



**Hala
Enterprises
Limited**



1ST QUARTERLY REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2023



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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	

DIRECTORS' 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, 2023.

The first quarter of the financial year remained extremely challenging for the home textile sector primarily due to the overall economy of the country being extremely volatile. Inflation, rising costs of energy and a steep hike in interest rates pushed the cost of doing business upward. A global recession and overstocking by the customers further declined the demand of home textile items in general. As the cost of living crisis impeded the sale of many everyday items, the home textile items took an even greater hit in demand.

However despite these challenges the financial performance of the company remained steady. Although revenue decreased from Rs.160.56 million to Rs. 135.77, Gross profit decreased from 32.82 million to Rs.25.54 million. and Net profit decreased from Rs. 3.43 million to Rs 1.86 million.

The Management is committed to expand its customer base by entering new regions and introducing a diverse product line to boost revenue in the upcoming period. We are hopeful that the revenue will increase reasonably & the first quarter deficiency will be met in the upcoming periods.

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.



**(TAHIR JAHANGIR)
CHAIRMAN**

For & on behalf of the Board



**(JILLANI JAHANGIR)
CHIEF EXECUTIVE
OFFICER**

Dated: October 30, 2023



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023 (UN-AUDITED)

	Sep 2023 Un-Audited Rupees	Jun 2023 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	221,245,211	223,302,128
Fair value reserve of financial assets at FVOC	7,123,384	5,157,639
Other capital reserve	2,274,287	2,274,287
	230,642,882	230,734,054
Other revenue reserve	7,000,000	7,000,000
Accumulated loss	(33,961,971)	(37,880,120)
	(26,961,971)	(30,880,120)
Total Share Capital And Reserve	333,643,951	329,816,974
Non Current Liabilities		
Deferred liability	33,409,164	34,646,760
Long term borrowing	2,609,000	3,167,500
Total Non Current Liabilities	36,018,164	37,814,260
Current Liabilities		
Trade and other payables	42,267,681	42,789,522
Accrued mark up	4,741,827	4,645,835
Short term borrowings	125,592,000	125,125,000
Current portion of long term financing	2,609,000	2,234,000
Due to related parties	5,452,940	4,883,472
Provision for taxation	-	-
Total Current Liabilities	180,663,448	179,677,829
Liabilities directly associated with non-current assets classified as held for sale	3,775,000	3,775,000
Contingencies and Commitments		
	554,100,563	551,084,063

NOTES TO THE ACCOUNTS

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

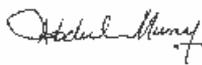
LAHORE: October 30, 2023



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023 (UN-AUDITED)**

	Sep 2023 Un-Audited Rupees	Jun 2023 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	273,359,016	276,369,713
Long term Investments	8,307,018	6,341,273
Long term deposits	6,392,617	5,660,617
Total Non- Current Assets	288,058,651	288,371,603
Current assets		
Stores and spares	5,333,471	5,352,040
Stock in trade	89,301,300	89,409,049
Trade debtors	45,869,951	43,150,049
Advances, deposits, prepayments and other receivables	57,641,339	53,918,090
Tax refund due from Government	46,493,269	53,216,983
Due from associated undertakings	6,020,001	8,598,837
Cash and bank balances	8,666,469	2,351,300
Total Current Assets	259,325,800	255,996,348
Non- current assets classified as held for sale	6,716,112	6,716,112
	554,100,563	551,084,063


