

**UN-AUDITED
FINANCIAL STATEMENTS
FOR THE HALF-YEARLY ENDED
DECEMBER 31, 2023**



**BELA AUTOMOTIVES
LIMITED**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Abdul Mateen Allahwala
Mr. Omer Mateen Allahwala
Mr. Anwar Iqbal
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

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 half- yearly review along with un- audit accounts of the company, for the half-yearly ended December 31, 2023.

OPERATING RESULT:

The sales for the period have aggregated to Rs.0.000 million from Rs. 0.000 million for 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 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 was done after about one year.As a result of which we could not operate the company and we lost our customers.

Additionally 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 an opportunity 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. This was a great loss to our Company.

CAUSES OF PREVIOUS YEARS' LOSSES:**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 these were absolutely illegal.

Due to litigation in the Honorable High Court of Sindh at Karachi and CIB Reporting by the bank, the company could not arrange working Capital to run the project.

The main reason for loss was due to operational break down because of a shortage of working capital.The documents to release its property from the Registrar of lands (Tehsil Hub, District Lasbela, Balochistan) and M/s Securities and Exchange Commission of Pakistan was done, as the Company had cleared the Loans with the bank namely HBL.

After Vacation of charge held by Registrar and SECP, the company intends to engage with financial institutions for obtaining new working capital and planning to start production in near future.

**AUDITORS' RESERVATION:****Basis of Adverse Conclusion**

- a. The main reason for loss was due to operational break down because of a shortage of working capital which dropped the production operational efficiency.

The Company has incurred net loss of Rs. 6.2million during the half year ended December 31, 2023 and accumulated losses of Rs. 60.02million, including depreciation charged loss for the year 2013 to 2020 amounting to Rs. 34.980 million.

- b. The Company has also in the process of revaluation of property, plant and equipment during this financial year.
- c. Due to closure of plant operation, no depreciation was charged. As soon as the plant becomes operational, we will charge depreciation to comply IAS requirements.

ACKNOWLEDGMENT

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 old customers, our old vendors and contractors for maintaining a long-term business relationship with the Company.

For and on behalf of the Board

Chief Executive

Director

Hub February 28, 2024

MUSHTAQ & CO.**CHARTERED ACCOUNTANTS**

Head Office: 407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 021-32638521-3

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**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF BELA AUTOMOTIVES LIMITED
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Bela Automotives Limited (the Company) as at 31st December, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flow, and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information"), for the half year then ended. Management is responsible for preparation and presentation of this interim financial reporting in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and the notes forming part thereof for the quarters ended 31st December, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the International Standards on Review Engagements 2410, "Review of interim financial information performed by the independent Auditors of the Entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Adverse Conclusion

The following observations come to our knowledge during our review of interim financial information:

- a. The company has incurred a net loss of Rupees 6.2 million during the half year ended December 31, 2023 and as of that date, reported accumulated losses of Rupees 60.028 million. The Company is facing operational and financial problems. There is no sufficient appropriate audit evidence that the management's plans are feasible and ultimate outcome will improve the Company's current situation. However, these financial information has been prepared on going concern basis, but in our judgment, management's use of going concern assumption is inappropriate.
- b. Company has not carried out revaluation of property, plant and equipment under International Accounting Standard (IAS) 16 "Property, Plant and Equipment" since 30 October 2004. Impact of the same on assets, revaluation surplus and on statement of changes in equity of the Company cannot presently be determined.
- c. The company has not charged depreciation for the half year ended December 31, 2023. Had the depreciation been charged in the accounts, the net loss would have been increased by the above said

MUSHTAQ & CO. CHARTERED ACCOUNTANTS

Head Office: 407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 021-32638521-3
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Adverse Conclusion

Based on our review, because of the significance of the matters discussed in paragraphs (a) to (c), the accompanying interim financial information for the half year ended December 31, 2023 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mr. Zahid Hussain Zahid, FCA.

Karachi:

Date: February 28, 2024

UDIN:RR202310043422zPTEFq





**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

	Notes	(Un-audited) December 31, 2023	(Audited) June 30, 2023
Rupees			
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
6,000,000 Ordinary Shares (June 2023: 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		(60,028,388)	(53,734,336)
Surplus on revaluation of fixed assets		95,334,786	95,334,786
		108,006,398	114,300,450
Non-Current Liabilities			
Long term financing		-	-
Deferred liabilities		1,991,690	1,991,690
		1,991,690	1,991,690
Current Liabilities			
Trade & other payables		11,633,461	9,839,689
Accrued markup	5	36,739,227	33,643,361
Short term borrowing		87,272,207	86,673,693
		135,644,895	130,156,743
Contingencies & Commitments	7	-	-
Total equity and liabilities		245,642,983	246,448,883

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

Chief Executive

Director

ASSETS
Non-Current Assets

Property, plant & equipment	6	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		33,321,031	33,321,031
Trade debts		1,084,810	1,084,810
Loans and advances		21,475	21,475
Taxation		19,621,458	19,660,076
Other receivables		3,566,988	4,318,218
Cash & bank		248,842	264,893
Total current assets		98,878,066	99,683,966

Total assets		245,642,983	246,448,883
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The annexed notes form an integral part of these condensed interim financial statements.



