

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Adamjee Life Assurance Company Limited

Dates of Hearing

February 21, 2022

Order-Redacted Version

Order dated May 23, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Adamjee Life Assurance Company Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated December 22, 2021.
2. Name of Respondent	Adamjee Life Assurance Company Limited (the Company and/ or The Respondent)
3. Nature of Offence	<u>Alleged contraventions of clause (Iviii) of the Code of Corporate Governance for Insurers, 2016 (the Code), read with Section 40A of the Securities and Exchange Commission of Pakistan Act, 1997 (the SECP Act).</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have reviewed the facts of the case, written as well as verbal submissions and arguments of the Respondent and its Representative in light of applicable provisions of the law and observed that the Annual Accounts of the Company for the years 2018 and 2019 were considered and approved in 10th & 11th AGMs of the Company. The respective Statutory Auditors for the years 2018 and 2019 have given modified reports on the Annual Accounts for both the years. However admittedly, the Company, failed to serve Notices to the respective Statutory Auditors for attending the respective AGM, whereas, they were entitled to receive the Notice and to be heard at the AGM in terms of Section 249(8) of the Companies Act, 2017. Therefore, the Company's failure to serve the Notice to its Statutory Auditors for two consecutive AGMs has resulted established non-compliance/contravention of clause (Ixxviii) of the Code, which render the Company liable for punitive action under Section 40A of the SECP Act.</p>

	11. In view of the above facts, I hereby, impose fine of <u>Rs. 400.000. (Rupees Four Hundred Thousand Only)</u> on the Company on account of the established defaults, as mentioned in the above paras. Moreover, the Respondent Company is hereby directed to ensure full compliance of all the applicable regulatory laws including the Code in letter and spirit, in future.
5. Penalty Imposed	Rs. 400,000/-
6. Current Status of Order	Penalty not deposited and No Appeal has been filed by the respondent.