**CHIEF EXECUTIVE
OFFICER**


**CHIEF FINANCIAL
OFFICER**


DIRECTOR



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED SEPTEMBER 30,2023

	Quarter Ended Sep 30,2023 (Un-audited) Rupees	Quarter Ended Sep 30,2022 (Un-audited) Rupees
Revenue	135,772,913	160,557,806
Cost of revenue	(110,237,093)	(127,736,458)
Gross profit	25,535,820	32,821,348
OPERATING EXPENSES		
Selling and distribution Costs	(7,765,613)	(13,766,708)
Administrative expenses	(6,217,979)	(7,222,718)
Other operating expenses	(1,520,201)	(3,315,869)
	(15,503,793)	(24,305,295)
Operating profit	10,032,027	8,516,053
Finance Costs	(7,113,485)	(3,910,993)
Other operating income	295,565	383,979
Profit before taxation	3,214,107	4,989,039
Taxation	(1,352,875)	(1,562,094)
Profit for the year before disposal of "Assets held for sale"	1,861,232	3,426,945
Gain on disposal of land held for sale	-	-
Net profit for the year	1,861,232	3,426,945
Earning per share-Basic	0.14	0.26

**CHIEF EXECUTIVE
OFFICER**

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OFFICER**

DIRECTOR



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN AUDITED)**

	Quarter ended Sep. 2023	Quarter ended Sep. 2022
	Rupees	Rupees
Net Profit for the period	1,861,232	3,426,945
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		
Other comprehensive income / (Loss)	1,965,745	(1,157,394)
Total comprehensive income / (loss) for the period	<u>3,826,977</u>	<u>2,269,551</u>

**CHIEF EXECUTIVE
OFFICER**

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OFFICER**

DIRECTOR



CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	QUARTER ENDED SEP 30, 2023 (UN-AUDITED) Rupees	QUARTER ENDED SEP 30, 2022 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	3,214,107	4,989,039
Adjustments for :		
Depreciation	3,140,697	3,305,425
Financial charges	7,113,485	3,910,992
Gratuity	1,092,071	1,013,148
Gain on disposal of property, plant and equipment	-	-
	<u>11,346,253</u>	<u>8,229,565</u>
Operating profit before working capital changes	14,560,360	13,218,604
(Increase) / decrease in current assets		
Stores and spares	18,569	(174,230)
Stock in trade	107,749	932,315
Trade debtors	(2,719,902)	(3,564,149)
Advances, deposits, prepayments and other receivables	(3,723,249)	(2,805,692)
Sales tax refundable	6,723,714	(3,363,728)
Due from associated undertakings	2,578,836	1,111,587
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	569,468	(1,156,908)
Creditors, accrued and other liabilities	(521,841)	(8,293,571)
	<u>3,033,344</u>	<u>(17,314,376)</u>
Cash generated from operations	17,593,704	(4,095,772)
Financial charges paid	(7,017,493)	(3,546,611)
Income tax paid	(1,352,875)	(1,562,094)
Gratuity paid	(2,329,667)	(2,328,003)
Net cash (used in) / from operating activities	<u>6,893,669</u>	<u>(11,532,480)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(130,000)	(399,999)
Long term deposits	(732,000)	-
Net cash (used in) investing activities	<u>(862,000)</u>	<u>(399,999)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans	(558,500)	(2,084,558)
Current portion of long term loans	375,000	-
Short term finances	467,000	12,060,000
Net cash from / (used in) financing activities	<u>283,500</u>	<u>9,975,442</u>
Net increase in cash and cash equivalents	<u>6,315,169</u>	<u>(1,957,037)</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><u>8,666,469</u></u>	<u><u>8,770,156</u></u>

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 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, 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)			-	(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	-
Surplus realized on disposal		-			-		-	-	-
Balance as at Sep 30, 2022	129,963,040	229,723,183	6,909,810	2,274,287	238,907,280	7,000,000	(55,580,542)	(48,580,542)	320,289,778
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 period ended Sep 30, 2023							1,861,232	1,861,232	1,861,232
Other comprehensive income for the period			1,965,745		1,965,745			-	1,965,745
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	-
Surplus realized on disposal		-			-		-	-	-
Balance as at Sep 30, 2023	129,963,040	221,245,211	7,123,384	2,274,287	230,642,882	7,000,000	(33,961,971)	(26,961,971)	333,643,951

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



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