

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

In the matter of Show Cause Notice issued to Premier Insurance Limited

Dates of Hearing

May 10, 2022

Order-Redacted Version

Order dated July 18, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Premier Insurance Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated April 05, 2022.
2. Name of Respondent	Premier Insurance Limited (the Company and/or the Respondent),
3. Nature of Offence	Alleged contraventions of <u>regulations 6 and 37 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the CCG Regulations) and Sections 169 and 512(2) of the Companies Act, 2017 (the Act).</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have reviewed the facts of the case and considered both the written submissions and verbal arguments made by the Respondent Company and its Representative, in light of the aforementioned applicable legal provisions and observed that:</p> <p>(i) pursuant to regulation 6(1) of the CCG Regulations, the Company was required to have three (3) independent directors but there was only one independent director Mr. Asadullah Khawaja on the Board of the Company;</p> <p>(ii) the Commission vide letter dated August 7, 2020 intimated the Respondent Company that Mr. Attaullah did not meet the criteria of independence by virtue of operation of Section 166(2)(g) of the Act, therefore, he cannot be appointed/ treated as independent director; and</p> <p>(iii) in terms of subsection (2) of Section 161 of the Act, the part of Mr. Attaullah's first term, as director on the Board consequent to filling the casual vacancy, had to be treated as the full term of three years.</p>

	<p>In view of the above. the Company has contravened the provisions of regulation 6(1) of the CCG Regulations, for which, it is liable to be penalized under regulation 37 of the CCG Regulations read with Section 512(2) of the Act. Therefore, in exercise of the powers conferred under regulation 37 of the CCG Regulations read with Section 512(2) of the Act, I hereby impose fine of Rs.50,000/- (Rupees Fifty Thousand Only) on the Respondent Company.</p>
5. Penalty Imposed	Rs. 50,000/-
6. Current Status of Order	Penalty not deposited and No Appeal has been filed by the respondent.