



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**  
***Enforcement Department***

**Before Ashfaq Ahmed Khan, Director (Enf)**

**Order**

*In the matter of*

**M/S. Bela Automotives Limited**

(Under Sub-section (4) of Section 158 of the Companies Ordinance, 1984.)

Number and date of notice	EMD/Enf -II/441/2003- 5064-5071 dated January 20, 2004
Date of hearing	April 15, 2004
Present	Mr. Abdul Mateen Chief Executive
Date of Order	April 19, 2004

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This order shall dispose of the proceedings initiated against M/S Bela Automotives Limited (the “Company”) and its directors for default made in complying with the provisions of Sub-section (1) of Section 158 of the Companies Ordinance, 1984 (“the Ordinance”).

2. The underlying facts of this case briefly stated are that in terms of the provisions of Sub-section (1) of Section 158 of the Ordinance, the Company was required to hold its Annual General Meeting (AGM) for the year ended June 30, 2003 on or before October 31, 2003. The Company failed to comply with the aforesaid requirement which necessitated action against the Company and its directors in terms of Sub-section (4) of Section 158 of the Ordinance. Accordingly, a show cause notice dated January 20, 2004 was served on the Company and its directors including Chief Executive calling upon them to show cause as to why penalties as provided under Sub-section (4) of Section 158 read with Section 476 of the Ordinance may not be imposed upon them for the aforesaid contravention. The Company and its directors failed to respond the aforesaid notice.



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3. In the meantime, the Commission vide its notification No.SRO.162 (1)/2004, dated March 17, 2004 delegated the powers to adjudicate the defaults falling under Section 158 of the Ordinance to the undersigned. The case was, therefore, fixed for hearing on April 15, 2004. On the date of hearing, Mr. Abdul Mateen, Chief Executive of the Company appeared before me on behalf of all the respondents and contended that the Company has held its AGM for the year ended June 30, 2003 on March 31, 2004 and that the delay in holding of AGM occurred due to some unavoidable circumstances. He averred that the Company is passing through the critical period but due to strenuous efforts made by the management of the Company this crisis will come to an end by December 2004. He further submitted that the management of the Company is committed that no such default would occur in future. He requested for a lenient view in the matter to support an industrial unit, which is under revival stage.

4. Considering the circumstances of the case and the submissions of the respondents, I am of the opinion that the contentions of the directors do not justify delay in holding of AGM. It is important to point out here that the Company and its directors have been penalized a number of times in the past for default in holding of Annual General Meeting within the time period prescribed in the Ordinance. In the circumstances, repetition of the default by the company cannot be termed as unintentional. Hence, the default under Section 158 is considered willful and deliberate, which attracts the provisions of Sub-section (4) of Section 158 of the Ordinance.

5. Though the default is considered willful, yet, keeping in view the fact that the said AGM has already been held on March 31, 2004, Company is in revival stage and the assurance of the Chief Executive to comply with the mandatory requirements of law in future, I am inclined to take a lenient view in the matter and instead of imposing the maximum fine of Rs. 50,000 on every director and a further fine of Rs. 2,000 per day for continuous default, I impose a minimum fine of Rs. 20,000 (Rupees twenty thousand



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only) under Sub-section (4) of Section 158 read with Section 476 of the Ordinance on the Chief Executive of the Company only. The other directors are, however, reprimanded to be vigilant in future. The Chief Executive and directors are warned that if any non-compliance of the statutory requirements occurred in future, no lenient view would be taken and maximum penalties would be imposed on the Company and other responsible directors including the Chief Executive of the Company.

7. The Chief Executive of the Company is hereby directed to deposit the aforesaid fine of Rs.20,000/- (Rupees twenty thousand only) in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with Habib Bank Limited within thirty days from the receipt of this order and furnish receipted challan to the Commission.

*Ashfaq Ahmed Khan*  
Director (Enforcement)

*Announced:*  
*April 19, 2004*  
**ISLAMABAD**