

**UN-AUDITED  
FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED  
SEPTEMBER 30, 2021**



**BELA AUTOMOTIVES  
LIMITED**

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# **CORPORATE INFORMATION**

## **BOARD OF DIRECTORS**

Mr. Abdul Mateen Allahwala  
Mr. Omer Mateen Allahwala  
Mr. Anwar Iqbal  
Mrs. Nelofer Mateen  
Mrs. Farnaz Anwar  
Mr. Fazal Kafeel  
Mrs. Khilat Kafeel

## **CHIEF EXECUTIVE**

Mr. Abdul Mateen Allahwala

## **COMPANY SECRETARY**

Mr. Omer Mateen Allahwala

## **AUDIT COMMITTEE**

Mr. Omer Mateen Allahwala (Chairman)  
Mr. Anwar Iqbal (Member)  
Mr. Fazal Kafeel (Member)

## **AUDITORS**

M/s. Mushtaq & Company  
(Chartered Accountants)

## **REGISTRAR**

M/s. Jaffaw Registrar Services (Pvt.) Ltd.  
407-408, Al Amera Center, Saddar, Karachi.

## **BANKERS**

Allied Bank of Pakistan Limited  
Bank Alfalah Limited  
Summit Bank Limited  
MCB Bank Limited  
National Bank of Pakistan Limited  
Meezan Bank Limited  
Habib Metropolitan Bank Ltd  
Habib Bank Limited

## **REGISTERED OFFICE**

Plot No. 1 & 3, Mouza Pathra, Hub Chowki, Balouchistan.

## **FACTORY**

Plot No. 1 & 3, Mouza Pathra, Hub Chowki, Balouchistan.

**DIRECTOR'S REVIEW:**

The Board of Directors of your company is pleased to present to you this quarterly report review along with un-audited accounts of the company, for first quarter ended September 30, 2021.

**OPERATING RESULT:**

There was no sale for the period September 30, 2021.

The Income Tax Authorities had passed an illegal Order to Freeze our account and written to our Customers to stop payments to our Company.

The Income Tax Department had frozen our Vendor's Bela Automotives Ltd's bank accounts through their illegal Order D.C.No. 01/40 dt 31 OCT 2014 for your reference, This matter was resolved and letter from the Income Tax Deptt. Dated 22-09-2015 informed banks that our Vendor Company's Accounts were detached, Income Tax Order No.DCIR/ENF/UNIT-05/ZONE-IV/RTO-II/2015/168 of detachment of our Vendor's Accounts.

This order of freezing of accounts by the Income Tax was certainly illegal as it had added entries of 14 years old. The said order was also illegal as he denied our Company Depreciation. The said Order was passed ex parte, without giving the Company to be heard. This entire Order was illegal and it took us about one year to have the illegal add backs and depreciation to be allowed. During this period we could not operate the factory and we lost our customers.

**CAUSES OF PREVIOUS YEARS' LOSS:****PROBLEMS WITH HABIB BANK LIMITED**

HBL liability includes large amounts that are unlawful and fictitious capitalization markup on markup, penal markup and markup on excise duty and charged interest 15 yrs beyond tenure. All illegal. The company has filed suit before Honorable High Court of Sindh against HBL vide Suit No. B-90 dated September 5, 2001 for Accounts, injunction, declaration & damages for Rs 599.214 Million. For the reasons cited above, the Management is confident of a favorable outcome.

This case is pending for announcement of decision on point whether HBL suit is liable to be dismissed for not filing certified copy of bank statement, differences in balances of same accounts on same dates, mark up, interest capitalized penal interest, excise duty, interest and compound & penal interest on excise duty. HBL unlawfully debited / charged interest for many years beyond tenure and the following points:

a. Opening balance 86,520,160/- b. No vouchers produced for Rs 31.399 million. c. No accounts head movement statements. d. One accounts of produced in the Court, unlawful debits of Rs 100 million. This must be some sort of record of dishonest accounting practices. e. Non disbursement of funds and unlawful debits by HBL, destroyed our project."

