



Corporate Supervision Department
Company Law Division

Before Amina Aziz –Director

In the matter of

Husein Industries Limited

Number and date of notice: CSD/ARN/87/2015-3041-47 dated February 1, 2016
Date of hearing: April 4, 2016
Present: Mr. Muhammad Anwar Kaludi – Authorized Representative

ORDER

**UNDER SUB-SECTION (3) OF SECTION 245 READ WITH SECTION 476 OF THE COMPANIES
ORDINANCE, 1984**

This Order shall dispose of the proceedings initiated against following directors and chief Executive (“Respondents”) of Husein Industries Limited (the “Company”) for default made in complying with the requirements of Sub-section (1) of Section 245 of the Companies Ordinance, 1984 (the “Ordinance”), i.e. late filing of quarterly accounts.

1.	Mr. Aziz L. Jamal, Chief Executive
2.	Mr. Rashid L. Jamal, Director
3.	Mr. Husein Jamal, Director
4.	Mrs. Aisha Bai Suleman, Director
5.	Mr. Akhtar Waseem Dar, Director
6.	Mr. Ahsan Jamal, Director
7.	Miss Hina Abdul Rashid, Director

2. The relevant facts for the disposal of this case, briefly stated, are that the Company was required to prepare and transmit to the members and simultaneously file with the Registrar and the Securities & Exchange Commission of Pakistan (“the Commission”) under Section 245 of the Ordinance, its quarterly/half yearly accounts, in following manner which the Company failed to submit.

Period ended	Due on	Remarks
31-Dec-14	28-Feb-15	Not Filed
31-Mar-15	30-Apr-15	Not Filed
30-Sep-15	31-Oct-15	Not Filed



3. Failure of the Company to comply with the aforesaid mandatory requirements within the prescribed time necessitated action against the Respondents in terms of Sub-section (3) of Section 245 of the Ordinance. Consequently, show cause notice was served under Sub-section (3) of Section 245 read with Section 476 of the Ordinance.
4. In response to the SCN, the respondents replied vide letter dated February 11, 2016 and submitted that the Company is presently passing through a financial crunch and has inadequate staff. Due to this it could not finalized its quarterly accounts in time . Every efforts is being carried out in order to finalized the accounts for the half year ended December 31, 2013 and once the same are finalized, then we will be in a position to get other accounts.
5. In order to provide opportunity of personal hearing the case was fixed before the undersigned on April 4, 2016. Mr. Muhammad Anwar Kaludi appeared on behalf of respondents and reiterated the submission made in the written reply.
6. In terms of the Commission's notification SRO 1003(I)/2015 dated October 15, 2015, the powers to adjudicate cases under section 245 of the Ordinance have been delegated to Director (Corporate Supervision Department).
7. Before proceeding to decide this case, I consider it necessary to highlight the importance of the strict observance of the mandatory requirements of law. The protection of the investors/shareholders is one of the primary objectives of the Ordinance. The shareholders provide seed money for the capital formation of the Company. It is their lawful right to receive timely, adequate and meaningful information. It is the annual and interim accounts, which provide information to the investors about the affairs of the company. It has unfortunately been noted that the directors of the Company have failed to comply the requirements of law and have not circulated the quarterly accounts to the shareholders nor filed with the Commission within the prescribed time.
8. The Respondents have deprived the shareholders of their statutory right to receive the quarterly accounts of the Company within the prescribed time limit. The responsibility for preparation/circulation of quarterly accounts rests with the directors of the Company who have to take appropriate action within the time stipulated by law. The repetition of defaults clearly demonstrates that the directors of the company are not making any serious efforts to comply with the provisions of the law. For the foregoing reasons, the



default under Sub-section (1) of Section 245 of the Ordinance regarding late filing of quarterly accounts for the aforesaid period stands established.

9. Keeping in view of the above I, hereby impose a fine of Rs.210,000 (Rupees two hundred and ten thousand only) in aggregate on respondents for contravening the provision of Section 245 of the Ordinance. The respondents are directed to deposit the fine in the following manner;

Name of Respondents	Total
Mr. Aziz L. Jamal, Chief Executive	Rs 30,000
Mr. Rashid L. Jamal, Director	Rs 30,000
Mr. Husein Jamal, Director	Rs 30,000
Mrs. Aisha Bai Suleman, Director	Rs 30,000
Mr. Akhtar Waseem Dar, Director	Rs 30,000
Mr. Ahsan Jamal, Director	Rs 30,000
Miss Hina Abdul Rashid, Director	Rs 30,000
TOTAL	Rs 210,000

The aforesaid fines must be deposited in the designated bank account maintained with MCB Bank Limited in the name of the "Securities and Exchange Commission of Pakistan" within thirty days from the receipt of this order and furnish receipted bank vouchers to the Commission. In case of non-deposit of fine, proceedings for recovery of the fines as arrears of land revenue will be initiated. It may also be noted that the said fines are imposed on the respondents in their personal capacity; therefore, they are required to pay the said amount from personal resources.

10. Moreover, the Respondents are hereby directed under the provision of Section 473 of the Ordinance to prepare overdue quarterly accounts and transmit to the members and simultaneously file with the Registrar and the Commission with in sixty days of this Order.

Amina Aziz
Director

Issued at:
Islamabad,
Dated: May 5, 2016