

**UN-AUDITED  
FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED  
SEPTEMBER 30, 2018**



**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 Amara 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, 2018.

The economic conditions remained stagnant in the period ending September 30, 2018, because of political uncertainty and low duty allowed for imported finished good. The period under review has not been a good one for the Engineering Sector of Pakistan, as well as the ever increasing financial cost of fuel, electricity, gas and other input costs combining with law and order situation created an atmosphere not at all helpful to the economy.

**OPERATING RESULT:**

The sales for the period have aggregated to Rs. 1.043 Million from Rs. 0.777 Million of the corresponding previous period.

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 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 it 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.

**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.

**By Order of the Board**



**Mr. Abdul Mateen Allahwala**  
**Chief Executive**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2018**

	(Un-audited) September 30, 2018	(Audited) June 30, 2018
Notes		
	In Rupees	
<b>EQUITY &amp; LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized Capital</b>		
6000,000 Ordinary Shares (2018: 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
Revenue Reserves	(37,639,882)	(35,791,005)
	35,060,118	36,908,995
Surplus on revelation of fixed assets	100,345,577	101,073,890
	135,405,695	137,982,885
<b>Non-Current Liabilities</b>		
Long term financing	41,996,881	41,996,881
Deferred liabilities	1,696,175	1,696,175
	43,693,056	43,693,056
<b>Current Liabilities</b>		
Trade & other payables	5,488,010	5,794,664
Accrued markup	37,140,574	37,140,574
Shortterm borrowing	36,009,935	34,702,091
Provision for taxation	-	33,874
	78,638,519	77,671,203
Contingencies & Commitments		
<b>Total equity and liabilities</b>	257,737,270	259,347,144

The annexed notes 1 to 7 form an integral part of these financial statements.



**Chief Executive**



**Director**

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

Property, plant & equipment	152,774,696	153,763,213
Long term loans and advances	1,248,192	1,295,022
Long term deposits	770,232	770,232
	154,793,120	155,828,467

**Current Assets**

Stores, spares and loose tools	41,037,536	41,188,341
Stock in trade	33,790,814	34,834,271
Trade debts	1,376,979	1,778,938
Loans and advances	182,300	206,970
Taxation	19,512,324	19,434,240
Other receivables	6,246,769	4,115,204
Cash & bank	797,428	1,960,713
<b>Total current assets</b>	<b>102,944,150</b>	<b>103,518,677</b>

**Total assets**

<u>257,737,270</u>	<u>259,347,144</u>
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The annexed notes 1 to 7 form an integral part of these financial statements.

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**Chief Executive****Director**

**CONDENSED INTERIM STATEMENT PROFIT OR LOSS  
FOR THE PERIOD & FIRST QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)**

	Notes	(Un-audited) September 30, 2018	(Un-audited) September 30, 2017
		<b>In Rupees</b>	
Sales		1,043,457	777,216
Cost of sales		(2,850,622)	(1,305,926)
<b>Gross profit</b>		(1,807,165)	(528,710)
Administrative expenses		(541,073)	(292,936)
Selling and distribution expenses		(77,046)	(123,164)
Other operating expenses		(27,000)	(27,000)
Operating profit		(645,119)	(443,100)
Other income		605,000	-
Finance cost		(1,593)	(204)
Profit before taxation		(1,848,877)	(972,014)
Taxation		-	(7,772)
<b>Profit after taxation</b>		(1,848,877)	(979,786)
<b>Earning profit/ (Loss) per share</b>		(0.32)	(0.17)

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.



**Chief Executive**



**Director**



**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD & FIRST QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)**

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	Notes	(Un-audited) September 30, 2018	(Un-audited) September 30, 2017
		In Rupees	
Profit / (Loss) for the period		(1,848,877)	(979,786)
Other Comprehensive Income		-	-
Total Comprehensive Income / (loss) for the period		<u>(1,848,877)</u>	<u>(979,786)</u>

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

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Chief Executive

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Director



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD & FIRST QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)**

