**Before**

**Amir M. Khan Afridi, Director/HOD (Adjudication-I)**

 **In the matter of Show Cause Notice issued to Tristar Power Limited**

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| Date of Hearing | March 02, 2020, January 15, 2021, February 01, 2021, August 17, 2021 and October 18, 2021 |

**Order-Redacted Version**

Order dated April 15, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Tristar Power Limited. Relevant details are given as hereunder:

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| **Nature** | **Details** |
| 1. Date of Action
 | Show cause notice dated May 10, 2019 |
| 1. Name of Company
 | Tristar Power Limited |
| 1. Name of Individual\*
 | The proceedings were initiated against seven directors of the Company. |
| 1. Nature of Offence
 | Under Section 134 read with Section 479 of the Companies Act, 2017 |
| 1. Action Taken
 | Key findings were reported in following manner:I have analyzed the facts of the case in light of the relevant provisions of the Act and the information available on record including the written submissions by the Respondents and state that:1. With regard to the submissions made by the company vide letter dated January 13, 2021, as mentioned in Para 3 above, I would like to draw attention of the Respondents to Section 387of the Act, which stipulates that:

"***Status of companies being wound up*** *- A company being wound up Shall continue to be a company for all purposes till its final dissolution in accordance with the provisions of this Act and, unless otherwise specified, all provisions and requirements of this Act relating to companies shall continue to apply mutatis mutandis in the case of companies being wound up.* The aforesaid provision is very clear and explicit, which requires every company to fulfill all the provisions of this Act till its final dissolution and all the provisions and requirements of this Act related to companies shall apply to the companies being wound up. I am, therefore, of the view that provisions of Section 237 of the Act were applicable on the Company and the Respondents were under statutory obligations to prepare and file the quarterly financial statements as envisaged in Section 237 of the Act.1. With regard to stay granted by the superior court i.e. in the case 1998 PLD 332, I would like to mention here that the Respondents did not place any stay order or injunction order in respect of the Company, which have bearing on the instant case.
2. The case 1998 PLD 332, referred by the Respondents does not pertain to instant case as this is the judgement order in the matter of National Bank of Pakistan versus Ittefaq Foundries (Pvt.) Ltd. (CM No. 4/L to 6/L of 1995 in Civil Original Nos. 109, 111, and 120 of 1994 decided on March 21, 1995. Therefore, the submission of the Respondents in this context is not tenable.

It may please be noted that the agenda item in notice of AGM pertaining to considering and approving disposal of redundant fixed assets of the Company is special business in terms of sub-section (2) of Section 134 of the Act. Accordingly, statement of material facts under subsection (3) of Section 134 of the Act was required to be annexed to notice of AGM regarding the special business of disposal of fixed assets. Keeping in view the fact of the case, I am of the considered view that the Respondents have failed to comply with the requirements of sub-section (2) of Section 134 of the Act by disclosing agenda item pertaining to disposal of redundant fixed assets as ordinary business instead of special business and failed to annex statement of material facts contrary to the requirements of sub-section (3) of Section 134 of the Act regarding the aforesaid special business. In addition, the Respondents have failed to provide any valid, sound, and legible justification for non-compliance with the aforesaid requirements of Section 134 of the Act despite numerous opportunities of representation provided by the Commission. Therefore, the Respondents are liable to be penalized under sub-section (12) of Section 134 of the Act. Therefore, under the said sub-section (12) of Section 134 of the Act, I hereby, impose cumulative penalty of Rs. 210,000 (Rupees two hundred and ten thousand only) on the Respondents.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, violation of the Act. |
| 1. Penalty Imposed
 | A cumulative penalty of Rs. 210,000/- (Rupees Two hundred and ten thousand only) was imposed on the Respondents. |
| 1. Current Status of Order
 | No Appeal has been filed by the respondents. |