

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Insurance Division

Continuation Sheet - 1 -

Commission in this regard has been obtained. Provided that no such sanction shall be given unless the company has first been afforded an opportunity of making a representation and of being heard.

5- A Show-Cause Notice dated October 07, 2009 under Section 309(b) read with Section 305 of the Ordinance was served to the Chief Executive and all the Directors of the Company, calling upon them to explain as to why appropriate action may not be taken against the Company under the law for the aforesaid contravention.

6. The Company's CEO sought an extension of 15 days for submitting a reply or appearing in person, which was accepted by the Insurance Division i.e. up to October 10, 2009. On October 12, 2009, the Legal Advisor of the Company, Mr. S. Shamim Akhter of S. Akhter & Co. requested a further extension of 15 days, to enable them to study the case thoroughly.

7. In order to provide an opportunity to the Chief Executive and Directors of the Company or their authorized representatives for appearing in person to explain the circumstances which had lead to the non-compliance with the said provision of the Ordinance, a hearing in this matter was scheduled on November 13, 2009 and a hearing notice was sent to the Chief Executive, Directors and Legal Advisor of the Company on November 06, 2009. The Company again requested to adjourn the hearing vide their letter of November 11, 2009. In this regard, another hearing notice was sent on December 07, 2009 to the Legal Advisor of the Company, directing them to appear before the Executive Director – Insurance on December 14, 2009.

8. The said hearing was attended by the CEO, Mr. Iftikhar Ahmed and Mr. S. Shamim Akhter, Legal Advisor of the Company, wherein they failed to give any satisfactory explanation to our observations.

9. In addition to the above, the Company has also made defaults in complying with the various laws which includes sections 39 & 41 of the Insurance Ordinance, 2000 (IO2000) and sections 143 & 492 of the Companies Ordinance, 1984 for which the Commission has initiated actions against the Company.

10. Moreover, due to the continued default of Section 11 of the Insurance Ordinance, 2000 (IO.2000), the Commission in exercise of powers conferred under Section 63 of IO2000 issued direction to the Company to cease entering into new contracts of insurance from July 25, 2008 unless it ensure compliance with provisions of Section 11 of IO2000.

11. Based on the facts and findings of the case as mentioned in the above paras of this Order, the default of not maintaining proper books of accounts, which include trail balances, accounting ledgers, cash and bank book, banks reconciliations, vouchers and supporting evidences, fixed assets register, member register, and other statutory and accounting records and documents is hereby established. Therefore action against the Company may be taken by sanctioning in terms of Proviso (b) of Section 309 of the Ordinance. In exercise of the powers conferred on me, I grant sanction to the Registrar of Companies for filing a petition for winding up *M/s. Platinum Insurance Company Limited* in terms of Proviso (b) of Section 309 of the Ordinance, as provided under Section 305 of the Ordinance.



(Nasreen Rashid)
Executive Director