



**Securities & Exchange Commission of Pakistan**  
*Enforcement and Monitoring Division*  
NIC Building, Jinnah Avenue, Blue Area, Islamabad

*Before M. Zafar-ul-Haq Hijazi, Commissioner (E &M)*

*In the matter of*  
**M/S STANDARDS INSURANCE COMPANY LIMITED**

No. and date of show cause notice Under Section 186 (for non-holding of election of directors)	EMD/233/66/2002/934-40 July 30, 2003
Date of hearing	August 20, 2003
Present	No one appeared

**ORDER**

This order shall dispose off the proceedings initiated against the directors and Chief Executive of M/S Standard Insurance Company Limited under Section 186 of the Companies Ordinance, 1984 (“the Ordinance”) for non-holding of election of directors under Section 177 of the Ordinance.

2. Brief facts of this case are that the Company held its last election of directors on July 24, 1999 and under Section 177 of the Ordinance was required to hold the next election, after the expiry of three years term, on July 24, 2002. The continuing directors neither held the elections due nor intimated the Registrar any impediments thereto, within fifteen days of the date the elections were required to be held, as required under the law. Consequently a show cause notice of even number dated July 30, 2003 was served upon the continuing directors and the Chief Executive of the Company as to show cause in writing before August 20, 2003 as to why penalty as provided under Section 186 may not be imposed upon them and why they may not be debarred from continuing or becoming the director of the Company for a period of three years. They were provided an opportunity of hearing on the aforementioned date, if they wished to be heard in person. Show cause notices addressed to Mr. Inam-ur-Rehman, Mr. Anwarur-Rehman and Mr. Muhammad Aslam returned back undelivered.

3. The respondents in their reply dated August 18, 2003 submitted that they held election of directors on August 29, 2002 for which they also filed copy of Form "29". They also requested not to take any punitive action against the directors. On the date of hearing no one appeared to defend the case. From the submissions of the respondents it is clear that they held election of directors on August 29, 2002 whereas the same were required to be held on July 24, 2002, hence the default is established.

4. Taking into consideration, all the relevant facts of the case, past record of compliance of statutory provisions of law and the fact that the respondents have not preferred to avail the opportunity provided to them for clarification, I consider that the default was committed willfully and intentionally. All the above circumstances also reflect the respondents' disregard towards the law. However, considering the fact that the election were held on August 28, 2002, I impose fine of Rs. 5,000/- only on the Chief Executive of the Company and taking a lenient view condone all the other directors with strict warning to ensure the compliance of law in future.

5. The Chief Executive of the company is directed to deposit the fine imposed upon him in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with Habib Bank Limited within thirty days from the receipt of this order and furnish the receipted challan to the Commission.

**M. Zafar-ul-Haq Hijazi**  
Commissioner (Enf.)

AUGUST 20, 2003  
**ISLAMABAD**