



**SECURITIES & EXCHANGE COMMISSION OF PAKISTAN
NIC BUILDING BLUE AREA, ISLAMABAD**

Before the Joint Director (Securities Market Division)

In the matter of Show Cause Notices No. SMD/Co.62/3/2004-S dated January 23, 2006 and January 26, 2006 issued to Mr. Abdul Khaliq under Section 18-A of the Securities and Exchange Ordinance, 1969 for submission of more than one application for subscription of shares of Pakistan Petroleum Ltd. (the Company) which were offered to the general public on July 19-22, 2004.

Date of hearing:

January 31, 2006

Present at hearing:

Representing the applicant:

i. Mr. Abdul Khaliq

Assisting the Joint Director (SM):

i. Ms. Asma Tayyiba

Deputy Director, CI

ORDER

1. The matter arises from the show cause notices No. SMD/Co.62/3/2004-S dated January 23, 2006 and January 26, 2006 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Mr. Abdul Khaliq, S/o Mohammad Zaman Khan, NIC No. 35201-1606641-1, address: C/o Adamjee Insurance Company Limited, Nawa-e-Waqt House, Queen's Road, Lahore

(Applicant No. 1) and (ii) Mr. Abdul Khaliq, S/o Mohd. Zaman Khan, NIC No. 35201-1606641-1, address: Room No. 212, Second Floor, Lahore Stock Exchange Building, Lahore. (Applicant No. 2)

2. Facts of the case are that Elixir Securities Pakistan (Pvt.) Ltd., Consultant to the Offer, on behalf of Pakistan Petroleum Limited (PPL) vide letter dated September 15, 2004 furnished to the Commission a list of cases of all those applicants which were detected by Sidat Hyder Morshed Associates (Pvt.) Limited (the balloters to the offer) as being filed in violation of Section 18A of the Securities and Exchange Ordinance, 1969, which stipulates that:

“(1) No person or any other person on his behalf shall make a fictitious application or submit more than one application for shares of companies offered to the public. (2) In case of contravention of the provisions of subsection (1), the application money shall be liable to confiscation.”

3. Mr. Abdul Khaliq's name appeared in the aforementioned list of multiple applicants. One application bearing No. 11-186-1215 was submitted through Muslim Commercial Bank, WAPDA House Branch, Lahore and the other application bearing No. 01-203-1763 was submitted through Allied Bank of Pakistan Limited, LSE Branch, Lahore.

4. The Commission called for a written explanation vide letter dated June 2, 2005 by sending a letter at the address mentioned on application No. 11-186-1215 i.e. C/o Adamjee Insurance Company Limited, Nawa-e-Waqt House Branch, Lahore. He replied vide letter dated June 9, 2005 stating that he had submitted only one application through Muslim Commercial Bank, WAPDA House Branch, Lahore and requested for allotment of shares.

5. The Commission then called for a written explanation from Applicant No. 2 vide letter dated June 13, 2005 at the address mentioned on the application No. 01-203-1763 i.e. Room No. 212, 2nd Floor, Lahore Stock Exchange Building, Lahore but no reply was received. The Commission then sent a letter dated August 5, 2005 to the banker to the issue, Allied Bank Limited, LSE Branch, Lahore (the bank), requesting the bank to deliver the Commission's letter dated June 13, 2005 to Mr. Abdul Khaliq, holder of account No. 3020-1 with the bank. However, no reply has been received.

6. In order to ascertain the factual position and to reach to a conclusion, the aforementioned show cause notices were issued and subsequently a hearing was held on January 31, 2006 at the Companies Registration Office, Lahore. During the course of the hearing, Mr. Abdul Khaliq appeared in person stating that he submitted only one application 11-186-1215 through Muslim Commercial Bank Limited, Wapda House Branch, Lahore using account No. 1495-7. In support of his arguments, he presented his original NIC and requested the Commission for allotment of shares against application No. 11-186-1215.

7. I have considered the arguments presented before me by Mr. Abdul Khaliq. A perusal of the applications and correspondence exchanged in the matter reveals that these applications have been submitted by two different persons using the same NIC number and father's name but with different addresses & signatures. From the facts presented before me, it is evident that application No. 11-186-1215 submitted by Mr. Abdul Khaliq through Muslim Commercial Bank Limited, Wapda House Branch, Lahore is genuine, hence the Privatization Commission (the Offerer) is advised to accept application No. 11-186-1215 submitted by Mr. Abdul Khaliq and allot shares against the same.

8. The identity of Applicant No. 1 has been established as Mr. Abdul Khaliq appeared in person before me and since no one appeared before me in response to show cause notices No. SMD/Co.62/3/2004-S dated January 23, 2006 and January 26, 2006, claiming Application No. 01-203-1763 also filed in the name of Mr. Abdul Khaliq bearing the address Room No. 212, Second Floor, LSE Building, Lahore, therefore, it is evident that application No. 01-203-1763 is fictitious. Accordingly, the subscription money deposited against the said fictitious application be confiscated under subsection (2) of Section 18-A of Securities and Exchange Ordinance, 1969. The Offerer is advised to deposit the subscription money to be confiscated against application No. 01-203-1763 in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with Habib Bank Limited within thirty days from the receipt of this Order and furnish the receipted challans to the Commission.

9. Further, the State Bank of Pakistan (SBP) is requested to investigate the opening of account No. 3020-1 in the name of Mr. Abdul Khaliq in Allied Bank of Pakistan, LSE Branch, Lahore without

conducting proper due diligence. Based on the findings of the investigation carried out, SBP is requested to take appropriate action against the concerned individuals/parties under intimation to this office.

Jahanara Sajjad Ahmad
Joint Director (Securities Market Division)

Announced:
March 28, 2006
Islamabad.