



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- II

Adjudication Division

IN THE MATTER OF

M/S TRI-STAR POWER LIMITED

Show Cause Notice No. & Issue Date	Adj-II/32/01/IAN-133/CRO-KHI/2023-24/488 dated April 26, 2024
Date of Hearing:	June 6, 2024
Attended By:	Mr. Jawed Hussain, Advocate

ORDER UNDER SECTION 32 READ WITH SECTION 502 OF THE COMPANIES ACT, 2017

This Order shall dispose of the adjudication proceedings initiated by the Securities and Exchange Commission of Pakistan (the "**Commission**") through Show Cause Notice No. Adj-II/32/01/IAN-133/CRO-KHI/2023-24/488 dated April 26, 2024 (the "**SCN**") issued to M/s. Tri-Star Power Limited (the "**Company**"), its Chief Executive Officer and Six Directors on the Board of the Company (Collectively referred as the "**Respondents**"), for changing the Company's principal line of business from "Generation and distribution of electricity" to "Lease of Power Plant" without approval of members and making necessary changes in Memorandum of Association (the "**MOA**"), in contravention of section 32 read with section 502 of the Companies Act, 2017 ("**Act**").

2. The Company was incorporated as a listed company on September 27, 1993, under the Act. The principal line of business of the Company as mentioned in clause 3(i) of the MOA is as under:

"To carry on the exclusive business of setting up and operating electric power generating project for generating and supply of electric power and carry out all necessary power stations, cables, wires, lines, accumulator, lamps and works and to generate, accumulate, distribute and supply electricity and to light industries and places, both public and private cities, towns, streets, docks, markets, theatres buildings and all other purposes for which electric energy can be employed." (Emphasis Added).

3. The facts leading to the issuance of the SCN are that the accounts of the Company for the year ended June 30, 2022 and June 30, 2023 (the "**Accounts**") revealed that the Company changed its principal line of business to "Lease of power plant" from "Generation and distribution of electricity" (as mentioned in the accounts of the Company for the year ended June 30, 2021), without approval of members through special resolution or making necessary changes in the MOA to meet the requirements of sub-section (6) of section 32 of the Act. It is also apparent from the Note 18 to the accounts for the year ended June 30, 2023, wherein the Company has reported Rental Income of Rs. 6.87 million (2022: Rs.13.74 million), which is also mentioned as a sole source of revenue for the Company.

4. In this regard, Pakistan Stock Exchange (the "**PSX**") sought clarification from the Company on the subject matter and the Company in its response to PSX vide letter dated May 29, 2023 referred to Section 26 of the Act and stated that the principal line of business is still power generation within the meaning of explanation to Section 26 of the Act and after the promulgation of the Act, a company may carry on or undertake any lawful business or activity whether it is specifically provided in the MOA or otherwise. It was also informed that since the plant was idle for the time being due to non-availability of gas, the Company had rented out the same and therefore, it was not appropriate to change principal line of business in the MOA of the Company.



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5. In view of the submissions made by the Company, PSX solicited guidance of the Commission. In this regard, the Commission is of the view that:

"Furthermore, just by making a disclosure in the financial statements neither a company can change its principal line of business nor it attracts provisions of section 27 of the Act unless the Company resolves the same by passing a special resolution as required by law. It is also to be noted that by looking into the disclosure given by the auditors in the financial statements, it transpires that the Company knowingly inserted a disclosure however, in case it intends to continue with leasing of power plant it will have to adhere to the mandatory provisions of law i.e. approval of the shareholders with three-fourth majority. As it is a settled principal of law that if a statute provides for a thing to be done in a particular manner, then it has to be done in that manner alone and in no other manner otherwise than required under the applicable provisions of law".

6. Considering the above, Show Cause Notice was issued to the Respondents calling upon them to furnish submissions in writing to explain within ten (10) days of the date of the SCN, as to why penalty may not be imposed on the Respondents for *prima facie* violation under section 32 of the Act.

