

1st QUARTERLY REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2021

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 Directors of the company hereby present the Directors Review Report on the operations of the company for the quarter ended September 30, 2021.

Overall business of the home textile remained steady during the current quarter as compared to the corresponding quarter of the last year. Sales volumes have increased as business activities resumed because some of the region's / countries were opened after having done wide spread vaccination of people. High shipping cost and non-availability of containers remained a big challenge. The challenge is expected to persist for next quarter as well.

Apart from the adverse impact of Covid -19 pandemic on demand of textile products , raw material prices continuously and disproportionately increased , which caused business challenges for the home textile products . However despite these challenges the financial performance of the company remained satisfactory . Revenue increased from Rs. 101.48 million to Rs.114.83 million , Gross profit increased from 19.77 million to Rs.21.03 million. Operating profit increased from 3.36 Million to Rs.4.43 Million and Net profit increased from Rs. 1.60 million to Rs,2.16 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

(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER

LAHORE: October 30, 2021



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021 (UN-AUDITED)

	Sep 2021 Un-Audited Rupees	Jun 2021 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	107,664,827	108,136,803
Fair value reserve of financial assets at FVOC	8,447,112	11,810,155
Other capital reserve	2,274,287	2,274,287
	118,386,226	122,221,245
Other revenue reserve	7,000,000	7,000,000
Accumulated loss	(69,528,804)	(72,161,201)
	(62,528,804)	(65,161,201)
Total Share Capital And Reserve	185,820,462	187,023,084
Non Current Liabilities		
Deferred liability	42,145,990	41,563,912
Long term borrowing	8,594,294	12,834,045
Total Non Current Liabilities	50,740,284	54,397,957
Current Liabilities		
Trade and other payables	34,550,636	27,184,149
Accrued mark up	451,834	891,887
Short term borrowings	129,630,000	137,520,000
Current portion of deferred Government grant	338,951	338,951
Current portion of long term financing	8,600,244	6,041,804
Due to related parties	3,682,521	3,234,466
Provision for taxation	-	-
Total Current Liabilities	177,254,186	175,211,257
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	417,589,932	420,407,298

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, 2021



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021 (UN-AUDITED)

	Sep 2021 Un-Audited Note Rupees	Jun 2021 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	156,315,622	158,099,285
Long term Investments	9,630,746	12,993,789
Long term deposits	5,038,617	5,038,617
Total Non- Current Assets	170,984,985	176,131,691
Current assets		
Stores and spares	4,189,168	4,393,269
Stock in trade	84,165,177	85,221,420
Trade debtors	51,859,495	54,138,277
Advances, deposits, prepayments and other receivables	48,974,697	50,327,432
Tax refund due from Government	33,046,983	30,682,075
Due from associated undertakings	14,632,734	10,406,768
Cash and bank balances	3,020,581	2,390,254
Total Current Assets	239,888,835	237,559,495
Non- current assets classified as held for sale	6,716,112	6,716,112
TOTAL ASSETS	417,589,932	420,407,298

CHIEF EXECUTIVE
OFFICER

CHIEF FINANCIAL
OFFICER

DIRECTOR



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30,2021

	Quarter Ended Sep 30,2021 (Un-audited) Rupees	Quarter Ended Sep 30,2020 (Un-audited) Rupees
Revenue	114,829,052	101,486,068
Cost of sales	(93,803,491)	(81,717,665)
Gross profit	21,025,561	19,768,403
OPERATING EXPENSES		
Selling and distribution Cost	10,386,129	10,215,934
Administrative expenses	5,844,704	5,931,969
Other operating expenses	359,469	257,005
	(16,590,302)	(16,404,908)
Operating profit	4,435,259	3,363,495
Finance Cost	(2,561,679)	(3,206,863)
Other income	1,397,820	2,411,434
Profit before taxation	3,271,400	2,568,066
Taxation	(1,110,979)	(968,892)
Profit for the Quarter	2,160,421	1,599,174
Net profit for the quarter	2,160,421	1,599,174
Earning per share-Basic	0.17	0.12

CHIEF EXECUTIVE
OFFICER

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN AUDITED)**

	Quarter ended Sep. 2021	Quarter ended Sep. 2020
	Rupees	Rupees
Net Profit for the period	2,160,421	1,599,174
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	(3,363,043)	(507,237)
Other comprehensive (Loss) / income	(3,363,043)	(507,237)
Total comprehensive (loss) / income for the period	<u>(1,202,622)</u>	<u>1,091,937</u>

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	QUARTER ENDED SEP 30, 2021 (UN-AUDITED) Rupees	QUARTER ENDED SEP 30, 2020 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	3,271,400	2,568,066
Adjustments for :		
Depreciation	1,783,664	1,629,656
Financial charges	2,561,679	3,206,863
Gratuity	1,013,148	1,113,148
Gain on disposal of property, plant and equipment	-	(642,395)
	<u>5,358,491</u>	<u>5,307,272</u>
Operating profit before working capital changes	8,629,891	7,875,338
(Increase) / decrease in current assets		
Stores and spares	204,100	(169,821)
Stock in trade	1,056,243	3,321,285
Trade debtors	2,278,782	8,699,388
Advances, deposits, prepayments and other receivables	1,352,735	(7,456,608)
Sales tax refundable	(2,364,908)	9,625,195
Due from associated undertakings	(4,225,966)	(1,475,856)
(Decrease) / increase in current liabilities		
Due to directors and associated undertakings	448,055	(2,079,256)
Creditors, accrued and other liabilities	7,366,487	(5,447,520)
	<u>6,115,528</u>	<u>5,016,807</u>
Cash generated from operations	14,745,419	12,892,145
Financial charges paid	(3,001,732)	(3,138,740)
Income tax paid	(1,110,979)	(3,775,130)
Gratuity paid	(402,823)	(1,479,681)
Net cash (used in) / from operating activities	<u>10,229,885</u>	<u>4,498,594</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	-	(10,144,600)
Proceeds from sale of fixed assets	-	2,340,000
Advance against assets held for sale	-	-
Net cash (used in) investing activities	<u>-</u>	<u>(7,804,600)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans	(4,239,751)	6,842,822
Deferred grant liability	(28,247)	(187,535)
Current portion of deferred Government grant	-	221,711
Current portion of long term loans	2,558,440	4,300,129
Short term finances	(7,890,000)	(1,560,000)
Net cash from / (used in) financing activities	<u>(9,599,558)</u>	<u>9,617,127</u>
Net increase in cash and cash equivalents	630,327	6,311,122
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	<u>3,020,581</u>	<u>7,971,700</u>

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (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 period ended Sep 30, 2020							1,599,174	1,599,174	1,599,174
Other comprehensive income for the period			(639,763)		(639,763)			-	(639,763)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period		(588,317)			(588,317)		588,317	588,317	-
Surplus realized on disposal		(1,093,312)			(1,093,312)		1,093,312	1,093,312	-
Balance as at Sep 30, 2020	<u>129,963,040</u>	<u>111,530,498</u>	<u>6,443,110</u>	<u>2,274,287</u>	<u>120,247,895</u>	<u>7,000,000</u>	<u>(78,273,127)</u>	<u>51,249,055</u>	<u>178,937,808</u>
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 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	<u>129,963,040</u>	<u>107,664,827</u>	<u>8,447,112</u>	<u>2,274,287</u>	<u>118,386,226</u>	<u>7,000,000</u>	<u>(69,528,804)</u>	<u>(62,528,804)</u>	<u>185,820,462</u>

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



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