**Before**

**Amir M Khan Afridi – Director/ Head of Department**

**In the matter of Show Cause Notice issued to Fateh Sports Wear Limited**

|  |  |
| --- | --- |
| Dates of Hearing | May 28, 2022 |

**Order-Redacted Version**

 Order dated July 28, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Fateh Sports Wear Limited. Relevant details are given as hereunder:

|  |  |
| --- | --- |
| **Nature** | **Details** |
| 1. Date of Action
 | Show cause notice dated April 12, 2022 |
| 1. Name of Company
 | Fateh Sports Wear Limited |
| 1. Name of Individual
 | The proceedings were initiated against the board of directors of the Company  |
| 1. Nature of Offence
 | Proceedings were initiated in terms of Section 499 of the Companies Act, 2017 (**the Act**) read with Section 479 thereof Facts of the case are that the Securities and Exchange Commission of Pakistan (**the Commission**) passed the order dated October 28, 2019 under the Listed Companies (Code of Corporate Governance) Regulations, 2017 (**the Regulations 2017**) read with Section 512 of the Act, directing the Respondents to ensure minimum number of independent directors on board of the Company (**Board**) as required under sub-regulation (1) of regulation 6 of the Regulations 2017, within sixty days of the date of issuance of the order and submit compliance report to the Commission. The order further stated that in case of non-compliance, the respondents shall be liable to action under Section 499 of the Act. Subsequently, review of the annual financial statements of the Company for the year ended June 30, 2020 (**the 2020 Accounts**) transpired that the Company did not have any independent directors on its Board and, prima facie, has failed to comply with the aforesaid directions of the Commission issued vide Order dated October 28, 2019. |
| 1. Action Taken
 | Key findings were reported in the following manner:I have gone through the facts of case and considered the verbal submissions of the Representative in light of the relevant provisions of the law and observed that the Respondents have not appointed any independent director on the board of the Company despite clear directions issued through Order dated October 28, 2019 and, therefore, are liable for penalty under Section 499 of the Act. Keeping in view the above, I, in exercise of the powers conferred under Section 499 of the Act, hereby impose penalty of **Rs. 50,000/- (Rupees Fifty Thousand only**) on Mr. \*\*\*\*\*, CEO of the Company. I also warn all the remaining Respondents to ensure compliance with the relevant provision of the law in future, in letter and spirit. 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 or violation of the Act. |
| 1. Penalty Imposed
 | **Rs. 50,000/- (Rupees Fifty Thousand only**. |
| 1. Current Status of Order
 | No Appeal filed and the imposed penalty has been deposited by the respondent |