



Corporate Supervision Department
Company Law Division

Before Abid Hussain – Executive Director

In the matter of

Husein Industries Limited

Number and date of notice: CSD/ARN/87/2015-1782-88 dated December 9, 2016
Date of hearing: February 22, 2017
Present: Mr. Khurram Jah
Mr Aziz Jamal
("authorized representative")

ORDER

UNDER SECTION 160 READ WITH SECTION 476 OF THE COMPANIES ORDINANCE, 1984

This order shall dispose of the proceeding initiated against directors and chief executive ("respondents") of Husein Industries Limited (the "Company") through show cause notice (the "SCN") dated December 9, 2016 under the provisions of Section 160 read with Section 476 of the Companies Ordinance 1984 (the "Ordinance").

2. The facts leading to this case, briefly stated, are that, review of annual audited financial statements ("Accounts") for the year ended on June 30, 2014 of the Company revealed that quorum of the annual general meeting ("AGM") held on September 7, 2016 was deficient as show below;

AGM dated	Quorum required	Quorum present	Deficiency
September 7, 2016	10 members present representing 25% of total voting power	20 members representing 14.19% of total voting power	10.8% of the voting power

3. Sub-Section (2) of Section 160 of the Ordinance provides that-

(2) *The quorum of a general meeting shall be--*

- a) *in the case of a public listed company, unless the articles provide for a larger number, not less than ten members present personally, who represent not less than twenty-five per cent. of the total voting power, either of their own account or as proxies;*
- b) *in the case of any other company, unless the articles provide for a larger number, two members present personally who represent not less than twenty-five per cent. of the total voting power, either of their own account or as proxies; and*
- c) *In the case of a single member company, single member present in person or by proxy.*

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SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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4. The respondents, prima facie, has contravened the afore-referred provision of the Ordinance by holding AGM in the absence of quorum. Therefore, SCN was issued to the respondents under the provisions of Section 160 of the Ordinance. The respondents failed to reply the SCN.

5. Hearing in the matter was held on February 22, 2017 and the authorized representatives Mr. Khurram Jah and Mr. Aziz Jamal appeared on behalf of respondents and submitted that quorum was present in the meeting, authorized representatives were advised to provide evidence in this regard. The Company submitted reply vide letter dated February 25, 2017 submitting that 20 members representing 14.2% were present in person where as 51.37% were present by way of proxy and as such total participation was 65.57% of the shareholding of the company and hence required quorum was complete and there was no deficiency. The copy of attendance register and the statement of voting power along with proxies in respect of AGM were enclosed with the letter.

6. In terms of the Commission's notification SRO 1003 (I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 160 of the Ordinance have been delegated to the Director (Corporate Supervision Department).

7. I have analyzed the facts of the case, relevant provisions of the Ordinance, arguments put forth by the respondents in writing and during the hearing, and documents submitted by the Company and observed that the required quorum was present in AGM held on September 7, 2016, therefore, case is closed without any adverse order.

Amina Aziz
Director

Announced:
June 1, 2017
Islamabad