**Before**

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

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

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| 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:

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| **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 Regulation 6 and Regulation 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (**the Regulations**) read with Regulation 37 thereof and Section 512 of the Companies Act, 2017  Facts of the case are that examination of the financial statements for the year ended June 30, 2020 transpired that there were no independent directors on the board of the Company and also the Chairman of the audit committee is not an independent director which is contravention of regulation 6 and regulation 27, respectively, of the Regulations. The Company elected seven directors in the extraordinary general meeting (**the EOGM**) held on June 10, 2021 however despite the requirement of appointing at least two (2) independent directors in terms of regulation 6 of the Regulations, no independent director was elected. |
| 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 state that the Respondents have acknowledged non-compliance of regulation 6 & 27 of the Regulations and, therefore, are liable for penalty under regulation 37 of the Regulations read with Section 512 of the Act.  Keeping in view the above, I, in exercise of the powers conferred under regulation 37 of the Regulations read with Section 512 of the Act, hereby impose penalty of **Rs. 100,000/- (Rupees One Hundred Thousand only**) on the Company and 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. 100,000/- (Rupees One Hundred Thousand only**) |
| 1. Current Status of Order | No Appeal filed and the imposed penalty has been deposited by the respondents |