7. The Respondents through Mr. Jawed Hussain, Advocate (Authorized Representative) submitted a written response to the SCN vide letter dated May 16, 2024, which is reproduced as under: -

- 1. That at the very outset it is denied that M/S. TRI-STAR POWER LIMITED ("the company") has changed its principal line of business from generation and distribution of electricity or has violated any provision of Companies Act, 2017 (the Act).*
- 2. That as is evident from the name and the object clause in the Memorandum of Association of the company, it is a power generation company.*
- 3. That it has no intention to abandon its principal line of business i.e. power generation business.*
- 4. That in case, it abandons its principal of business i.e- power generation business, the company shall have to change its name to meet requirements of section 26 of the Act whereas the company wants to continue the same business with this name.*
- 5. That the captive power plant was installed by the company in 1993 for the generation and supply of electricity to its group companies.*
- 6. That the said power plant was installed in the premises of its group company namely Image Pakistan Limited (formerly Tri-Star Polyester Limited).*
- 7. That since then, the power plant of the company is supplying the electricity exclusively to its group companies mainly Image Pakistan Limited and no one else; and charging to the said company on the basis of units produced.*



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7. *That since then, the power plant of the company is supplying the electricity exclusively to its group companies mainly Image Pakistan Limited and no one else; and charging to the said company on the basis of units produced.*
8. *That the company has so far earned hundreds of rupees from this project by supplying electricity to the said group company during last 30 years or so...*
9. *That the power generation was totally dependent on the gas supply by Sui Southern Gas Company Ltd (SSGCL).*
10. *That since last quarter of financial year ended on 30.6.2021, there was disruption in supply of natural gas by SSGCL and the production was not regular.*
11. *That it was expected that the gas supply shall by SGCL in the next few months.*
12. *That in order to safeguard the interest of shareholders, the company changed the invoicing mechanism and charged the rental to its group company with effect from 1.7.2021, till such time the gas supply is restored, which needs to be appreciated.*
13. *That the new invoicing mechanism was basically a stop gap arrangement so as to continue 30 years old arrangement and not a new arrangement/transaction.*
14. *That it was very easy and simple for the company to shut down the plant and not to charge any money for the plant since the power generation was not regular due to non-availability of the natural gas. But in the interest of shareholders, the company opted to change the invoicing mechanism.*
15. *That the supply of natural gas was never regularized till date*
16. *That the circumstances were beyond the control of the company.*
17. *That it was a situation of force majeure-*
18. *That as soon as the gas supply is restored, we will continue charging according to the original formula i.e. on the basis of actual power generation-*
19. *The matters pertaining to business and object of a company are governed by section 26 of the Companies Act, 2017 (the Act) as reproduced for ease of reference:*

26. Business and objects of company. — (1) A company may carry on or undertake any lawful business or activity and do any act or enter into any transaction being incidental and ancillary thereto which is necessary in attaining its business activities:

Provided that

- (i) *the principal line of business of the company shall be mentioned in the memorandum of association of the company which shall always commensurate with name of the company; and*
- (ii) *any change in the principal line of business shall be reported to the registrar within thirty days from the date of change, on the form as may be specified and registrar may give direction of change of name if it is in violation of this section.*

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Explanation. —"principal line of business" means the business in which substantial assets are held or likely to be held or substantial revenue is earned or likely to be earned by a company, whichever is higher,

"Emphasis added"

20. *Through the new company law promulgated in the year 2017, the scheme of law pertaining to objects of the company was altogether changed from the objects specified in the Memorandum of Association to a liberal regime allowing a company to undertake all lawful businesses on the pattern of UK Accordingly, a simplified one pager Memorandum has been introduced as per Second Schedule to the Act, to facilitate the corporate sector. It is a revolutionary change in the history of last 75 years in Pakistan.*

