



# Securities and Exchange Commission of Pakistan

Adjudication Division  
Adjudication Department-I

Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)

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

Dates of Hearing

January 19, 2021

## Order-Redacted Version

Order dated January 29, 2021 was passed by Executive 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 December 22, 2020
2. Name of Company	Fateh Sports Wear Limited
3. Name of Individual*	The proceedings were initiated against the directors of the Company i.e. Fateh Sports Wear Limited
4. Nature of Offence	In view of alleged violations of section 183 of the Companies Act, 2017 through SCN dated December 22, 2020 and order dated January 29, 2021 was passed.
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have gone through the facts of case, relevant provisions of the law and the record placed before me. Based on the aforesaid, it is evident that the Respondents acknowledged that loan was obtained from directors without due authorization of board of directors. Therefore, express and self-explanatory requirements of clause (c) to sub-section (2) of Section 183 of the Act were contravened by Respondents at the relevant time. The Respondents have been negligent in ensuring compliance of applicable law. It is noted that the board of directors, after a lapse of two years, ratified the default by passing a resolution in their meeting held on February 25, 2019 regarding obtaining loans from directors in previous years.</p> <p>2. In the aforementioned matter, the provisions of clause (c) to Sub-Section (2) of Section 183 of the Act have been contravened and the Respondents are liable under the Sub-section (6) of the Section</p>



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	<p>183 of the Act. Taking cognizance of the submissions of the Respondents and in exercise of the powers conferred under aforesaid provisions of the Act, I hereby impose penalty of Rs. 50,000/- (Rupees fifty thousand only) on Chief Executive. I also warn Respondents to be careful and ensure compliance of law in future.</p> <p>3. The Respondents 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 within thirty (30) days from the date of this Order and furnish a receipted bank challan to the Commission forthwith. In case of failure to deposit the penalty, the proceedings under the Land Revenue Act, 1967 will be initiated for recovery of the fines as arrears of land revenue. It may also be noted that the said penalties are imposed on the Respondent in his personal capacity; therefore, he is required to pay the said amount from personal resources.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Ordinance or the Act providing for imposition of penalties in respect of any default, omission or violation of the Ordinance or the Act.</p> <p>Penalty order dated January 29, 2021 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	A Penalty of Rs. 50,000/- (Rupees fifty thousand only) was imposed on Chief Executive Officer and remaining respondents were warned to ensure compliance of law in future.
7. Current Status of Order	No Appeal has been filed by the respondents

Redacted version issued on June 08, 2021 for placement of website of the Commission.