

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

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

Dates of Hearing

September 02, 2021

Order-Redacted Version

Order dated February 23, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Trafco Insurance Company Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated June 14, 2021.
2. Name of Respondent	Trafco Insurance Company Limited (the Company)
3. Nature of Offence	Alleged contraventions of <u>Clause (Ixxvi) of the Code of Corporate Governance for Insurers, 2016 (the Code) read with Section 158 of the Insurance Ordinance, 2000 (the Ordinance).</u>
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have examined the facts of the case in light of the applicable provisions of the law and written as well as verbal submissions and arguments of the Respondent Company and observed that the Company is non-compliant with certain mandatory provisions of the Code as mentioned in para 3 above and made certain untrue statements relating to compliance with the Code in its annual audited accounts for FY2019, as mentioned in para 5 above. This non-compliance on part of the Company attracts applicability of the penal provision i.e. Section 158 of the Ordinance, which provides that:</p> <p>Section 158 of the Ordinance provides that: <i>"Penalty for false statement in document: - Except as otherwise provided in this Ordinance, whoever, in any return, report, certificate, balance-sheet or other document, required by or for the purposes of any of the provisions of this Ordinance, makes a statement false in any material particular, knowing it to be false, shall be punishable with fine which may extend to one million rupees. "</i></p> <p>Keeping in view the fact that non-compliance with certain mandatory requirements, as mentioned in para 3 above, and</p>

	misstatements about compliance with the Code in its aforesaid financial statements and Directors' Report is established, therefore, in exercise of the powers conferred on me under Section 158 of the insurance ordinance, I, hereby, impose a fine of Rs. 50,000/- (Rupees Fifty Thousand Only) on the Company.
5. Penalty Imposed	Rs. 50,000/-
6. Current Status of Order	Penalty not deposited and No Appeal has been filed by the respondents.