



MEDIA STATEMENT

08 SEPTEMBER 2021

HIGH COURT ORDERS JCI LTD TO PAY THE CIPC AN ADMINISTRATIVE FINE OF R1 MILLION

Pretoria (September 08, 2021) – The Companies Intellectual Property Commission (CIPC) welcomes the High Court Order delivered on Thursday 02 September, ruled in its favour in a case against JCI Ltd.

The core issue of this case is that the Audited Annual Financial Statements of JCI Ltd were not compiled as per the requirements of Section 30 of the Companies Act, No. 71 of 2008, as amended, read with the International Financial Reporting Standards (IFRS).

Section 30(1) requires that each year, a company must prepare annual financial statements within six months after the end of its financial year and Section 30(2) read with Regulation 27(4) which relates to IFRS requires that the annual financial statements must be audited in the case of a public company.

Post an investigation by CIPC inspectors which found that for the period 2011 – 2017, JCI Ltd had acted in contravention of the above mentioned regulations, a Compliance Notice was issued to the board of directors of JCI Ltd requiring the company to produce IFRS compliant financial statements. JCI Ltd initially applied to the Companies Tribunal to review and set aside the Compliance Notice, but thereafter conceded that it was unable to prepare financial statements fully compliant with IFRS in respect of the various periods specified in the Compliance Notice.

Pursuant thereto, JCI Ltd and the CIPC engaged one another and concluded a Settlement Agreement, which resulted in JCI Ltd withdrawing its application to the Companies Tribunal.

The settlement agreement, a first in terms of section 173 read with section 175 of the Companies Act, was made an order of court and inter-alia required: JCI Ltd to make a payment to the CIPC of an administrative fine of R1,000,000 (one million rand) for the non-compliance of the Compliance Notice and for JCI to convene a shareholders meeting to adopt a special resolution for the voluntary winding up of JCI Ltd.

ENDS

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