	Note	(Un-audited) September 30, 2018 ----Rupees----	(Un-audited) September 30, 2017 ----Rupees----
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(1,848,877)	(972,014)
<b>Adjustments for non cash items:</b>			
Depreciation		988,517	1,023,273
Finance Cost		1,593	204
Employees Benefits		269,560	-
Loss on Sale of Equipment		-	-
		<u>(1,178,414)</u>	<u>443,053</u>
Stock in Trade		150,805	83,648
Trade Debts		1,076,250	8,767,215
Loan and Advances		71,500	500
Other Receivables		(2,131,565)	(5,874,069)
		<u>(833,010)</u>	<u>2,977,294</u>
<b>Increase /(Decrease) in Current Liabilities:</b>			
Trade and other payables		(306,654)	(379,370)
Cash used in operations		<u>(306,654)</u>	<u>(379,370)</u>
Finance Cost Paid		(1,593)	(204)
Employees Benefit Paid		(269,560)	(1,152,825)
Loans & Advances		-	-
Income Tax Paid / deducted at source		(78,084)	(93,808)
		<u>(349,237)</u>	<u>(1,246,837)</u>
<b>Net Cash Flows (Used in)/ Generated from Operating Activities</b>		<b>(2,667,315)</b>	<b>1,794,140</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Short term Loan		1,504,030	12,000
Proceeds from Sale of equipment		-	-
<b>Net Cash Flows generated from Investing Activities</b>		<b>1,504,030</b>	<b>12,000</b>
Current portion of Finance Lease		-	-
<b>Net changes in cash and cash equivalents during the year</b>		<b>(1,163,285)</b>	<b>1,818,140</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,960,713</b>	<b>348,812</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>797,428</b>	<b>2,166,952</b>

  
**Chief Executive**
  
**Director**



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD & FIRST QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)**

Particulars	Paid up Capital	Capital Reserves	Profit / (Loss)	Revaluation Surplus	Total
-----Rupees-----					
Balance as at June 30, 2017	58,000,000	14,700,000	(59,674,973)	31,574,198	44,599,225
Total comprehensive loss for the first quarter	-	-	(979,786)	874,355	(105,431)
Balance as at September 30, 2017	58,000,000	14,700,000	(60,654,759)	32,448,553	44,493,794
Balance as at June 30, 2018	58,000,000	14,700,000	(35,791,005)	101,073,890	137,982,885
Total comprehensive income for the first quarter	-	-	(1,848,877)	728,313	(1,120,564)
Balance as at September 30, 2018	58,000,000	14,700,000	(37,639,882)	100,345,577	135,405,695

The annexed notes 1 to 7 form an integral part of these condensed interim financial statements.

Chief Executive

Director

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**NOTE TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)  
FOR THE PERIOD & FIRST QUARTER ENDED SEPTEMBER 30, 2018**

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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**

**2.1** These 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.

**2.2** This condensed interim financial information does 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, 2018.

**2.3** These condensed interim financial statements are un-audited but subject to limited scope review by the management except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended September 30, 2018 and September 30, 2017.

**2.4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended June 30, 2018. The company has adopted certain amended International Financial Reporting Standards which became effective during the period to the audited financial statements for the year ended June 30, 2018. The adoption of such amended standard did not have any effect on these condensed interim financial statements.

**2.5** 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 and its vendors, 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 and its vendors 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 he denied our company's 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, and we had to lay off workers and Staff.

**2.6 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, 2018



	September 30, 2018	June 30, 2018
<b>3 SHORT TERM BORROWINGS</b>		
Borrowing from HBL - Secured	34,505,905	34,505,905
Due to Director	1,504,030	196,186
	<b>36,009,935</b>	<b>34,702,091</b>

3.1 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 mark up on demand finance for the year ended June 30, 2013. The management is confident of a favorable outcome.

3.2 Habib Bank Limited also file suit vide suit no.B-94 of 2001 against the company for recovery of Rs.175.965 million. This case is pending for announcement of decision on preliminary point whether suit is liable to be dismissed for not filling of certified copy of statement of account.

#### **4 PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets	132,125,326	133,113,843
Capital Work in progress	20,649,370	20,649,370
	<b>152,774,696</b>	<b>153,763,213</b>

Except for the note 3 there were no contingencies as at September 30, 2018.

#### **5 CONTINGENCIES AND COMMITMENTS**

There were no commitments as on September 30, 2018.

##### **5.1 Contingencies**

##### **5.2 Commitments**

#### **6 DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorized for issue on October 17, 2019 by the Board of Directors of the Company.

#### **7 GENERAL**

Figures have been rounded off to the nearest thousands.

**Chief Executive**
**Director**

# **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](mailto:bolts@cyber.net.pk)