21. *The only requirement is to mention the principal line of business just for the purpose of proviso to section 26(1) to commensurate it with the name of the company. But it does not mean that a company may not engage in other business. Contrary to previous legal framework, except for licensed entities, no approval of the Commission is required for alteration in the object clause.*

22. *That there are two methods to determine the principal line of business in terms of "Explanation" to section 26 of the Act as reproduced above i.e. on the basis of asset size or the revenue.*

23. *A comparison of revenue from power generation plant and other income, as per financial for the last 3 years is as under:*

<i>Financial Year</i>	<i>30.6.2023</i>	<i>30.6.2022</i>	<i>30.6.2021</i>
<i>Revenue from Power Plant (PKR)</i>	<i>6,079,644</i>	<i>11,953,800</i>	<i>14,114,000</i>
<i>Other income (PKR)</i>	<i>1,994,521</i>	<i>2,420,600</i>	<i>2,081,059</i>

24. *It is evident from the above statistics substantial revenue of the company is being earned from the power generation plant.*

25. *Hence, the revenue from the power generation plant constitute the substantial revenue of the company within the meaning of the definition of the "principal line of business" as provided under section 26 the Act as reproduced above.*

26. *That in view of the above, our principal line of business is still power generation within the meanings of Explanation to section 26 of the Act as reproduced above. Neither the principal line of business is than power generation nor it is intended to change it.*

27. *That, after the promulgation of the Act, a company may carry out or undertake any lawful business or activity whether it is specifically provided in the Memorandum of Association or not.*

28. *Further, the language of the section 32 (as reproduced suggests that it is an option/discretion available to the company to change its principal line of business and not mandatory:*



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32. *Alteration of Memorandum: Subject to the provisions of this Act, a company may by special resolution alter the provisions of its memorandum so as to—*

- (a) *change the place of its registered office from. —*
 - (i) *one Province to another Province or Islamabad Capital Territory and vice versa; or*
 - (ii) *one Province or Islamabad Territory to a part of Pakistan not forming part of a Province and vice versa; or*
- (b) *change its principal line of or*
- (c) *adopt any business activity or any change therein which is subject to license, registration, permission or approval under any law.*

29. *Since the provision of section 32 of the Act is not mandatory, there is no penal provision for its violation. Hence, the u/s. 32 of the Act is not sustainable.*

30. *The company has to decide according to its existing business or the future plan whether to change its principal line of business or not. In fact, section 32 of the Act is a facilitative provision which provides the procedure for alteration of the Memorandum of Association of a company so as to change its Registered office clause or the object clause, on need basis.*

31. *Since our plant was not working on full capacity for time being due to irregular gas supply from SSGCL, we had changed invoicing mechanism, which was basically a continuation of the 30 years old arrangement and not a new arrangement/transaction was made. The plant is in the use of the group companies for the last 30 years.*

32. *Even otherwise renting out the plant and machinery of the company is according to the liberal regime under provisions of 26 of the Act. We are waiting for the restoration of the natural gas and as soon as the gas supply is restored, we will restart power generation.*

33. *Therefore, it will not be appropriate to change the principal line of business in the Memorandum of Association of the company.*

34. *Hence, this matter is to be considered in the above background We hope that the above shall satisfy you and the proceeding shall be dropped and the SCN is liable to be withdrawn on the following grounds:*

Grounds

"i. As per statistics for the last 3 years given above, revenue from the power generation plant constitute the substantial revenue of the company within the of meaning of the definition of the "principal line of business" as provided under section 26 of the Act as reproduced above.

ii. That in view of the above, our principal line of business is still power generation within the meanings of Explanation to section 26 of the Act.

iii. Mere change of invoicing mechanism or the accounting treatment, is in substance, not the change of actual nature of business/ activity.



