

Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Progressive Insurance Company Limited.

Date of Hearing

June 17, 2020

Order-Redacted Version

Order dated July 3, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Progressive Insurance Company Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated November 6, 2018
2. Name of Company	Progressive Insurance Company Limited.
3.	The proceedings were initiated against the Company i.e. Progressive Insurance Co. Ltd. and its Board of Directors.
4. Nature of Offence	Proceedings under Section 132 of the Companies Act, 2017 (the "Act")
5. Action Taken	<p>Key findings of default of the provisions of the law were reported in the following manner:</p> <p>I have carefully examined the facts of the case in light of the applicable provisions of the law and have given due consideration to the written as well as verbal submissions and arguments of the Respondents. In terms of Section of 132(1) of the Act, the Company was required to hold its AGM once in every calendar year within a period of one hundred and twenty days following the close of its respective financial year i.e. for the years ended December 31, 2008 to 2016 and for the year ended December 31, 2017. However, the Company failed to hold its AGMs for the aforesaid years within the stipulated timelines. Moreover, the Company submitted Notice of AGM to the Commission on June 4, 2018 in respect of its overdue AGMs for the years 2008 to 2016, whereas, the Company stated AGMs for the said years were held on May 26, 2018. Therefore, I am of the view that violations of Section 132(1) and 132(3) of the Act were clearly established, for which the Respondents are liable to be penalized in terms of Section 132(5) read with Section 479 of the Act.</p> <p style="text-align: center;">Section 132(5) of the Act states that: "..... (5) Any contravention or default in complying with requirement of this section shall be an offence liable—</p>



Securities and Exchange Commission of Pakistan
Adjudication Division
Adjudication Department-I

	<p>(a) in case of a listed company, to a penalty of level 2 on the standard scale; and (b) in case of any other company, to a penalty of level 1 on the standard scale.”</p> <p>Penalty of Section 132(5) of the Act is prescribed under Section 479 of the Act: “..... (2) The standard scale consists of—</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Level</th> <th style="text-align: center;">Limit of penalty</th> <th style="text-align: center;">Per day penalty during which the default continues</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">Upto Rs.25,000</td> <td style="text-align: center;">Upto Rs. 500</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">Upto Rs.500,000</td> <td style="text-align: center;">Upto Rs.1,000</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">Upto Rs.100 million</td> <td style="text-align: center;">Upto Rs.500,000</td> </tr> </tbody> </table> <p style="text-align: center;">.....”</p> <p>In exercise of the powers conferred on me under Section 132(5) read with Section 479 of the Act, I, instead of imposing the maximum fine as provided under the said provisions, impose a fine of Rs. 500,000/- (Rupees Five Hundred Thousand Only) on the Company on account of established default of Section 132 of the Act, as mentioned in the above paras hereof.</p> <p>Penalty order dated July 3, 2020 was passed by Executive Director (Adjudication-I).</p>	Level	Limit of penalty	Per day penalty during which the default continues	1	Upto Rs.25,000	Upto Rs. 500	2	Upto Rs.500,000	Upto Rs.1,000	3	Upto Rs.100 million	Upto Rs.500,000
Level	Limit of penalty	Per day penalty during which the default continues											
1	Upto Rs.25,000	Upto Rs. 500											
2	Upto Rs.500,000	Upto Rs.1,000											
3	Upto Rs.100 million	Upto Rs.500,000											
6. Penalty Imposed	A penalty of Rs. 500,000/- (Rupees five hundred thousand only) was imposed on the Company.												
7. Current Status of Order	No appeal was filed.												

Redacted version issued for placement of website of the Commission.