



Securities and Exchange Commission of Pakistan

Adjudication Division Adjudication Department

Before Asif Iqbal,
Director/HOD (Adjudication-I)
In the matter of Show Cause Notice issued to Systems Limited

Date of Hearing

November 23, 2022

Order-Redacted Version

Order date December 20, 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 September 01, 2022
2. Name of Company	Systems Limited
3. Name of Individual*	The proceedings were initiated against Systems Limited
4. Nature of Offence	Under Section 83(1) of the Companies Act, 2017 read with Section 83(8) thereof and Section 86(1) of the Repealed Companies Ordinance, 1984 read with Section 498 thereof
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have gone through the facts of case, relevant provisions of the law, written and verbal submissions by the Respondents and record placed before me. It is noted that the proviso of both section 86(1) of the Ordinance and section 83(1) of the Act are very clear and allow public companies to reserve a certain percentage of further issue for its employees under "Employees Stock Option Scheme" but only with the approval of the Commission. Further, the Respondents have acknowledged default in compliance with the requirements of:</p> <ul style="list-style-type: none">• Section 86(1) of the Ordinance in case of grant of stock options to the employees of VSI; and• Section 83(1) of the Act in case of grant of stock options to the employees of Techvista during the period from May 2017 till 2020 <p>and, therefore, are liable for penalty under Section 83(8) of the Act and Section 498 of the Ordinance.</p> <p>Keeping in view the above, I, in exercise of powers conferred under section 498 of the Ordinance and section 83(8) of the Act, hereby impose an penalty of Rs. 600,000 /- (Rupees Six hundred thousand only) on Systems Limited.</p>



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	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.
6. Penalty imposed	Rs. 600,000/-
7. Current Status of Order	No appeal has been filed by the respondents.