



Before Abid Hussain – Executive Director

*In the matter of*

**Tri Star Polyester Limited**

Number and date of Show Cause Notice: CSD/ARN/159/2015 dated December 22, 2015

Date of Hearing: January 6, 2016, January 20, 2016, February 3, 2016, May 11, 2016, June 30, 2016, August 18, 2016, March 20, 2017, April 27, 2017

Authorized Representative: Mr. Asad Ahmed, C.E.O of the Company

**ORDER**

**Under Section 309 read with Section 305 of the Companies Ordinance, 1984**

This order shall dispose of proceedings initiated in the matter of Show Cause Notice dated December 22, 2015 ("SCN") under Section 309 read with Section 305 of the Companies Ordinance, 1984 ("Ordinance") issued to board of directors and Tri Star Polyester Limited ("Company") through Chief Executive (collectively referred as "Respondents") of the Company.

2. The facts leading to this case, briefly stated, are that the Company had suspended its operation for more than 8 years as disclosed in its annual audited accounts for the year ended June 30, 2008 to June 30, 2014. In this regard, Company Registration Office Karachi approached this office for grant of sanction in terms of clause (b) of Section 309 read with clause (c) of Section 305 of the Ordinance, to present a petition before the Honorable High Court for winding up of the Company on the ground that the Company had suspended its business for more than eight years.

3. Keeping in view the above-mentioned circumstance, SCN was served on the Respondents under Section 309 read with Section 305 of the Ordinance indicating the aforesaid ground to present a petition for winding up of the Company. The Respondents were advised to appear before Competent Authority on January 6, 2016. In this regard, it was observed that no one appeared on the designated date to attend the hearing proceeding. Moreover Respondents did not submit any reply to the SCN. Subsequently, the Respondents were provided multiple hearing opportunities on January 20, 2016, February 3, 2016, May 11, 2016, June 30, 2016, which were adjourned on the request of the Company. To conclude the proceedings,



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final hearing opportunity was provided on August 18, 2016 to the Respondents. Mr. Asad Ahmad, CEO of the Company appeared as Authorized Representative on the hearing date to attend the proceedings. During the hearing, Authorized Representative submitted that due to the increase in oil prices and dumping activities by China, the Company faced severe shortage of raw material. Further, due to huge losses operational plant had to be shut down, as it was no longer viable to continue the business of the Company. The Authorized Representative further submitted that the management intended to revive the operations of the Company and its associated sister company Tri Star Power Limited and they are quite hopeful to do so by January 2017. The Authorized Representative mentioned that all claims had been settled and there were no pending liabilities on the Company at that time. Lastly, the Authorized Representative requested three-month time for revival of the Company, which was granted.

4. Consequent to the hearing held on August 18, 2016, the Respondents were advised vide letter dated March 8, 2017 to appear on March 20, 2017 and submit all necessary information/evidence pertaining to the revival of the Company. The Authorized Representatives in reply requested to adjourn the hearing. The Commission later vide letter dated June 13, 2017 advised the Respondents to submit:

- a. Status and revival plan of the Company.
- b. Accounts for the quarter ended September 30, 2016 and
- c. Future prospects represented by financial projections and underlying assumptions.

5. The Company vide its letter dated June 24, 2017 submitted that the Company has started operations. The Company is progressing well and the results are encouraging and it is expected to achieve better results in near future. The growth in sales is regular which is mainly supported by expanding franchised retail network of Image brand (both unstitched value added embroidered fabric and stitched garments i.e. pret) creative designing and effective social media marketing. The above has been made possible by the associated companies who have provided state of the art machinery/equipment, trademark/brand name etc. in order to make the Company viable and stand on its own. The Company submitted the desired Accounts for the quarter ended September 30, 2016.

6. I have analyzed the facts of the case and the submission made by the Authorized Representative during the hearing. I would like to mention that the SCN was issued on the basis that the Company had suspended its operation for more than one year. However, I observed that the Company after long period spanning over eight years, revived its operations. Quarterly Accounts for the period ended September 30, 2016 reveals that the Company reported sale of Rs. 33.388 million. Furthermore, annual audited accounts for the year ended June 30, 2017 show Sale of Rs. 200.182 million, which is noticeable evidence of revival of the business of the Company and the Company has earned a Profit after Tax of Rs.77.847 million during the year with an EPS of Rs. 3.63 per share. Furthermore, it is also pertinent to



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highlight the fact that the Company is complying with the mandatory requirements of filing statutory reports with the Commission besides with the restoration of its operations.

7. In terms of notification S.R.O 1003(I)/2015 dated October 15, 2015 the power to adjudicated cases under Section 309 of the Ordinance has been delegated to Executive Director (Corporate Supervision Department).

8. From the facts asserted above and after careful consideration, I, hereby conclude that the proceedings initiated against the Company be dropped with no further action.

**Abid Hussain**  
Executive Director

**Announced:**

January 25, 2018  
Islamabad

