



**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 Mrs. Samina Hafeez 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 Limited. (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. Mrs. Samina Hafeez
- ii. Mr. Abdul Hafeez (husband of Samina Hafeez)

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) Mrs. Samina Hafeez, W/o Abdul Hafeez, NIC No. 34101-2375033-8, address: House No. 160-D, Satellite Town, Gujranwala (Applicant No. 1) and (ii) Mrs. Samina Hafiz, W/o

Abdul Hafeez, NIC No. 34101-2375033-8, address: House No. 121-D, Satellite Town, Gujranwala (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. Mrs. Samina Hafeez’s name appeared in the aforementioned list of multiple applicants. One application bearing No. 03-053-378 was submitted through Bank Alfalah, GT Road Branch, Gujranwala and the other application bearing No. 18-0008-276 submitted through United Bank Limited, Sheikhpura Road, Gujranwala. Both the applications were submitted under the same name with the same NIC number and husband’s name but with different signatures.

4. Since both the applications contained the same addresses, the Commission called for a written explanation from Applicant No. 1 vide letter dated October 06, 2004 at the address mentioned on the applications i.e. House No. 121-D, Satellite Town, Gujranwala. A reminder dated December 21, 2004 was also issued in this regard. A reply from Applicant No. 1 was received stating that she had submitted only one application through Bank Alfalah Limited, Gujranwala bearing No. 03-053-378, and requested for allotment of shares.

5. The Commission then vide letter dated January 12, 2005 requested the Manager of United Bank Limited, Sheikhpura Road, Gujranwala to deliver the Commission’s letter dated October 6, 2004 to Applicant No. 2 holder of account No. 12688-9 maintained at UBL, Sheikhpura Road, Gujranwala. In response to the said letter an undated reply was received in this office on February 2,

2005 wherein it was stated that she had submitted two applications by mistake and that either shares be allotted to her or her subscription money be refunded. She further stated that her address has been changed from house No. 121-D to 160-D.

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, Mrs. Samina Hafeez (Applicant No. 1) appeared in person stating that she had submitted only one application No. 03-053-378 through Bank Alfalah Limited, GT Road, Gujranwala using account No. 01002992. In support of her arguments, she presented his original NIC and a letter from Bank Alfalah, GT Road, Gujranwala certifying that she is maintaining account No. 1722-5 with them since April 12, 2001. She requested the Commission for allotment of shares against application No. 03-053-378.

7. I have considered the arguments presented before me by Mr. Samina Hafeez (Applicant No. 1). 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, husband's name and address but with different signatures. From the facts presented before me, it is evident that application No. 03-053-378 submitted by Mrs. Samina Hafeez through Bank Alfalah Limited, GT Road Branch, Lahore is genuine, hence the hence the Privatization Commission (the Offerer) is advised to accept application No. 03-053-378 submitted by Mrs. Samina Hafeez and allot shares against the same.

8. The identity of applicant No. 1 has been established as Mrs. Samina Hafeez appeared in person before me. 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. 18-0008-276 also filed in the name of Mrs. Samina Hafeez bearing the address House No. 121-D, Satellite Town, Gujranwala, therefore, it is evident that application No. 18-0008-276 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. 18-0008-276 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. 12688-9 in the name of Mrs. Samina Hafeez in United bank Limited, Sheikhpura Road, Gujranwala 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.