**ACKNOWLEDGEMENT**

Your Board of Directors commends the well-coordinated teamwork of labour, staff and management of the company, to bring the Company back in profit.

We thank our shareholders who have demonstrated confidence in the ability and dedication of the management.

We also thank our valued customers, our vendors and contractors for maintaining a long-term business relationship with the Company.

Hub October 29, 2021

By Order of the Board

**Mr. Abdul Mateen Allahwala**  
Chief Executive

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2021**

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
Notes		
	In Rupees	
<b>EQUITY &amp; LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized Capital</b>		
6000,000 Ordinary Shares (2021: 6,000,000) of Rs. 10/- each	60,000,000	60,000,000
Issued, Subscribed & Paid Up Capital	58,000,000	58,000,000
Capital Reserves	14,700,000	14,700,000
Accumulated loss	(47,695,465)	(47,076,919)
Surplus on revaluation of fixed assets	95,334,786	95,334,786
	120,339,321	120,957,867
<b>Non-Current Liabilities</b>		
Long term financing	41,996,881	41,996,881
Deferred liabilities	1,873,484	1,873,484
	43,870,365	43,870,365
<b>Current Liabilities</b>		
Trade & other payables	6,987,788	6,808,142
Accrued markup	37,140,574	37,140,574
Short term borrowing	37,709,135	37,374,485
Provision for taxation	-	-
	81,837,497	81,323,201
Contingencies & Commitments	-	-
<b>Total equity and liabilities</b>	<b>246,047,183</b>	<b>246,151,434</b>

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


**Chief Executive**

**Director**

**ASSETS****Non-Current Assets**

Property, plant & equipment	7	145,988,237	145,988,237
Long term loans and advances		6,448	6,448
Long term deposits		770,232	770,232
		146,764,917	146,764,917

**Current Assets**

Stores, spares and loose tools		41,013,463	41,013,463
Stock in trade		33,321,032	33,321,032
Trade debts		1,084,810	1,084,810
Loans and advances		21,475	21,475
Taxation		19,556,286	19,546,901
Other receivables		4,026,968	3,998,975
Cash & bank		258,232	399,861
<b>Total current assets</b>		99,282,266	99,386,517

**Total assets****246,047,183****246,151,434**

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



Chief Executive



Director



**CONDENSED INTERIM STATEMENT PROFIT OR LOSS**  
**FOR THE PERIOD & FIRST QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)**

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	In Rupees	
Sales	-	-
Cost of sales	(318,266)	(181,670)
<b>Gross profit</b>	(318,266)	(181,670)
Administrative expenses	(299,499)	(452,965)
Selling and distribution expenses	-	-
Other operating expenses	-	(27,000)
Operating profit	(299,499)	(479,965)
Other income	-	-
Finance cost	(780)	(75)
<b>Loss before taxation</b>	(618,546)	(661,711)
Taxation	-	-
<b>Loss after taxation</b>	(618,546)	(661,711)
<b>Loss per share</b>	(0.11)	(0.11)

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

Chief Executive

Director

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

	<u>September 30,</u> <u>2021</u>	<u>September 30,</u> <u>2020</u>
<b>(Loss) for the period</b>	(618,546)	(661,711)
Other Comprehensive Income	-	-
<b>Total Comprehensive (loss) for the period</b>	<u><u>(618,546)</u></u>	<u><u>(661,711)</u></u>

