

**Before Amir Saleem – Additional Director/Head of Wing**

**In the Matter of Show Cause Notice issued to Bela Automotives Limited**

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Dates of Hearing:

April 13, 2022, April 26, 2022 & May 9, 2022

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**Order-Redacted Version**

Order dated June 21, 2022 was passed by Additional Director/Head of Wing (Adjudication-I) in the matter of Bela Automotives Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated February 18, 2022
2. Name of Company	Bela Automotives Limited
3. Name of Individual*	The proceedings were initiated against the directors, CEO and CFO (Respondents) of the Company.
4. Nature of Offence	<p>Proceedings were initiated in terms of Section 237 of the Companies Act, 2017 (<b>the Act</b>) read with Section 479 thereof.</p> <p>Brief facts of the case are that the Company failed to electronically transmit its interim financial statements for the period ended September 30, 2021 with the Commission within the stipulated time pursuant to Section 237 of the Act read with the Commission's Circular No. 24 of 2017.</p>
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have analyzed the facts of the case, relevant provisions of the Act and the information available on record. The aforementioned provisions of the law are unambiguous and explicit. The fact that timing of interim financial statements is of essence, the disclosure requirements of these accounts have been kept to a bare minimum. Interim financial statements prepared accurately and in a timely manner provide to its users a reliable source of information regarding a Company's financial position and performance, besides illustrating the results of the management's stewardship of resources entrusted on to it.</p> <p>In order to ensure transparency, all companies must meticulously adhere to the law for preparation and circulation of interim financial statements. Moreover, the Respondents have fiduciary duties towards the Company and its shareholders while providing information to various stakeholders concerning their performance as to how diligently and ethically they are discharging their fiduciary duties and responsibilities. Respondents are obliged to ensure that such mechanisms are in place, and appropriate actions be taken whereby financial reporting of the company is timely achieved, whilst ensuring due compliance of the law.</p>

	In view of the preceding facts, I have concluded that the pertinent provisions of the statute have been violated, and Respondents are liable to penal action in terms of Section 237 of the Act as a result of failing to electronically transmit its interim financial statements for the period ended September 30, 2021 with the Commission within the statutory timeframe.
6. Penalty Imposed	An aggregate penalty of Rs. 70,000/- (Rupees seventy thousand only) was imposed on the Respondents.
7. Current Status of Order	No Appeal has been filed by the Respondents.

**Redacted version issued for placement on website of the Commission.**