



# 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

February 11, 2022

#### **Order-Redacted Version**

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

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated December 29, 2021
2. Name of Company	Fatima Enterprises Limited
3. Name of Individual*	The proceedings were initiated against the Company.
4. Nature of Offence	Under Section 132 Read with Section 479 of the Companies Act, 2017
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have considered the facts of the case in light of the relevant provisions of the Act and considered the arguments submitted during the hearing as well as the Respondent's written responses and state that:</p> <ol style="list-style-type: none"><li>holding of AGM is a vital statutory requirement as it provides opportunity to the members to participate in the discussion and voting on agenda items of the general meeting which includes consideration and approval of the company's financial statements;</li><li>non-holding of AGM deprives the members of their fundamental and statutory right, to know about the affairs of the company and participate in decision making;</li><li>in order to ensure transparency and protect the shareholders' rights, all companies must adhere to the law by following the procedure prescribed under the Act for holding of AGMs;</li></ol>



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	<p>iv. the Respondent cannot absolve itself from its statutory duties pertaining to holding of AGMs, preparation and filing of annual and quarterly financial statements in a timely manner as specified under the law;</p> <p>v. the Respondent failed to convene its AGMs for FY ended June 30, 2020 and FY ended June 30, 2021 within the specified time period of one hundred and twenty (120) days from the close of its FY;</p> <p>vi. the Respondent convened its AGM for FY ended June 30, 2020 with an inordinate delay on September 28, 2021; however, AGM for FY2021 could not be held as stated by the Representative during the hearing proceedings; and</p> <p>vii. review of the Company's record, transpires that the Respondent has failed to hold the AGM for FY2021 till the date of this Order.</p> <p>Keeping in view the aforesaid facts, I am of the considered view that by not holding its AGMs for the financial years ended June 30, 2020 and June 30, 2021 within the specified time period as mentioned in sub-section (1) of Section 132 of the Act the Company has contravened the said sub-section (1) which renders it liable to penal action under sub-section (5) of Section 132 thereof.</p> <p>Therefore, in exercise of the powers conferred under sub-section (5) of Section 132 of the Act, I hereby impose a fine of Rs. 180,000/- (Rupees one hundred and eighty thousand only) on the Respondent, i.e. Fatima Enterprises Limited.</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>
6. Penalty Imposed	A Penalty of Rs. 180,000/- (Rupees One hundred and eighty thousand only) was imposed on the Company.
7. Current Status of Order	No Appeal has been filed by the respondents.