



Securities and Exchange Commission of Pakistan
Adjudication Division
Adjudication Department-I

Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)

In the matter of Tri Star Polyester Limited

Dates of Hearings

August 18, 2020, October 19, 2020, November 13,
2020, December 2, 2020

Order-Redacted Version

Order dated December 31, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Tri Star Polyester Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated June 18, 2020
2. Name of Company	Tri-Star Polyester Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company i.e. Tri-Star Polyester Limited
4. Nature of Offence	Violations of section 178, section 186 and section 246 read with section 476 of the Companies Ordinance, 1984 (the "Ordinance")
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through the facts of the case, submissions made in writing and relevant arguments made by the Authorized Representative during the hearing proceedings. I, have perused relevant documents furnished in support. In this regard, I, am of the view that:</p> <p>(i) In terms of applicable requirements of circular number 2 of 1999 dated January 13, 1999, circular number 2 of 2001 dated February 22, 2001 and circular number 5 of 2002 dated March 12, 2002 and circular number 10 of 2012 dated February 15, 2012, issued primarily in terms of section 246 of the Ordinance, require transmission or to send to the Commission relevant copies each of English and Urdu newspapers in which the notice of AGM/EGM had been published. The Authorized Representative furnished copies of letters addressed to the Commission for transmission of notices of EGMs of 2009, 2012 and 2015 respectively, along with the copies of the notices. However, it is observed that such correspondences of the Company were without any evidence of courier receipts, fax transmission reports, or any acknowledgement of receipts by the Commission.</p>



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	<p>(ii) With regard to the fixation of number of directors in board meetings; the Authorized Representative have furnished relevant notices of board meetings of 2009, 2012 and 2015 in terms of which agenda items contained fixation of number of directors. However, no minutes of meeting are provided by the Authorized Representative to substantiate that the board in its respective meetings fixed the number of directors to be elected in the forthcoming general meetings. Nevertheless, I, would like to mention here that the respective notice of general meeting contained the agenda item for election of directors.</p> <p>(iii) As regards to the submission that the matter was not highlighted by the inspection team, I, would like to point out here that inspector in inspection report dated May 13, 2019, duly highlighted the aforesaid non-compliances of section 178 and section 246 of the Ordinance.</p> <p>(iv) The Respondents namely ****, *** and *** neither appeared nor authorized anyone to appear, hence, they have nothing to submit.</p> <p>Keeping in view of the foregoing, I, hereby conclude the proceeding with stern warning to the Respondents and advise them to be careful and ensure compliance with the respective provisions of the legal framework in letter and spirit.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Act providing for imposition of penalties in respect of any default, omission or violation of the Act.</p>
6. Penalty Imposed	No penalty was imposed.
7. Current Status of Order	No Appeal has been filed by the respondents.

Redacted version issued on June 08, 2021 for placement of website of the Commission.