

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

In the matter of Show Cause Notice issued to Azgard Nine Limited

Dates of Hearing

July 21, 2020 and December 16, 2020

Order-Redacted Version

Order dated February 15, 2021 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Azgard Nine Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated March 6, 2020
2. Name of Company	Azgard Nine Limited
3. Name of Individual*	The proceedings were initiated against the directors and chief executive officer of the Company i.e. Azgard Nine Limited.
4. Nature of Offence	In view of alleged violations of section 228 read with section 479 of the Companies Act, 2017.
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have analyzed the facts of the case, relevant provisions of the Act, and arguments set forth over the course of the hearing as well as the Company's written correspondences with the Commission. At this juncture, I would like to mention here that provisions of Section 228 of the Act are unambiguous and explicit, which require every holding company which has a subsidiary to attach to its financial statements at the end of the financial year, consolidated financial statements and these consolidated financial statements shall comply with the disclosure requirements of the relevant Schedule and financial reporting standards Therefore, it is mandatory for every company to comply with the provisions of Section 228 of the Act and relevant financial reporting standards for the preparation of consolidated financial statements.</p> <p>2. In view of the preceding facts, I have observed that the Respondents have contravened the provisions of sub-section (1) of Section 228 of the Act, and deem it appropriate to render Respondents liable to penal action as a result of filing the Company's standalone financial statements for the year ended June 30, 2018 and failing to attach therewith the consolidated</p>

	financial statements comprising the Company and its subsidiary. Therefore, taking cognizance of the submissions of the Respondents and in exercise of powers conferred under subsection (8) of Section 228 of the Act, I hereby impose a fine of Rs. 100,000/- (Rupees one hundred thousand only) on Chief Executive of Azgard Nine Limited. I also warn all the remaining Respondents to be careful in the future and ensure meticulous compliance of the law in letter and spirit.
6. Penalty Imposed	A Penalty of Rs. 100,000/- (Rupees one hundred thousand only) was imposed on the chief executive officer of the company and remaining respondents were warned to ensure compliance of law in future.
7. Current Status of Order	An Appeal has been filed before the Appellate Bench by the Respondents.

Redacted version issued for placement on website of the Commission.