



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 Hearing	August 18, 2020, October 19, 2020, November 13, 2020, December 2, 2020
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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 193 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> <ul style="list-style-type: none">(i) the Respondents namely ***, *** neither appeared nor authorized anyone to appear, hence, they have nothing to say.(ii) In terms of applicable requirements of section 193(2) of the Ordinance, the directors of a public company shall meet at least [once in each quarter of a year.]. As per SCN, during first quarter i.e July-September of each financial year from 2008 to 2017, no board of directors meeting was held. The Authorized Representative through aforesaid reply have furnished minutes of board meetings, which were all held in second quarter of each financial year from 2008 to 2017. Hence, any evidence of compliance in this regard was not tenable. The Respondents, hence, violated the requirements of section 193(2) of the Ordinance.



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	<p>(iii) It is highlighted that directors of a public company have statutory obligation to meet at least once in each quarter of a financial year. The quarter comprising from July-September is equally important for board meetings and holding of two board meetings in subsequent quarter i.e. October-December does not exonerate the Respondents from non-compliances of the requirements of section 193 of the Ordinance.</p> <p>Keeping in view, the Respondents have violated the requirements of section 193 of the Ordinance and no evidence in this regard was furnished, hence, are liable for penal action in terms of section 193(3)(a) of the Ordinance.</p> <p>A penalty of Rs. 9,000/- (Rupees nine thousand) was imposed on the Respondent chief executive only.</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	Penalty was imposed on Chief Executive Officer.
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.