



# Securities and Exchange Commission of Pakistan

## Adjudication Division Adjudication Department

### Before

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

### In the matter of Show Cause Notice issued to Fateh Industries Limited

Date of Hearing

October 21, 2021

### **Order-Redacted Version**

Order dated March 14, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Fateh Industries Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated July 19, 2021
2. Name of Company	Fateh Industries Limited
3. Name of Individual*	The proceedings were initiated against Fateh Industries Limited and its seven directors.
4. Nature of Offence	Under regulation 6 and regulation 37 of Listed Companies (Code of Corporate Governance) Regulations, 2017 read with section 512 (2) of the Companies Act, 2017.
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have gone through the facts of the case, the written submissions and arguments made by the authorized representative during the hearing proceedings. I am of the view that the requirements of sub regulation (1) of Regulation 6 of the Regulations are explicit requiring every listed company to have a least two independent directors. I have observed that the Respondents have acknowledged default with compliance of regulation 6 of the Regulations for the year ended FY-20 and the status of default remains same till the date of this order.</p> <p>From above discussion and after careful consideration of all the facts of this case, I am of the view that the Respondents have failed to appoint requisite number of independent directors and thereby contravened the provisions of regulation 6 of the Regulations. The Respondents are, therefore, liable for penalty under regulation 37 of the Regulations read with Section 512(2) of the Act. In exercise of the powers conferred under aforesaid provisions of the Act, I hereby impose penalty of Rupees one hundred thousand (Rs. 100,000 only) on the Company. Further, remaining Respondents are advised to ensure compliance of relevant law in letter in spirit in future.</p> <p>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.</p>



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6. Penalty Imposed	A Penalty of Rs. 100,000/- (Rupees One hundred thousand only) was imposed on the Company.
7. Current Status of Order	Appeal has been filed by the respondents.