





Directors' Report, as required under Sub-section (1) of Section 218 of the Ordinance. It points to a clear violation of the said provision of Section 218 of the Ordinance.

4. AND WHEREAS, the aforesaid violation attracts penal provision of Sub-section (6) of Section 218 of the Ordinance, which provides that:

*"If default is made in complying with any of the provisions of the section, the company and every officer of the company who is knowingly and willfully in default shall be liable to a fine which may extend to five thousand rupees."*

5. A Show Cause Notice dated September 10, 2009 under Section 218 of the Ordinance was served to the Chief Executive and 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, for 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 have led to non-compliance with said provision of the Ordinance, a hearing in this matter was scheduled on November 13, 2009 and 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 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 did not provide any satisfactory explanation to the aforesaid contravention of the provisions of Section 218 of the Ordinance.

9. Based on the facts and findings of the case as mentioned in the above paras of this Order, the default of Sub-section (1) of Section 218 of the Ordinance is hereby established. Therefore, action against the Company may be taken by imposing a fine under Sub-section (6) of Section 218 of the Ordinance. In exercise of the powers conferred on me, I impose a fine of Rupees Five Thousand Only (Rs.5,000/-) on the Company.

10. *M/s. Platinum Insurance Company Limited* are hereby directed to deposit the aforesaid fine of Rs.5,000/- (Rupees Five Thousand Only) in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with MCB Bank Limited against Code No. 05-45 within thirty (30) days from the receipt of this Order and furnish the receipt vouchers issued in the name of Commission for information and record.

(Tariq Hussain)  
Director

SC: Order Platinum 218 CO1984