



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

## Adjudication Department- I

### Adjudication Division

ORDER	
Name of Company:	M/s. Sitara Peroxide Limited
Show Cause Notice No. & Date:	CSD/ARN/543/2018-555 dated November 06, 2024
Name(s) of Respondent(s):	i. Mr. Yasir Ahmed Awan, Chairman; ii. Mr. Imran Ghafoor, CEO/Director; iii. Mr. Haroon Ahmed Zuberi, Director iv. Mr. Junaid Makda, Director; v. Mr. Sharmeen Imran, Director; vi. Mr. Saqib Anjum, Director; vii. Mr. Saim Bin Saeed, Director;
Date(s) of Hearing(s):	i. 19 December, 2024; and, ii. 20 February, 2025
Case Represented by:	i. Mr. Yasir Ahmed Awan; ii. Mr. Junaid Makda; and iii. Mr. Saqib Anjum (Representing themselves respectively)
Provision of Law Involved:	Section 132 of the Companies Act, 2017 read with Section 479 thereof
Date of Order:	April 18 <sup>th</sup> , 2025

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the “**Commission**”) through the Show Cause Notice No. CSD/ARN/543/2018-555 dated November 06, 2024 ( “**SCN**”) against M/s Sitara Peroxide Limited (the “**Company**”), its Board of Directors (BoD) including the Chief Executive Officer, hereinafter collectively referred to as the “**Respondents**”, issued under Section 132 of the Companies Act, 2017 (the “**Act**”) read with Section 479 thereof.

2. The Company, in terms of Section 132(1) of the Act, was required to hold its Annual General Meeting for the year ended June 30, 2024 (the “**AGM**”) within a period of one hundred and twenty (120) days following the close of its aforesaid financial year i.e. latest by October 28, 2024. The relevant provisions of law are reproduced hereunder:

*“132. Annual general meeting.—(1) Every company, shall hold, an annual general meeting within sixteen months from the date of its incorporation and thereafter once in every calendar year within a period of one hundred and twenty days following the close of its financial year...”*

*(5) Any contravention or default in complying with requirement of this section shall be an offence liable— (a) in case of a listed company, to a penalty of level 2 on the standard scale...”*

3. Brief facts of the case are that the perusal of the relevant records of the Commission revealed that the Respondents have, *prima-facie*, failed to hold the AGM within the prescribed time. Taking cognizance of the subject non-compliance of the requirements of law, SCN was served upon the Respondents on November 06, 2024 to show the cause in writing as to why a penal action may not be taken against them for non-compliance with the aforesaid provisions.

4 In response to the SCN, Mr. Mazhar Ali Khan, Company Secretary, vide letter dated November 16, 2024 submitted that the Company could not hold AGM for the year ended June 30, 2024 on account of complete shutdown since June, 2023 and non-completion of the audit of the Company’s financial statements for the earlier year, i.e., 2023. Further,

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the AGM for FY 2023 was also pending. The statutory audit for FY 2023 has been complete with publication of financial statements and dispatch of the same to the shareholders. AGM for FY 2024 shall only be held after holding of the AGM for FY 2023 and subsequent quarterly board meetings (to approve quarterly accounts of the Company for the quarter/half year ended on September 30, 2023, December 31, 2023 and March 31, 2024) were duly concluded.

5. In order to provide an opportunity for personal representation and to meet the ends of justice, a hearing in the matter was fixed for December 19, 2024 which was attended by Mr. Yasir Ahmed Awan, Mr. Junaid Makda and Mr. Saqib Anjum (herein after referred to as “**the Answering Respondents**”) in their respective personal capacities as Respondent No. i, iv and vi. The following submissions were made during the hearing:

- i. *Both the Board and shareholders have been continuously deprived of critical information that should be communicated by the Company.*
- ii. *The Company Secretary, who also serves as Secretary in another company, is deliberately neglecting his responsibilities in the Company and should be held responsible for failing to undertake his due regulatory responsibilities in the instant matter.*
- iii. *Despite several calls, messages, and visits to the Karachi Office of the Company to meet the Company Secretary, he refused to comply with the directions of Mr. Yasir Ahmed Awan who is the Chairman of the BoD.*
- iv. *One of the Independent Directors, being the close relative of the CEO, is obstructing the proper functioning of the BoD by not playing his due role.*
- v. *The business is shut down with no ongoing operations, and the status of the factory is unknown.*
- vi. *The CEO and CFO, both based in Faisalabad, withhold all necessary information and are unwilling to share it with the members of the BoD.*

6. Subsequently, the following evidence was provided by **the Answering Respondents** to substantiate their claim of making concerted and sincere efforts to ensure the Company’s compliance to Section 132 of the Act. Mr. Yasir Ahmed Awan, vide his email dated:

- i. April 18, 2024, wrote to the Board of Directors seeking consent for convening a Board meeting to ensure compliance with Section 132 the Act;
- ii. June 20, 2024, addressed to the Company Secretary, Mr. Mazar Ali Khan, requested issuance of notice for the Board of Directors' meeting, wherein the proposed agenda included discussion on non-compliance of Section 132 the Act.
- iii. July 4, 2024, submitted a complaint to the Chairman, SECP, detailing negligence on the part of the Company Secretary in issuing notice for the Board of Directors' meeting and further mentioned that Mr. Saqib Anjum and Mr. Junaid Makda are the only directors giving consent for the meeting, and
- iv. October 30, 2024, lodged a complaint to the Chairman, SECP, pointing out non-compliance of section 132 of the Act due to pending AGMs for 2023 and 2024

7. In order to ensure provision of due hearing opportunity to all the Respondents another hearing opportunity to Respondents No. ii, iii, v, vii, herein after referred to as “**the Non-Answering Respondents**”, was given on February 20, 2025. On the date of hearing, only the Answering Respondents again appeared before the undersigned and reiterated the stance taken by them in the first hearing. However, it is noted with concern that no representation was made by any of the Non-Answering Respondents either personally or through authorized representatives.