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iv. *The invoicing mechanism has been changed in the interest of the shareholders due to the changed circumstances i.e. irregular power supply from SSGCL.*

v. *The plant is in the use of the group companies for the last 30 years. It is basically a continuation of the 30 years old arrangement and not a new arrangement/ transaction was made.*

vi. *The company is not engaged in any business other than power generation from its power plant. Neither the principal line of business is other than power generation nor it is intended to change it.*

vii. *Since it is a power generation company, any change in the principal line of business shall have serious consequence.*

viii. *The provisions of section 32 of the Act is not mandatory in nature, there is no penal provision for its violation. Hence, the SCN u/ s, 32 of the Act is not sustainable.*

ix. *In fact section 32 of the Act is a facilitative provision which provides the procedure for alteration of the Memorandum of Association of a company so as to change its Registered office clause or the object clause, on need basis.*

x. *As per para 5 of the SCN, HOD of Adjudication II has taken cognizance of not altering the Memorandum of Association through a special resolution in terms of section 32 for which no powers were delegated to him. The powers delegated to the HOD of Adjudication II vide Notification No. S.R.O.1546 (I)/2019 dated 6th December, 2019 are limited to the extent of taking cognizance of non-filing of forms.*

xi. *Any other ground that may be submitted at the time of hearing."*

8. In order the matter to be heard properly, hearing in the matter was fixed on June 06, 2024 where Authorized Representative (on behalf of the Respondents) attended the hearing through zoom. The Authorized Representative reiterated the submissions made through the aforementioned written response and further contested that if at all there was a default, then provisions of Section 26 should have been invoked, instead.

9. I have gone through the facts of the case, contents of the SCNs, written submissions and verbal arguments given by the Authorized Representative during the hearing and have observed as under:

i. Principal Line of Business

Since the Authorized Representative relied on the explanation of Section 26 of the Act, thus it is reproduced as under for discussion hereafter:

26. *Business and objects of a company: -*

...

Explanation.- "principal line of business" means the business in which substantial assets are held or likely to be held or substantial revenue is earned or likely to be earned by a company, whichever is higher.



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Before proceeding further, I find it pertinent to address the argument of the Respondents that it is a 30 years old arrangement and not a new one with respect to business operations of the Company. The distinction between use of assets for normal business operations of power generation by assuming the direct cost of sales and related risks of running that particular business, which could result into profit or loss thereon and; leasing of the assets of the company on fixed rental income that too without incurring any direct costs of sales needs to be realized. Even the accounts of the company for the year ended June 30, 2021 stated "cost of sales" under "sales" in the P&L statements whereas the same have been replaced with "rental income" and "cost of operating expenses" in the P&L of the accounts for the year ended June 30, 2022 and June 30, 2023. The relevant notes to these "cost of operating expenses" revealed NIL amount against two major direct expenses namely "fuel & power, oil & lubricant" and "salaries, wages & other benefits" that constituted 80% of total cost of sales in the year 2021. Thus, these two divergent arrangements cannot be interchangeably termed as same therefore forming an argument for not altering the principal line of business in the MOA is not tenable.

As far as principal line of business is concerned, it is noted that the accounts for the year ended June 30, 2022 and June 30, 2023 mentioned an additional activity i.e. "*lease of power generating plant to customers*" alongwith "*generation and supply of electricity*" as the principal line of business of the Company. This establishes that the Company was well aware of the alteration to be made in the principal line of business that was even done in the accounts for the subsequent years i.e. 2022 and 2023., while the MOA continued to inconsistently reflect "Generation and distribution of electricity" as the sole principal line of business of the Company. In a nutshell, although the plant was still in use for generating power but the business operations of power generation and distributing/supplying of electricity produced were not primarily run by the company in the years 2022 and 2023, itself. The aforementioned facts including the admitted position that the power generation plant had later on been leased on fixed rental income basis is further an evidence to that effect. Therefore, the principal line of business or the main object of the company was not anymore what had solely been stated in its MOA, thus the MOA was necessitated to be altered in conformance with Section 32 of the Act.

