



**Hala
Enterprises
Limited**



1st QUARTERLY REPORT

**FOR THE PERIOD ENDED
SEPTEMBER 30, 2022**





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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 Directors of the company hereby present the Directors Review Report on the operations of the company for the quarter ended September 30, 2022.

First quarter of the financial year 2022-23 was very difficult for the textile sector due to global recession, skyrocketing raw material cost, high inflation and currency fluctuations.

Massive floods during the monsoon season have further increased the problems of the sector because major part of cotton crop has damaged that would reduce the local cotton supply. High raw material cost in combination with already expensive energy has made Pakistani textile products less attractive as compared to products of regional competitors.

However despite these challenges the financial performance of the company remained good. Revenue increased from Rs.114.83 million to Rs.160.56 million, Gross profit increased from Rs.21.03 million to Rs.32.82 million. Operating profit increased from Rs.4.43 Million to Rs.8.52 Million and Net profit increased from Rs. 2.160 million to Rs. 3.43 million.

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'.

(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER

LAHORE: October 29, 2022



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022 (UN-AUDITED)

	Sep 2022 Un-Audited Rupees	Jun 2022 Audited Rupees
CAPITAL AND LIABILITIES		
Share capital and reserves		
Authorized 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
Surplus on revaluation of Property, Plant & equipment	229,723,183	231,780,100
Fair value reserve of financial assets at FVOC	6,909,810	8,067,204
Other capital reserve	2,274,287	2,274,287
	238,907,280	242,121,591
Other revenue reserve	7,000,000	7,000,000
Accumulated loss	(55,580,542)	(61,064,404)
	(48,580,542)	(54,064,404)
Total Share Capital And Reserve	320,289,778	318,020,227
Non Current Liabilities		
Deferred liability	28,109,812	29,424,667
Long term borrowing	4,834,237	6,918,795
Total Non Current Liabilities	32,944,049	36,343,462
Current Liabilities		
Trade and other payables	47,156,914	55,450,486
Accrued mark up	1,294,271	929,889
Short term borrowings	137,910,000	125,850,000
Current portion of deferred Government grant	28,247	28,247
Current portion of long term financing	3,731,810	3,731,810
Due to related parties	2,707,349	3,864,257
Provision for taxation	-	-
Total Current Liabilities	192,828,591	189,854,689
Liabilities directly associated with non-current assets classified as held for sale	3,775,000	3,775,000
Contingencies and Commitments		
	549,837,418	547,993,378

NOTES TO THE ACCOUNTS

- These accounts are un-audited and are being submitted to the share holders in accordance with the requirements of the companies Act, 2017.
- Accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the preceding annual accounts of the company
- Amounts set aside in these accounts for taxation are provisional. Final liability will be determined on the basis of annual results.
- Cash flow statement, comprehensive income statement and statement of changes in equity has been disclosed as per requirements of the IAS No 34
- where necessary, previous figures have been re-arranged for the purpose of fair comparison.

LAHORE: October 29, 2022



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022 (UN-AUDITED)**

	Sep 2022 Un-Audited Rupees	Jun 2022 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	277,358,950	280,264,376
Long term Investments	8,093,444	9,250,838
Long term deposits	5,038,617	5,038,617
Total Non- Current Assets	290,491,011	294,553,831
Current assets		
Stores and spares	4,921,915	4,747,685
Stock in trade	83,396,414	84,328,729
Trade debtors	50,256,773	46,692,624
Advances, deposits, prepayments and other receivables	51,443,504	48,637,812
Tax refund due from Government	43,258,210	39,894,482
Due from associated undertakings	10,583,323	11,694,910
Cash and bank balances	8,770,156	10,727,193
Total Current Assets	252,630,295	246,723,435
Non- current assets classified as held for sale	6,716,112	6,716,112
	549,837,418	547,993,378

