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SEC decides to prosecute Directors of M/s Tri-Star Shipping Lines.

The Securities and Exchange Commission of Pakistan (SEC) has decided to prosecute all eight (8) directors, including the Chairman and CEO, of M/s Tri-Star Shipping Lines Limited for willful violation of rules. The Enforcement and Monitoring Division of the SEC has directed the Company Registration Office (CRO) Karachi to file an appeal in the Court of Session in this regard.

M/s Tri-Star Shipping Lines Limited failed to hold its Annual General Meeting (AGM) and lay before its shareholders, the balance sheet and profit and loss accounts for the years ended June 30, 1998, 1999 and 2000 as required under sub-section (1) of Section 233 of the Companies Ordinance. Further examination also revealed that the corporate behavior of the company in filing its half-yearly accounts was also unsatisfactory, and according to the latest available quotation of the Karachi Stock Exchange (KSE), the company had failed to pay any dividend to its shareholders for many years, due to which its name was placed on the defaulter counter by KSE. The company suffered huge losses amounting to Rs. 15.008 million, which indicates that the affairs of the company are not being managed in accordance with sound business principles and prudent commercial practices.

Considering the defaults to be deliberate and willful, a complaint is being filed in the Court of Session for prosecution of the directors of the company who are held responsible for these defaults.