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



**Chief Executive**



**Director**





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

Note	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (Loss) before taxation	(618,546)	(661,711)
<b>Adjustments for :</b>		
Depreciation	-	-
Finance cost	780	75
Employees Benefits	-	-
Operating profit before working capital changes	(617,766)	(661,636)
<b>Working Capital Changes</b>		
<b>(Increase) / Decrease in Current Assets</b>		
Stores, spares and loose tools	-	-
Stock in trade	-	-
Trade debts	-	-
Loans and advances	-	-
Other receivables	(27,993)	(15,276)
	(27,993)	(15,276)
<b>Increase / (Decrease) in Current Liabilities</b>		
Trade & other payables	179,646	727,799
<b>Cash used in operations</b>	179,646	727,799
Financial charges paid	(780)	(75)
Employment benefits paid	-	-
Long term Loan & Advances	-	-
Taxes paid	(9,386)	(5,339)
	(10,166)	(5,414)
<b>Net cash generated from / (used in) operating activities</b>	(476,279)	45,474
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Net cash used in investing activities</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term loan	334,650	105,000
<b>Net cash used in financing activities</b>	334,650	105,000
<b>Net increase / (decrease) in cash and cash equivalents</b>	(141,629)	150,474
Cash and cash equivalents at the beginning of the year	399,861	275,439
<b>Cash and cash equivalents at the end of the year</b>	258,232	425,913

Chief Executive

Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD & FIRST QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)**

Particulars	Paid up Capital	Capital Reserves	Unappropriated (Loss)	Revaluation Surplus	Total
	-----Rupees-----				
Balance as at July 01, 2020	58,000,000	14,700,000	(43,556,312)	95,334,786	124,478,474
Loss for the period	-	-	(661,711)	-	(661,711)
Other comprehensive income for the period	-	-	-	-	-
Transferred from surplus on revaluation of PPE			-	-	-
<b>Balance as at September 30, 2020</b>	<b>58,000,000</b>	<b>14,700,000</b>	<b>(44,218,023)</b>	<b>95,334,786</b>	<b>123,816,763</b>
Balance as at July 01, 2021	58,000,000	14,700,000	(47,076,919)	95,334,786	120,957,867
Loss for the period	-	-	(618,546)	-	(618,546)
Other comprehensive income for the period	-	-	-	-	-
Transferred from surplus on revaluation of PPE			-	-	-
<b>Balance as at September 30, 2021</b>	<b>58,000,000</b>	<b>14,700,000</b>	<b>(47,695,465)</b>	<b>95,334,786</b>	<b>120,339,321</b>

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

**Chief Executive****Director**



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**NOTE TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE PERIOD & FIRST QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)**

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**1 LEGAL STATUS AND OPERATIONS**

Bela Automotives Limited (The Company) was incorporated in Pakistan as a private limited Company on November, 1983 under companies Act 1913 and converted into Public Limited Company on August, 1985. The company shares were quoted on Karachi stock exchange on September 27, 1994. The registered office of the company is situated at Plot 1 & 3 Mouza Pathra Hub Chawki Balochistan, Pakistan.

**1.1 NATURE OF BUSINESS**

The Company is engaged in manufacturing of automotive, precision cold forged and bicycle parts and high tensile bolts, nuts stud, screw and gear shaft.

**2 STATEMENT OF COMPLIANCE**

This condensed interim financial information of the company has been prepared in accordance with the requirements of the International Accounting Standard (IAS 34) 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 shall prevail. This condensed interim financial information does not include all the information required for full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2021.

**2.1 Going concern assumptions**

Due to pending litigation in the Honorable High Court of Sindh at Karachi and CIB reporting by the bank, company could not arrange working capital to run the project on reasonable capacity. These financial statements have been prepared on going concern basis. To substantiate its going concern assumption, the management is undertaking adequate steps towards the reduction of fixed cost and expenses which are at various stages of implementation. Such steps include, but not limited to, resource conservation, close monitoring of other fixed cost etc. The management is certain to generate sufficient savings as consequences of adapting all such measures.

The sales have decreased because the Income Tax Authorities had passed an illegal Order to Freeze our account and written to our Customers to stop payments to our Company.

The Income Tax Department had frozen the bank accounts of the company, through their Order D.C. No. 01/40 dated 31-10-2014. This matter was resolved and letter from the Income Tax Deptt. dated 22-09-2015 informed banks that the company's accounts be detached vide Income Tax Order No.DCIR/ENF/UNIT-05/ZONE -IV/RTO-II/2015/168.