Similarly, it is established by the Honorable Sindh High Court, in PLD 1967Kar. 637 that:

"A company cannot be allowed to go outside the main objects for which it is formed. Every possible business which a company is permitted to carry on by virtue of its memorandum of association is not its main object."

ii. Invoicing Mechanism

The Authorized Representative contended that there has been mere change of invoicing mechanism or the accounting treatment instead of change in actual nature of business/activity thus there was no requirement to alter the principal line of business in the MOA.

In order to refute this argument of the Respondents and their Authorized Representative, comparison from the extracts of the furnished accounts of the company for the year ended June 30, 2021, June 30, 2022 & June 30, 2023 is stated as under: -



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Particulars	Amounts in Rs.		
	2023	2022	2021
Gross Sales	-	-	14,114,000
Net Sales (A)			14,114,000
Rental Income on Generator	6,870,000	13,740,000	-
Less: Sales Tax	(790,356)	(1,786,200)	-
Net Rental Income (A)	6,079,644	11,953,800	
<i>Cost of Operating Expenses/Sales:</i>			
Fuel and Power, Oil and Lubricant	-	-	6,766,500
Salaries, Wages and Other Benefits	-	-	1,495,000
Stores Consumed	210,725	1,639,200	709,000
Repairs and Maintenance	75,500	1,165,000	836,000
Depreciation	349,042	387,825	430,916
Total Expenses (B)	635,267	3,192,025	10,237,416
Gross Profit (A-B)	5,444,377	8,761,775	3,876,584

It is evident from the above that the Company, for the year ended June 30, 2022 and June 30, 2023 had changed the primary revenue-generating activity to fixed rental income model by leasing of power plant from previously running the business operations of generating and supplying produced electricity/power in the year ended June 30, 2021 and the Company's revenue was now solely derived from the fixed rental income from leasing of the power plant without incurring direct operational costs.

Further, it is mentioned in the accounting policy note 7.11 for Revenue Recognition in the accounts for the year for the year ended June 30, 2021, that "Revenue from supply of electricity is recognized on issue of bill on monthly basis to its customers". Whereas in the accounts for the years for the year ended June 30, 2022 and for the year ended June 30, 2023, the accounting policy note 5.14 for Revenue Recognition stated that "Rentals are recognized as income on accrual basis, as and when rentals become due".

Moreover, in note 11 (Tangible Fixed Assets) to the Financial Statements for the years ended June 30, 2022 and June 30, 2023, the Company has made an additional disclosure that is, "During the year the Company has provided the generators on rental basis.", whereas, no such disclosure was made in the Financial Statements for the year ended June 30, 2021. It is obvious that merely amending/changing the note(s) to the accounts in financial statements does not suffice the stated requirement of the Act, rather is in itself an admission of the alleged default. Thus, it is further established that it was obligatory on the Respondents to alter its principal line of business in MOA, accordingly.

iii. Applicability of Section 32 of the Act

- a) It is established in the foregoing paras that the Company's principal line of business was changed from operating the power plant to leasing of the power plant. Therefore, it was obligatory on the Respondents to alter its MOA by altering its principal line of business as per the requirements of section 26, reproduced below for reference:

26. Business and objects of company. — (1) A company may carry on or undertake any lawful business or activity and do any act or enter into any transaction being



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incidental and ancillary thereto which is necessary in attaining its business activities:

Provided that,

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- (i) the principal line of business of the company shall be mentioned in the memorandum of association of the company which shall always commensurate with name of the company; and*
- (ii) any change in the principal line of business shall be reported to the registrar within thirty days from the date of change, on the form as may be specified and registrar may give direction of change of name if it is in violation of this section.*

Explanation. — "principal line of business" means the business in which substantial assets are held or likely to be held or substantial revenue is earned or likely to be earned by a company, whichever is higher,

As per clause (i) to the proviso above, one of the conditions regarding the principal line of business of a company is that it shall be mentioned in the MOA of the company whereas in the instant case, the Company continued to state the previous principal line of business i.e. "generation and supply of electricity" only, that too without altering to include suitable phrase/words like "lease of power generating plant to customers" (as stated in its financial statements for the years ended June 30, 2022 and June 30, 2023.

