

**Before Amir Saleem - Additional Director/Head of Wing (Adjudication-I)**

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

Dates of Hearing: September 5, 2022, October 3, 2022 & October 17, 2022

**Order - Redacted Version**

Order dated October 19, 2022 was passed by Additional Director/Head of Wing (Adjudication-I) in the matter of Bela Automotives Limited. Relevant details are given as hereunder:

| Nature                     | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| 1. Date of Action          | Show Cause Notice dated August 17, 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2. Name of Company         | Bela Automotives Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 3. Name of Individual*     | The proceedings were initiated against the Board of Directors ( <b>Respondents</b> ) of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 4. Nature of Offence       | The Company is in contravention of Section 237 read with Section 479 of the Companies Act, 2017 ( <b>the Act</b> ) read with Circular No. 24 of 2017, vis-à-vis failing to electronically transmit its periodic financials for the periods ended December 31, 2021 and March 31, 2022 with the Commission within the statutory timeframes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 5. Action Taken            | <p>Key findings were reported in the following manner:</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. The preparation and circulation of quarterly accounts rests with the directors including the CEO and CFO of the Company who are required to take appropriate action within the time stipulated under the law.</p> <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 periods ended December 31, 2021 and March 31, 2022 with the Commission within the statutory timeframes.</p> <p>Therefore, in exercise of powers conferred under sub-section (4) of Section 237 of the Act, I hereby impose fines of Rs. 20,000/- each on all Respondents for the afore-mentioned default periods.</p> |
| 6. Penalty Imposed         | Penalty aggregating Rs. 140,000/- 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.**