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30,2022**

	Quarter Ended Sep 30,2022 (Un-audited) Rupees	Quarter Ended Sep 30,2021 (Un-audited) Rupees
Sales	160,557,806	114,829,052
Cost of sales	(127,736,458)	(93,803,491)
Gross profit	32,821,348	21,025,561
OPERATING EXPENSES		
Selling and distribution Costs	(13,766,708)	(10,386,129)
Administrative expenses	(7,222,718)	(5,844,704)
Other operating expenses	(3,315,869)	(359,469)
	(24,305,295)	(16,590,302)
Operating profit	8,516,053	4,435,259
Finance Costs	(3,910,993)	(2,561,679)
Other operating income	383,979	1,397,820
Profit before taxation	4,989,039	3,271,400
Taxation	(1,562,094)	(1,110,979)
Profit for the quarter	3,426,945	2,160,421
Net profit for the quarter	3,426,945	2,160,421
Earning per share-Basic	0.26	0.17

CHIEF EXECUTIVE
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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN AUDITED)**

	Quarter ended Sep. 2022	Quarter ended Sep. 2021
	Rupees	Rupees
Net Profit for the period	3,426,945	2,160,421
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Unrecognised actuarial gain due to experience adjustment on remeasurement of staff retirement benefits	-	-
Items that may be reclassified subsequently to profit or loss		
Deficit on remeasurement of investment available for sale	(1,157,394)	(3,363,043)
Other comprehensive (Loss) / income	(1,157,394)	(3,363,043)
Total comprehensive income / (loss) for the period	<u>2,269,551</u>	<u>(1,202,622)</u>

**CHIEF EXECUTIVE
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DIRECTOR



CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	QUARTER ENDED SEP 30, 2022 (UN-AUDITED) Rupees	QUARTER ENDED SEP 30, 2021 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	4,989,039	3,271,400
Adjustments for :		
Depreciation	3,305,425	1,783,664
Financial charges	3,910,992	2,561,679
Gratuity	1,013,148	1,013,148
	<u>8,229,565</u>	<u>5,358,491</u>
Operating profit before working capital changes	13,218,604	8,629,891
(Increase) / decrease in current assets		
Stores and spares	(174,230)	204,100
Stock in trade	932,315	1,056,243
Trade debtors	(3,564,149)	2,278,782
Advances, deposits, prepayments and other receivables	(2,805,692)	1,352,735
Sales tax refundable	(3,363,728)	(2,364,908)
Due from associated undertakings	1,111,587	(4,225,966)
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	(1,156,908)	448,055
Creditors, accrued and other liabilities	(8,293,571)	7,366,487
	<u>(17,314,376)</u>	<u>6,115,528</u>
Cash generated from operations	(4,095,772)	14,745,419
Financial charges paid	(3,546,611)	(3,001,732)
Income tax paid	(1,562,094)	(1,110,979)
Gratuity paid	(2,328,000)	(402,823)
Net cash (used in) / from operating activities	(11,532,480)	10,229,885
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(399,999)	-
Advance against assets held for sale	-	-
Net cash (used in) investing activities	(399,999)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans	(2,084,558)	(4,239,751)
Deferred grant liability	-	(28,247)
Current portion of long term loans	-	2,558,440
Short term finances	12,060,000	(7,890,000)
Net cash from / (used in) financing activities	9,975,442	(9,599,558)
Net increase in cash and cash equivalents	(1,957,037)	630,327
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	8,770,156	3,020,581

**CHIEF EXECUTIVE
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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 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, 2021	129,963,040	108,136,803	11,810,155	2,274,287	122,221,245	7,000,000	(72,161,201)	(66,161,201)	187,023,084
Net Profit for the period ended Sep 30, 2021							2,160,421	2,160,421	2,160,421
Other comprehensive income for the period			(3,363,043)		(3,363,043)			-	(3,363,043)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period		(471,976)			(471,976)		471,976	471,976	-
Surplus realized on disposal		-			-		-	-	-
Balance as at Sep 30, 2021	129,963,040	107,664,827	8,447,112	2,274,287	118,386,226	7,000,000	(69,528,804)	(62,528,804)	185,820,462
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 period ended Sep 30, 2022							3,426,945	3,426,945	3,426,945
Other comprehensive income for the period					(1,157,394)			-	(1,157,394)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period		(2,056,917)			(2,056,917)		2,056,917	2,056,917	-
Balance as at Sep 30, 2022	129,963,040	229,723,183	8,067,204	2,274,287	238,907,280	7,000,000	(55,580,542)	(48,580,542)	320,289,778

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OFFICER**

DIRECTOR



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