- b) The second condition regarding the principal line of business of a company is that it shall always commensurate with name of the company. The Authorized Representative in para 4 of his reply to the SCN has mentioned, "that in case, it abandons its principal of business i.e. power generation business, the company shall have to change its name to meet requirements of section 26 of the Act whereas the company wants to continue the same business with this name."

This shows that although the Respondents in their written and verbal submissions had accepted that there had been a change in the principal line of business of the Company, however, they contested that the name of the Company then also had to be changed consequently in order to meet the requirements of section 26 of the Act. It is important to highlight that all requirements of law are to be followed in true spirit and cannot be rationalized in any manner. Moreover, the spirit of the law is not to hamper the business of any company but to ensure that the company is engaged in business that is stated as its principal line of business and additionally any ancillary business can be undertaken by the company. In the instant case, the company has been found to have abandoned its stated principal line of business without altering the MOA.

In culmination of the above, it is to be noted that the Respondents have failed to file Form 26 and Form 4 as mandated by law for the alteration of the principal line of business. It is emphasized that filing of Form 26 and Form 4 is a critical procedural requirement forming basis for having duly informed the members and complied with the mandatory requirements of Section 32 of the Act.

- c) In view hereof, the alteration to the MOA of the Company was mandatory on the Respondents and the applicable law envisages that it can only be done in light of the



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requirements of section 32 of the Act i.e. whenever there is a need to alter the MOA of a company, the same may only be done by special resolution. Mere use of the word “may” in sub section 1 of section 32 of the Act does not mean that the requirement is not mandatory. In terms of interpretation of statute, it is not necessary that a facilitative clause once appeared would not include any mandatory provisions. The argument presented by the Authorized Representative that the requirement of special resolution is not mandatory under Section 32 of the Act is not tenable rather seems to be misinterpretation, thereof. Relevant extracts of Section 32 of the Act are reproduced below for reference:

32. Alteration of Memorandum.- Subject to the provisions of this Act, a company may by special resolution alter the provisions of its memorandum so as to—

(a) change the place of its registered office from. —

(i) one Province to another Province or Islamabad Capital Territory and vice versa; or

(ii) one Province or Islamabad Territory to a part of Pakistan not forming part of a Province and vice versa; or

(b) change its principal line of business; or

(c) adopt any business activity or any change therein which is subject to license, registration, permission or approval under any law.

....

Further, the Respondents' assertion that the provisions of Section 32 of the Act is not mandatory in nature since there is no penal provision for its violation it must be noted that the intent of the legislature in promulgation of any provision can be gathered from the 'form and the context' of the words used in the statute. There is a long catalog of such words, including the words 'may' and 'shall', which is used in enabling statute. The word 'shall' is construed as mandatory unless the language of the statute as a whole, and its nature and object, indicates otherwise. (reference in this regard is placed on Corpus juris Secundum Vol. 82 P.881 and 2021 SCMR 305) The word 'shall' has purposely been used twice in reference to the 'change in principle line of Businesses' in sub-section 6 as reproduced above and it also underscores the importance and mandatory nature of the provision. Further, the object of the legislature is also obvious as it maintains transparency with the Registrar of the Companies and other stakeholders regarding the company's core business activities, enables the regulators to effectively oversee, monitor the company's activities in line with its stated objectives and prevents the misuse or misrepresentation of a company's business operations and reduces risks associated with misinformation or conflicts about a company's business focus. Neither the language of the section nor the object and purpose of the legislature indicates that the provision is not mandatory. Whereas, the assertion of the Respondents regarding non-availability of any penal provision for violation of this section is also untenable, as Section 502 of the Act provides penalty provision for violation of the same.

