



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/543/2018-546 dated October 31, 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. Mrs. Sharmeen Imran, Director; vi. Mr. Saqib Anjum, Director; and vii. Mr. Saim Bin Saeed, Director
Date(s) of Hearing(s):	i. December 20, 2024; and ii. May 05, 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 148 of the Companies Act, 2017 read with Section 479 thereof.
Date of Order:	May 07, 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/543/2018-546 dated October 31, 2024 (“SCN”) against the members of the Board of Directors (the “BOD”) of M/s. Sitara Peroxide Limited (the “Company”), hereinafter collectively referred to as the “Respondents”, issued under Section 148 of the Companies Act, 2017 (the “Act”) read with Section 479 thereof.

2. Brief facts of the case are that the Securities and Exchange Commission of Pakistan (the “Commission”), in response to a request of the Company, granted an extension through a letter dated October 17, 2023 and allowed the Company to hold the Annual General Meeting (the “AGM”) till November 27, 2023. However, the Company failed to hold the same within the aforementioned timeline. The Company continued its default of not holding the AGM for the year ended June 30, 2023 (year 2023), following which the Commission vide its letter dated September 09, 2024, issued a direction to the Company under Section 147 Companies Act, 2017 (the “Act”) to hold its pending AGM till October 10, 2024, failing which will result in adjudication proceedings under Section 148 of the Act. The Company, subsequently, vide letter dated October 04, 2024 applied to the Commission for yet another extension in holding the AGM for the year 2023 which was duly rejected by the Commission vide its letter dated October 18, 2024. The review of the relevant records revealed that the Company failed to comply with the timelines as given in the direction under Section 147 of the Act due to its failure to hold the AGM by October 10, 2024 which, *prima facie*, constituted a violation and attracted a penal action in terms of Section 148 of the Act.

3. Taking cognizance in the subject matter, SCN was served upon the Respondents on October 31, 2024 to show the cause in writing as to why a penal action may not be taken against them for the said non-compliance of the direction of the Commission. However, the Respondents preferred to not to submit any response within the timeline. In order to provide an opportunity for personal representation and to meet the ends of justice, a hearing in the matter was first fixed for December 20, 2024. However, none of the Respondents appeared.

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4. Subsequently a final hearing notice was issued for May 05, 2025, clearly disclosing that no further hearing opportunities shall be provided which was attended by Mr. Yasir Ahmed Awan (Chairman/Respondent No. i), Mr. Junaid Makda (Director/Respondent No. iv) and Mr. Saqib Anjum (Director/Respondent No. vi), herein after referred as **“the Answering Respondents”**, in their respective personal capacities as Respondent No. i, iv and vi. However, it was noted with grave concern that no representation was made by Respondents No. ii, iii, v and vii, hereinafter referred to as **“the Non-Answering Respondents”**, either personally or through any authorized representatives as such.

5. During the course of the hearing proceedings, following submissions were made by the Answering Respondents:

- 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 group company, is deliberately neglecting his responsibilities to the BOD and 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 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 also not able to support the proper functioning of the BOD by not playing his due role.*
- v. *The business is shut 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.*
- vii. *Despite several attempts by three (03) of the Directors (i.e. the Answering Respondents) statutory meeting are not being held which shows a deliberate male-fide on part of the remaining Respondents and the Company Secretary.*

6. I have gone through the relevant provisions of Section 147 of the Act, examined the available record of the Company and considered the factual matrix of the case. I have also perused Section 148 of the Act which prescribes penal consequences for non-compliance with any directions issued under Section 147 of the Act. It is observed that the Company not only failed to hold the AGM as per the prescribed timelines under Section 132 of the Act but also failed to hold the same in the extension period. Subsequently the Company again failed to comply with the directions issued by the Commission under Section 147 of the Act in the instant matter. The following legal and factual elements are noteworthy:

- (i) Section 147(1) of the Act empowers the Commission to call or direct the calling of the AGM where a company has defaulted in convening the same as required under Section 132 of the Act. The authority vested in the Commission is clear and includes the ability to issue ancillary or consequential directions, as well to cause the direction issued thereunder to be complied with in an efficacious manner, even to the extent of giving a direction that a single member present may constitute a meeting.
- (ii) The holding of the AGM is a statutory obligation that ensures shareholder engagement, financial accountability, and regulatory compliance. In the instant matter, the Company failed to hold the AGM for the year 2023 within the prescribed timeline and only convened the same with a substantial delay on November 21, 2024, well beyond the statutory deadline i.e. 390 days from the original stipulated timeline and 42 days from the timeline as per the Commission’s direction under Section 147

Handwritten signature and date: Saqib Anjum, 07-05-2025

of the Act. Such non-compliance not only deprived the members of their right to timely review and approve the Company's financial statements and other key matters but also reflects a sheer disregard for regulatory oversight. This delay constitutes a clear contravention of Section 147 read with Section 148 of the Act and has undermined the intended governance objectives of the Act.

(iii) It is also observed that the Non-Answering Respondents and the Company Secretary have continued the behavior of non-compliance as adjudication proceedings for non-holding of the AGM for financial year 2024 have also been concluded with a penal action.

7. 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 and Section 147 of the Act. They consistently raised the issue of non-compliance through formal complaints and communications to both the Board, the Company Secretary, and the Commission, demonstrating their *bona fide* intent and efforts to rectify the default by meeting compliance requirements.

8. It is further observed that the Non-Answering Respondents failed to participate in the instant proceedings or to submit any response regarding alleged non-compliance despite the fact that they received all the communication including the SCN and the hearing notices, which were then duly communicated to the Answering Respondents by the Company Secretary. It, therefore, clearly reflects their non-cooperative behavior in the matter and a deliberate 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 to me.


9. In view of the above-stated facts, I conclude proceedings in the instant matter with a well-considered view that by failing to hold the AGM for the year 2023 within the stipulated timeline, the members of the BOD have failed to adhere to the Direction of the Commission and have contravened the provisions of Section 147 of the Act. It is, therefore, I, in exercise of the powers conferred upon me under Section 148 of the Act read with Section 479 of the Act, vide S.R.O. 1545(I)/2019 dated December 06, 2019, hereby, impose an aggregate penalty of **Rs.400,000/- (Rupees Four 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	100,000
iii.	Mr. Haroon Ahmed Zuberi	100,000
v.	Mrs. Sharmeen Imran	100,000
vii.	Mr. Saim Bin Saeed	100,000
	Total Amount	400,000/-

10. Moreover, considering the sincere efforts of the Respondents No. i, iv and vi to avoid / rectify the default and to play their due part as members of the BOD, I, am inclined to condone the instant proceedings against them accordingly. The Respondents along with the Company Secretary of the Company are also strictly advised to remain extremely careful in the future, and ensure meticulous compliance with the provisions of law effectively and efficiently.

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11. The Respondents No. ii, iii, v and 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.


1-07-05-2025

Sohail Qadri
Director/ HOD
Adjudication Department-1

Announced:
May 07, 2025
Islamabad.