

**1ST
QUARTERLY
REPORT
FOR THE
PERIOD ENDED
SEPTEMBER
30, 2024**





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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 Ahmad & Co. Chartered Accountants (Formerly Malik Haroon Shahid Safdar & Co.)	
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, 2024.

The performance of Pakistan's textile sector during the first quarter was weak. The sector is facing numerous challenges such as soaring raw material costs, high energy rates and expensive financing rates. These factors have collectively damaged the overall profitability of the textile industry. Ocean freight rates have approximately doubled due to concerns about disruptions in the Red Sea. Container ships are being rerouted around Africa to avoid attacks, increasing transit time to an additional 45 days. This situation has further increased the cost of doing business. Another significant factor contributing to the challenges is the weakened demand for textile goods in international markets because of the global economic slowdown.

While the performance of the company remained slow over the first quarter, the overall market demand has now started to pick up. It is expected that in the upcoming second quarter of the FY, we will be able to make up for some of the slower sales of the previous quarter.

The overall revenue declined by 35% during the quarter, thereby decreasing the gross profit from 25.5 M to 17.2 M. Hence an overall negative margin was seen at the closing of the quarter by almost 12% as opposed to profitability for the previous quarter. The margins are expected to improve during the upcoming second Quarter through witnessing better sales volumes and higher margins by achieving better export sales prices.

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 also working on various projects to help the company decrease its energy costs while also increasing the efficiency levels for production purposes. This impact shall be felt in the upcoming quarters.

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

**(TAHIR JAHANGIR)
CHAIRMAN**

**(JILLANI JAHANGIR)
CHIEF EXECUTIVE
OFFICER**

Dated: October 30, 2024



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024 (UN-AUDITED)

	Sep 2024 Un-Audited Rupees	Jun 2024 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	212,721,390	214,382,376
Fair value reserve of financial assets at FVOC	6,449,842	7,079,978
Other capital reserve	2,274,287	2,274,287
	221,445,519	223,736,641
Other revenue reserve	7,000,000	7,000,000
Accumulated loss	(85,713,363)	(76,546,633)
	(78,713,363)	(69,546,633)
Total Share Capital And Reserve	272,695,196	284,153,048
Non Current Liabilities		
Deferred liability	34,098,270	33,828,607
Long term borrowing	375,000	933,500
Total Non Current Liabilities	34,473,270	34,762,107
Current Liabilities		
Trade and other payables	42,905,410	44,542,778
Accrued mark up	4,761,392	6,439,288
Short term borrowings	168,914,000	166,682,147
Current portion of long term financing	2,234,000	2,417,500
Due to related parties	26,034,055	17,595,389
Provision for taxation	-	-
Total Current Liabilities	244,848,857	237,677,102
Liabilities directly associated with non-current assets classified as held for sale	3,775,000	3,775,000
Contingencies and Commitments		
	555,792,323	560,367,257

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, 2024



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024 (UN-AUDITED)**

	Sep 2024 Un-Audited Rupees	Jun 2024 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	270,927,176	273,577,293
Long term Investments	7,633,476	8,263,612
Long term deposits	6,569,548	6,569,548
Total Non- Current Assets	285,130,200	288,410,453
Current assets		
Stores and spares	3,992,234	2,949,499
Stock in trade	96,548,616	95,157,019
Trade debtors	44,226,532	52,806,526
Advances, deposits, prepayments and other receivables	59,320,314	53,416,157
Tax refund due from Government	45,039,777	50,474,894
Due from associated undertakings	6,627,825	6,481,878
Cash and bank balances	8,190,713	3,954,719
Total Current Assets	263,946,011	265,240,692
Non- current assets classified as held for sale	6,716,112	6,716,112
	555,792,323	560,367,257

