



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 Fatima Enterprises Limited

Date of Hearing	September 08, 2020, September 23, 2020, October 21, 2020, November 18, 2020, April 29, 2021, October 04, 2021, October 27, 2021.
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Order-Redacted Version

Order dated April 15, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Fatima Enterprises Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated August 11, 2020
2. Name of Company	Fatima Enterprises Limited
3. Name of Individual*	The proceedings were initiated against seven directors of the Company.
4. Nature of Offence	Under Section 196 read with Section 476 of the Companies Ordinance, 1984.
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have gone through the fact of the case, available record and submission placed before me and observed that the Respondents have acknowledged that interest free loans amounting to Rs.1,460.41 million as on June 30, 2016 were extended by directors and their relatives to the Company. The Respondents failed to provide copy of the board's resolution approving borrowing of loan from directors, as required under Section 196 of the Ordinance. Moreover, the Respondents failed to provide underlying loan agreements with directors. Based on the aforesaid, I am of the considered view that the Respondents have failed to comply with the requirements of clause (d) of sub-section (2) of Section 196 of the Ordinance and, therefore, are liable to be penalized under sub-section (4) of Section 196 of the Ordinance. Hence, I, hereby, impose cumulative penalty of Rs. 50,000 (Rupees fifty thousand only) on the Respondents.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Ordinance providing for imposition of penalties in respect of any default, omission, violation of the Act.</p>
6. Penalty Imposed	A cumulative Penalty of Rs. 50,000/- (Rupees Fifty thousand only) was imposed on the Respondents.
7. Current Status of Order	No appeal has been filed by the respondents.