



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 Systems Limited

Date of Hearing

January 25, 2022

Order-Redacted Version

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

Nature	Details
1. Date of Action	Show cause notice dated October 01, 2021
2. Name of Company	Systems Limited
3. Name of Individual*	The proceedings were initiated against Systems Limited and its directors.
4. Nature of Offence	Under Section 228 of the Companies Act, 2017 read with Section 479 thereof.
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>1 have gone through the facts of the case, the written and verbal submission made by the Respondents and the provisions of Section 228 of the Act and observed that the aforesaid legal provisions are very much clear and require the financial statements of a holding company having a subsidiary or subsidiaries, shall attach consolidated financial statements of the group presented as those to a single enterprise at the end of the financial year at which the holding company's financial statements are made out. The Respondents have acknowledged their failure to prepare and attach consolidated financial statements of the group for the year ended December 31, 2017; December 31, 2018; and December 31, 2019, the reason being that TVS Australia was its subsidiary since 2017. After careful consideration of all the facts of the case, I am of the considered view that the Respondents have contravened the provisions of subsection (1) of Section 228 of the Act which attract applicability of the penal provisions contained in sub-section (8) of Section 228 of the Act read with Section 479 thereof. Therefore, in exercise of the powers conferred under Section 228(8) of the Act, I hereby impose a cumulative penalty of Rs. 75,000 (Rupees seventy-five thousand only) on the Company.</p>



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	<p>Remaining Respondents are advised to ensure compliance of laws in true letter and 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>
6. Penalty Imposed	A Penalty of Rs. 75,000/- (Rupees seventy-five thousand only) was imposed on the Company.
7. Current Status of Order	No appeal has been filed by the respondents.