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED SEPTEMBER 30,2024

	Quarter Ended Sep 30,2024 (Un-audited) Rupees	Quarter Ended Sep 30,2024 (Un-audited) Rupees
Revenue	87,700,464	135,772,913
Cost of revenue	(70,490,254)	(110,237,093)
Gross profit	17,210,210	25,535,820
OPERATING EXPENSES		
Selling and distribution Costs	(12,546,753)	(7,765,613)
Administrative expenses	(6,078,113)	(6,217,979)
Other operating expenses	(75,000)	(1,520,201)
	(18,699,866)	(15,503,793)
Operating (Loss) / (Profit)	(1,489,656)	10,032,027
Finance Cost	(9,524,750)	(7,113,485)
Other income	1,041,760	295,565
(Loss) / Profit before income tax and final taxes	(9,972,646)	3,214,107
Final taxes	(855,070)	(1,352,875)
(Loss) / Profit before income tax	(10,827,716)	1,861,232
Taxation	-	-
Net (Loss) / profit for the period	(10,827,716)	1,861,232
(Loss) / Earning per share-Basic	(0.83)	0.14

**CHIEF EXECUTIVE
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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN AUDITED)**

	Quarter ended Sep. 2024	Quarter ended Sep. 2023
	Rupees	Rupees
Net Profit for the period	(10,827,716)	1,861,232
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	(630,136)	1,965,745
Other comprehensive (Loss) / income	(630,136)	1,965,745
Total comprehensive (loss) / income for the period	(11,457,852)	3,826,977

**CHIEF EXECUTIVE
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CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	QUARTER ENDED SEP 30, 2024 (UN-AUDITED) Rupees	QUARTER ENDED SEP 30, 2023 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(9,972,646)	3,214,107
Adjustments for :		
Depreciation	3,047,116	3,140,697
Financial charges	9,524,751	7,113,485
Gratuity	1,230,463	1,092,071
Gain on disposal of property, plant and equipment	-	-
	<u>13,802,330</u>	<u>11,346,253</u>
Operating profit before working capital changes	3,829,684	14,560,360
(Increase) / decrease in current assets		
Stores and spares	(1,042,735)	18,569
Stock in trade	(1,391,597)	107,749
Trade debtors	8,579,994	(2,719,902)
Advances, deposits, prepayments and other receivables	(5,904,157)	(3,723,249)
Sales tax refundable	5,435,117	6,723,714
Due from associated undertakings	(145,947)	2,578,836
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	8,438,666	569,468
Creditors, accrued and other liabilities	(1,637,368)	(521,841)
	<u>12,331,973</u>	<u>3,033,344</u>
Cash generated from operations	16,161,657	17,593,704
Financial charges paid	(11,202,646)	(7,017,493)
Income tax paid	(855,071)	(1,352,875)
Gratuity paid	(960,800)	(2,329,667)
Net cash (used in) / from operating activities	<u>3,143,140</u>	<u>6,893,669</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(396,999)	(130,000)
Long term deposits	-	(732,000)
Net cash (used in) investing activities	<u>(396,999)</u>	<u>(862,000)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans	(558,500)	(558,500)
Current portion of long term loans	(183,500)	375,000
Short term finances	2,231,853	467,000
Net cash from / (used in) financing activities	<u>1,489,853</u>	<u>283,500</u>
Net increase in cash and cash equivalents	<u>4,235,994</u>	<u>6,315,169</u>
Cash and cash equivalents at the beginning of year	3,954,719	2,351,300
Cash and cash equivalents at the end of the period	<u>8,190,713</u>	<u>8,666,469</u>

**CHIEF EXECUTIVE
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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (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, 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
Balance as at Jul 01, 2024	129,963,040	214,382,376	7,079,978	2,274,287	223,736,641	7,000,000	(76,546,633)	(69,546,633)	284,153,048
Net Profit for the period ended Sep 30, 2024							(10,827,716)	(10,827,716)	(10,827,716)
Other comprehensive income for the period			(630,136)		(630,136)			-	(630,136)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period		(1,660,986)			(1,660,986)		1,660,986	1,660,986	-
Surplus realized on disposal		-			-		-	-	-
Balance as at Sep 30, 2024	129,963,040	212,721,390	6,449,842	2,274,287	221,445,519	7,000,000	(85,713,363)	(78,713,363)	272,695,196

**CHIEF EXECUTIVE
OFFICER**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR



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