Keeping in view the importance of the matters mentioned in Section 32 of the Act, including the alteration of MOA due to change in principal line of business, approval of members of the Company is required through special resolution while the Company, till date, has not obtained such approval of the members through special resolution. Further,



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the requirement of Section 32 of the Act is not fulfilled only by passing a special resolution, rather, the same along with the amended MOA (Form 26 and Form 4) have to be filed with the registrar concerned within thirty days. Relevant extracts of Section 32 of the Act are reproduced below for reference:

....
(6) *Where the alteration involves change in principal line of business, the company shall file the amended memorandum of association with the registrar within thirty days, which shall be recorded for the purposes of this Act.*

iv. Delegation of Powers

As per Respondents' assertion the plain reading of the relevant clause of the SRO indicates that the powers under section 32 of the Act, as delegated to the HOD Adjudication-II are only limited to the filing of the required documents and it does not include the power to take cognizance for non-passing of special resolution for alteration in the MOA. However, the logical interpretation negates the plea taken by the Respondents. It is presumption of fact that if a company has failed to file the required Forms i.e., Form 26 and Form 4 under Section 32 of the Act, then the company has not passed a special resolution in that regard. It must be emphasized here that since it is a presumption of fact of non-compliance, it can be rebutted by the Company by providing the copy of Special Resolution. Moreover, Section 32 of the Act cannot be read in isolation as passing of Special resolution is inevitable for Alteration of MOA. Moreover, filing of the required documents without fulfilling the requirements of Section 32 of the Act, would not be even considered filing by a company in the first instance. Thus, the power to impose penalty for non-filings under Section 32 of the Act implies the power to impose penalty for any related non-compliance under Section 32 of the Act, which in the instant case is not changing the principal line of business of the Company and not obtaining approval of the members through special resolution for this purpose.

10. The above-mentioned established violations attract the penalty under the relevant provisions of Section 502 of the Act; reproduced hereunder:

"502. Penalty where no specific penalty is provided—

If a company or any other person contravenes or fails to comply with any provision of this Act or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, for which no punishment is provided elsewhere in this Act, the company and every officer of the company who is in default or such other person shall be liable to a penalty of level 3 on the standard scale."

11. In view of the foregoing, the defaults under Section 32 of the Act including non-alteration of the MOA due to change in principal line of business through special resolution and non-filing of the amended MOA with the registrar, are established. I, therefore, in exercise of the powers under Section 502 of the Act, delegated to the undersigned vide S.R.O. 1546 (I)/2019, hereby impose an aggregate penalty amounting to Rs. 1,000,000/- (Rupees One Million Only) on the Respondents in the following manner:



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Imposed on	Amount (Rs.)	Imposed under section
M/s Tri-Star Power Limited (through its Chief Executive Officer)	400,000/-	502 of the Act.
Mr. Asad Ahmed, CEO/Director	150,000/-	502 of the Act.
Mr. Jawad Ahmed Siddiqui, Director	75,000/-	502 of the Act.
Mr. Tanvir Hasan, Director	75,000/-	502 of the Act.
Mr. Mohammad Zameer, Director	75,000/-	502 of the Act.
Mr. M Haroon Saeed, Director	75,000/-	502 of the Act.
Syed Imran, Director	75,000/-	502 of the Act.
Mr. Abdul Quddus, Director	75,000/-	502 of the Act.
Total	1,000,000/-	

12. The Respondents are directed to deposit the aforesaid penalties in the account of the Commission being maintained in the designated branches of MCB Bank Limited or United Bank Limited within 30 days of the receipt of this Order and furnish Original Deposit Challan to this office forthwith.

13. Further, in light of the provisions of Section 475 of the Act, the Respondents are also directed to make necessary alteration in the MOA of the Company so as to change/alter its principal line of business as per the requirements of all the applicable provisions of the Act and the rules and regulations made thereunder, at the earliest but not later than 60 days of the date of this Order.

14. This order is being issued without prejudice to any other action that the Commission may initiate against the Company in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission

(Hammad Javed)

Additional Director / Head of Department
Adjudication II

Dated: December 27, 2024