakings	17,292,543	10,406,768
Cash and bank balances	4,932,946	2,390,254
Total Current Assets	<u>248,889,827</u>	<u>237,559,495</u>
Non- current assets classified as held for sale	6,716,112	6,716,112
	<u>424,499,668</u>	<u>420,407,298</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, 2022(UN-AUDITED)

	9 Months Ended MAR 31, 2022 (Un-audited) Rupees	9 Months Ended MAR 31, 2021 (Un-audited) Rupees	Quarter Ended MAR 31, 2022 (Un-audited) Rupees	Quarter Ended MAR 31, 2021 (Un-audited) Rupees
Revenue	384,659,776	284,685,941	134,067,533	91,724,033
Cost of sales	(317,760,507)	(225,522,731)	(112,864,716)	(74,795,332)
Gross profit	66,899,269	59,163,210	21,202,817	16,928,701
Gross profit ratio				
OPERATING EXPENSES				
Selling and distribution Costs	30,401,018	24,804,589	9,836,495	5,898,490
Administrative expenses	18,680,652	18,889,139	6,285,456	6,309,141
Other operating expenses	988,073	1,738,367	172,321	1,109,001
	(50,069,743)	(45,432,095)	(16,294,272)	(13,316,632)
Operating profit	16,829,526	13,731,115	4,908,545	3,612,069
Finance Costs	(8,307,225)	(7,031,858)	(2,464,695)	(1,639,135)
Other operating income	2,861,594	1,196,006	330,707	(218,263)
Profit before taxation	11,383,895	7,895,263	2,774,557	1,754,671
Taxation	(3,757,999)	(2,772,855)	(1,301,824)	(722,821)
Profit for the year before disposal of "Assets held for sale"	7,625,896	5,122,408	1,472,733	1,031,850
Gain on disposal of land held for sale	-	-	-	-
Net profit for the year	7,625,896	5,122,408	1,472,733	1,031,850
Earning per share-Basic	0.59	0.39	0.11	0.08

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

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND 9 MONTHS PERIOD ENDED MARCH 31, 2022(UN-AUDITED)

	9 Months Ended		Quarter Ended	
	MAR 31, 2022	MAR 31, 2021	MAR 31, 2022	MAR 31, 2021
	Rupees	Rupees	Rupees	Rupees
Net Profit after taxation for the period	7,625,896	5,122,408	1,472,733	1,031,850
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	(4,268,378)	2,911,935	(629,369)	1,277,966
Total Comprehensive income for the period	<u>3,357,518</u>	<u>8,034,343</u>	<u>843,364</u>	<u>2,309,816</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, 2022 (UN-AUDITED)

	9 MONTHS ENDED Mar 31, 2022 (UN-AUDITED) Rupees	9 MONTHS ENDED Mar 31, 2021 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	11,383,895	7,895,263
Adjustments for :		
Depreciation	5,406,077	4,888,968
Provision for gratuity	3,039,444	3,139,444
Dividend income	(51,971)	-
Gain on disposal of property, plant and equipment	(117,494)	(642,395)
Financial charges	8,307,225	7,031,858
	16,583,281	14,417,875
Operating profit before working capital changes	27,967,176	22,313,138
(Increase) / decrease in current assets		
Stores and spares	(1,848,738)	(1,556,850)
Stock in trade	244,804	1,769,270
Trade debtors	10,401,781	14,840,316
Advances, deposits, prepayments and other receivables	(2,248,479)	(6,275,168)
Sales tax refundable	(8,451,233)	4,582,647
Due from associated undertakings	(6,885,775)	(2,097,080)
(Decrease) / increase in current liabilities		
Due to directors and associated undertakings	504,160	1,005,840
Creditors, accrued and other liabilities	9,547,301	(6,394,673)
	1,263,821	5,874,302
Cash generated from operations	29,230,997	28,187,440
Income tax paid	(3,757,999)	(3,258,626)
Financial charges paid	(8,842,784)	(6,924,526)
Dividend paid	51,971	-
Gratuity paid	(4,097,247)	(4,753,438)
Net cash (used in) / from operating activities	12,584,938	13,250,850
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(2,443,999)	(19,215,208)
Proceeds from sale of fixed assets	125,000	2,340,000
Long term deposits	-	-
Net cash (used in) investing activities	(2,318,999)	(16,875,208)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans	(6,535,192)	5,449,929
Deferred grant liability	(245,684)	(306,373)
Current portion of deferred Government grant	-	(2,379,178)
Current portion of long term loans	685,629	6,731,438
Short term finances	(1,628,000)	(1,400,000)
Net cash from / (used in) financing activities	(7,723,247)	8,095,816
Net increase in cash and cash equivalents	2,542,692	4,471,459
Cash and cash equivalents at the beginning of year	2,390,254	1,660,578
Cash and cash equivalents at the end of the period	4,932,946	6,132,037

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

**CHIEF EXECUTIVE
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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND 9 MONTHS PERIOD ENDED MARCH 31, 2022 (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, 2020	129,963,040	113,212,127	7,082,873	2,274,287	122,569,287	7,000,000	(81,553,930)	(74,553,930)	177,978,397
Net Profit for the 9 months period ended Mar 31, 2020							5,122,408	5,122,408	5,122,408
Other comprehensive income for the period			2,911,935		2,911,935			-	2,911,935
Incremental depreciation for the year due to surplus on revaluation of property, plant & equipment transferred to equity		(1,764,803)			(1,764,803)		1,764,803	1,764,803	-
Surplus realized on disposal of plant & machinery		(1,093,312)			(1,093,312)		1,093,312	1,093,312	-
Balance as at Mar 31, 2021	129,963,040	110,354,012	9,994,808	2,274,287	122,623,107	7,000,000	(73,573,407)	(66,573,407)	186,012,740
Net Profit for the year ended Jun 30, 2021							7,042,639	7,042,639	7,042,639
Other comprehensive income for the year			4,727,282		4,727,282		(2,725,234)	(2,725,234)	2,002,048
Incremental depreciation for the year due to surplus on revaluation of property, plant & equipment transferred to equity		(2,288,954)			(2,288,954)		2,288,954	2,288,954	-
Surplus realized on disposal of plant & machinery		(2,786,370)			(2,786,370)		2,786,370	2,786,370	-
Total comprehensive income for 9 months period ended Mar 31 2021 reversed			(2,911,935)		(2,911,935)		(5,122,408)	(5,122,408)	(5,122,408)
Incremental depreciation for the year on surplus on revaluation of property for 9 months reversed		2,858,115			2,858,115		(2,858,115)	(2,858,115)	-
Balance as at Jun 30, 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
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	
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

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 2022

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, 2021

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, 2021

4 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 28, 2022 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