Order in the matter of Board of Directors (BOD) of Sitara Peroxide Limited Dated 18<sup>th</sup> of April, 2025

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8. I have gone through the relevant provisions of Section 132(1) of the Act, considered the facts of the case and available record of the Company in the instant matter. I have also perused the provisions of Section 132(5) of the Act, which stipulate penal provisions for contravention of the afore-referred provisions of law. I have noted that in terms of Section 132(1) of the Act, every company is required to hold its AGM once in every calendar year within a period of one hundred and twenty (120) days following the close of its financial year. Accordingly, the Company was obligated to hold its AGM for the financial year 2023-24 by October 28, 2024; which it has evidently failed to do.

9. It is further observed that the Company did not apply for an extension either; which can clearly be construed its lack of effort to meet the regulatory compliance. As the holding of AGMs in a timely manner is a crucial legal/regulatory requirement which ensures transparency, accountability, and shareholder engagement; and allows the shareholders to participate in discussions, approve financial statements, and hold management accountable, adhering to such requirements in a timely manner is essential for protecting shareholders' rights, fostering trust, and promoting good corporate governance.

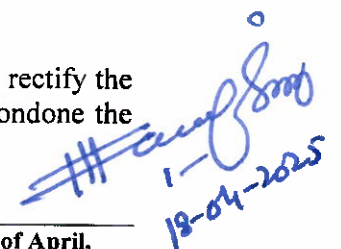
10. In the instant matter, I am also bound to observe that the Answering Respondents, despite the fact that the Company Secretary and the Non-Answering Respondents failed to play their due roles, made repeated and documented efforts to ensure compliance with Section 132 of the Act. They consistently raised the issue of non-compliance through formal complaints and communications to both the Board, the Company Secretary, and to the Commission, demonstrating their bona fide intent and efforts to rectify the default by meeting compliance requirements.

11. It is further observed that the Non-Answering Respondents failed to participate in the instant proceedings and to submit any response regarding alleged non-compliance; thereby reflecting their non-cooperative behavior in the matter and complete failure to undertake their fiduciary duties. Therefore, I am left with no other option except to pass an *ex-parte order* against the **Non-Answering Respondents** in the instant proceedings based upon merits and the record available with this office.

12. In view of the above-stated facts, I conclude proceedings in the instant matter with a well-considered view that by failing to hold AGM for the year ended June 30, 2024 within the stipulated timeline, contravention of Section 132(1) of the Act has been established beyond doubt. I, therefore, in exercise of the powers conferred upon me under clause (a) of sub-section (5) of Section 132 of the Act read with section 479 vide S.R.O. 1545(I)/2019 dated December 06, 2019, hereby, impose an aggregate penalty of **Rs.200,000/- (Rupees Two Hundred Thousand only)** upon the **Non-Answering Respondents** in the following manner:

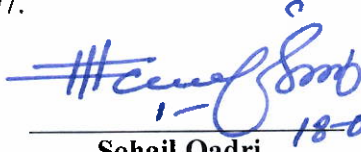
Respondent No.	Name of Respondents	Amount of the Penalty Rs.
ii.	Mr. Imran Ghafoor	50,000
iii.	Mr. Haroon Ahmed Zuberi	50,000
v.	Mr. Sharmeen Imran	50,000
vii.	Mr. Saim Bin Saeed	50,000
	<b>Total Amount</b>	<b>200,000/-</b>

Moreover, considering the sincere efforts of the Respondents No. i, iv and vi to rectify the default and to play their due role as members of the BOD, I, am inclined to condone the instant proceedings against them accordingly.

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13. Furthermore, in terms of powers conferred upon me under Section 475 of the Act vide S.R.O. 1545(I)/2019 dated December 06, 2019, I, hereby, direct the Respondents to undo the default under Section 132 of the Act in terms of holding of the annual general meetings and take all necessary steps to achieve other ancillary statutory compliances in a manner and report the same to the Supervision Department of the Commission within thirty (30) days of the date of this Order. The Respondents are also advised to remain careful in the future and ensure meticulous compliance with the provisions of law effectively and efficiently.

14. Respondents No. ii, iii, v & vii are, hereby, directed to deposit the aforesaid amount of penalty in the designated bank account maintained in the name of the Commission with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and to furnish a receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under Section 485 of the Act will be initiated for recovery of the fines as arrears of land revenue pursuant to provision of Section 42B of the Securities and Exchange Commission of Pakistan Act, 1997.

  
1-18-04-2025  
Sohail Qadri  
Director/ HOD  
Adjudication Department-1

**Announced:**  
April 18, 2025  
Islamabad.