



Before Abdul Rehman Qureshi, Commissioner
Securities & Exchange Commission of Pakistan
Company Law Division
NIC Building, Jinnah Avenue, Blue Area, Islamabad

In the matter of
M/S BELA AUTOMOTIVES LIMITED

Date of hearing

September 29, 2003

Present

Mr. Abdul Mateen Allahwala
Chief Executive

Order

This order shall dispose off the proceedings initiated against the directors of M/S Bela Automotives Limited under Section 186 of the Companies Ordinance, 1984 (“the Ordinance”) for non-holding of election of directors of the Company as required under Section 177 of the Ordinance.

2. The facts of this case briefly stated are that the Company was required to hold its election of directors on or before March 31, 2001 under Section 177 of the Ordinance, which it held on April 07, 2003. The continuing directors, however, failed to hold the election within the prescribed period and they even did not report the impediments to the Registrar within fifteen days as required under Section 177 of the Ordinance. Consequently show cause notice No. EMD/233/441/855-861 dated July 30, 2003 was served upon the continuing directors of the Company to show cause in writing before August 20, 2003 as to why penalty as provided under Section 186

may not be imposed upon them and why they may not be debarred from continuing or becoming the director of the Company for a period of three years. They were also provided an opportunity of hearing on the aforementioned date.

3. The respondents neither filed any reply nor they appeared on the date of hearing. In order to provide them another opportunity of hearing, the case was again fixed for September 29, 2003. On the said date Mr. Abdul Mateen Allahwala, Chief Executive of the Company appeared and pleaded the case. He submitted that the annual general meeting of the company could not be held during this period, which resulted in the failure to hold election of directors. He requested for a lenient view in this behalf.

4. Taking into consideration, all the relevant facts of the case, past record of compliance of statutory provisions of law and the fact that the respondents have admitted their default, I consider that the default was committed willfully and intentionally because holding of election of directors cannot be linked with holding of annual general meeting. All the above circumstances also reflect the respondents' disregard towards the law and require a strict view of the default. However, keeping in view, the management's assurance to be careful in future and its interest to revive the unit, I am inclined to take a lenient view and instead of imposing maximum fine of Rs. 10,000 on all the directors including the Chief Executive a fine of Rs. 6,000/- each is imposed upon directors of the Company namely Mr. Abdul Mateen Allahwala, Mr. Omer Mateen, Mrs. Nelofer Mateen, Mr. Anwar Iqbal, Mrs. Farzana Anwar, Mrs. Muniza Imran and Mr. Fazal-e-Kafeel.

5. The directors of the company are directed to deposit the total fine of

Rs. 42,000/- imposed upon them 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 the receipted challan to the Commission.

Abdul Rehman Qureshi
Commissioner (CL)

OCTOBER 02, 2003
ISLAMABAD