This order of freezing of accounts by the Income Tax was certainly illegal as it had added entries of 14 years old. The said order was also illegal as it denied our company's depreciation. The said Order was passed ex parte, without giving Company the right to be heard. This entire Order was illegal and it took us about one year to have the illegal add backs and depreciation to be allowed. During this period we could not operate the factory and we lost our customers, and we had to lay off workers and Staff.

**3 BASIS OF PREPARATION**

This condensed interim financial information has been prepared under 'historical cost convention' except as otherwise stated in relevant notes. This condensed interim financial information is presented in Pakistan Rupees which is the Company's functional and presentation currency and figures presented in this condensed interim financial information has been rounded off to the nearest rupee unless otherwise stated. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2021. This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the company in accordance with the requirements of clause (26) of Listed Companies (Code of Corporate Governance) Regulation, 2017.

This condensed interim financial information is being submitted to the shareholders as required section 237 of the Companies Act, 2017. The comparative statement of financial position presented has been extracted from the annual financial statements of the Company for the year ended June 30, 2021, whereas condensed interim statement of profit or loss, condensed interim statement of cash flow and condensed interim statement of changes in equity are stated from unaudited condensed interim financial information for the period ended September 30, 2021.

**4 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2021.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

**5 FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2021.

	(Un-audited)	(Audited)
	September 30, 2021	June 30, 2021
<b>6 SHORT TERM BORROWINGS</b>		
Borrowing from HBL - Secured	34,505,905	34,505,905
Due to Director	3,203,230	2,868,580
	<u>37,709,135</u>	<u>37,374,485</u>

**6.1** The company has filed suit before Honorable High Court of Sindh against Habib Bank Limited, vide suit No.B-90 dated September 5, 2001 for accounts, injunction, declaration & damages for Rs. 599,214 million. For the reason cited above the company has not provided markup on demand finance. The management is confident of a favorable outcome.

**6.2** Habib Bank Limited also filed suit vide suit no.B-94 of 2001 against the company for recovery of Rs.176,965 million. This case is pending for announcement of decision on point whether suit is liable to be dismissed for not filling certified copy of bank statement, differences in balances of same accounts on same dates, mark up, interest capitalized penal interest, excise duty, interest and compound & penal interest on excise duty. HBL unlawfully debited / charged interest for many years beyond tenure and the following points:

a. Opening balance 86,520,160/- b. No vouchers produced for Rs 31.399 million. c. No accounts head movement statements. d. One accounts of produced in the Court, unlawful debits of Rs 100 million. This must be some sort of record of dishonest accounting practices. e. Non disbursement of funds and unlawful debits by HBL, destroyed our project."

## **7 PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets	125,338,867	125,338,867
Capital Work in progress	20,649,370	20,649,370
	<u>145,988,237</u>	<u>145,988,237</u>

**7.1** No additions and disposals were made in the operating fixed assets during the period.

## **8 CONTINGENCIES AND COMMITMENTS**

### **8.1 Contingencies**

Refer note 6.

### **8.2 Commitments**

There were no commitments as on September 30, 2021.

## **9 DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorized for issue on October 29, 2021 by the Board of Directors of the Company.

## **10 GENERAL**

Figures have been rounded off to the nearest rupees.



**Chief Executive**



**Director**

### Automatic Cold Forging

Bolts	Dia	lengthMax
	M5-M8	65MM
	M10-M30	150MM
Nuts	M3-M12	

### Automatic Hot Forging

Dia	length
40MM	65MM
Nuts	M30MAX



# **BELA AUTOMOTIVES LIMITED**



## **BOOK POST**

Under Postal Certificate

**Undelivered, please return to:**

**Bela Automotives Limited**

Plot No. 1 & 3, Mouza Pathra

Hub Chowki, Baluchistan

E-mail:bolts@cyber.net.pk