Chief Executive



Director



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)

	Half year ended		Quarter ended	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	In Rupees		In Rupees	
Sales	-	-	-	-
Cost of sales	(1,354,923)	(917,463)	(791,563)	(447,602)
Gross profit	(1,354,923)	(917,463)	(791,563)	(447,602)
Administrative expenses	(872,423)	(727,624)	(623,224)	(499,112)
Selling and distribution expenses	-	-	-	-
Other operating expenses	(66,500)	(12,500)	(39,500)	(12,500)
Operating profit	(938,923)	(740,124)	(662,724)	(511,612)
Other income	-	-	-	-
Finance cost	(4,000,207)	(150)	(4,000,179)	(150)
Loss before taxation	(6,294,052)	(1,657,737)	(5,454,465)	(959,364)
Taxation	-	-	-	-
Loss after taxation	(6,294,052)	(1,657,737)	(5,454,465)	(959,364)
Loss per share	(1.09)	(0.29)	(0.94)	(0.17)

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)**

	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	In Rupees		In Rupees	
(Loss) for the period	(6,294,052)	(1,657,737)	(5,454,465)	(959,364)
Other Comprehensive Income	-	-	-	-
Total Comprehensive (loss) for the period	<u>(6,294,052)</u>	<u>(1,657,737)</u>	<u>(5,454,465)</u>	<u>(959,364)</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 HALF YEAR ENDED
DECEMBER 31, 2023 (UN-AUDITED)**

	Note	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (Loss) before taxation		(6,294,052)	(1,657,737)
Adjustments for :			
Depreciation		-	-
Finance cost		4,000,207	150
Employees Benefits		-	-
Operating profit before working capital changes		(2,293,846)	(1,657,587)
Working Capital Changes			
(Increase) / Decrease in Current Assets			
Stores, spares and loose tools		-	-
Stock in trade		-	-
Trade debts		-	-
Loans and advances		-	-
Other receivables		751,230	(104,673)
		751,230	(104,673)
Increase / (Decrease) in Current Liabilities			
Trade & other payables		1,793,774	926,818
Cash used in operations		1,793,774	926,818
Financial charges paid			
Financial charges paid		(904,340)	(150)
Employment benefits paid		-	-
Long term Loan & Advances		-	-
Income Tax		38,618	(34,179)
		(865,722)	(34,329)
Net cash generated from / (used in) operating activities		(614,564)	(869,771)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term loan		598,514	867,023
Net cash used in financing activities		598,514	867,023
Net increase / (decrease) in cash and cash equivalents		(16,051)	(2,748)
Cash and cash equivalents at the beginning of the period		264,893	254,064
Cash and cash equivalents at the end of the period		248,842	251,316

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


Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)**

Particulars	Paid up Capital	Capital Reserves	Unappropriated (Loss)	Revaluation Surplus	Total
	-----Rupees-----				
Balance as at July 01, 2022	58,000,000	14,700,000	(50,055,799)	95,334,786	117,978,987
Loss for the period	-	-	(1,657,737)	-	(1,657,737)
Other comprehensive income for the period	-	-	-	-	-
Transferred from surplus on revaluation of PPE			-	-	-
Balance as at December 31, 2022	58,000,000	14,700,000	(51,713,536)	95,334,786	116,321,250
Balance as at July 01, 2023	58,000,000	14,700,000	(53,734,336)	95,334,786	114,300,450
Loss for the period	-	-	(6,294,052)	-	(6,294,052)
Other comprehensive income for the period	-	-	-	-	-
Transferred from surplus on revaluation of PPE			-	-	-
Balance as at December 31, 2023	58,000,000	14,700,000	(60,028,388)	95,334,786	108,006,398

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



Chief Executive



Director



**NOTE TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UN-AUDITED)**

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 (Now companies Act 2017) 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 is un-audited and has been prepared in accordance with the requirements of the IAS 34 Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017 as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements of the company as at and for the year ended 30th June, 2023.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1 Going concern assumptions

Due to 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 exparte, 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 SIGNIFICANT ACCOUNTING POLICIES

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, 2023. 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.

4 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June, 2023.



		(Un-audited) December 31, 2023	(Audited) June 30, 2023	
5	Accrued markup	5.1	<u>36,739,227</u>	<u>33,643,361</u>

The Company has also in the process of charge vacation and the documents release from HBL (held at registrar of land -tehsil Hub, district Isabela, Baluchistan) and (Securities and Exchange Commission of Pakistan) as per the settlement through suit: B-94/2001 upon release of the said documents, the amount of accrued markup will be written back.

6 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 CONTINGENCIES AND COMMITMENTS**7.1 Contingencies**

There were no commitments as on December 31, 2023,(December 31, 2022: Rs. Nil)

7.2 Commitments

There were no commitments as on December 31, 2023,(December 31, 2022: Rs. Nil)

8 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 28, 2024 by the Board of Directors of the Company.

9 GENERAL

Figures have been rounded off to the nearest rupees.

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