



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

Before the Executive Director (Securities Market Division)

In the matter of Show Cause Notice No.SMD/Co.62/2/2004-S dated December 06, 2005 issued to Mr. Aamir Shezad Awan under Section 18-A of the Securities and Exchange Ordinance, 1969 for submission of more than one application for subscription of shares of Bank Alfalah Ltd. (the “Bank”) which were offered to the general public on May 17-18, 2004.

Date of hearing:

December 13, 2005

Present at hearing:

Representing the applicant:

- i. Mr. Aamir Shazad
- ii. Mr. Akber Amirali Shalwani (Friend of Mr. Aamir Shazad)
- iii. Mr. Khalid Hanfi (Friend of Mr. Aamir Shazad)

Assisting the Executive Director (SM):

- i. Ms. Jahanara Sajjad Ahmad,
- ii. Mr. Muhammad Saeed Rana,

Joint Director, CI

Junior Executive, CI

ORDER

1. The matter arises from the show causes notice No.SMD/Co.62/2/2004-S dated December 06, 2005 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Mr. Aamir Shezad Awan s/o Malik Mohammad Maqbool, NIC No.42301-0837283-1, address: Flat No.G-596, Gali No.1, Near Mosque-e-Hira, Manzoor Colony, Karachi (Applicant No 1) and (ii) Mr. Amir

Shahzad Awan s/o Malik Muhammad Maqbool NIC No.42301-0837283-1, address: J.M, 716/9/1, 101-A, Fatima Jinnah Colony, Karachi (Applicant No 2).

2. Facts of the case are that Bank Alfalah Ltd (the Bank), on behalf of sponsoring shareholders of the Bank (the Offerer) vide letter dated June 07, 2004 furnished to the Commission a list of cases of all those applicants which were detected by Uni Corporate and Financial Services (Pvt) Ltd (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.”

Mr. Aamir Shezad Awan’s name appeared in the aforementioned list of multiple applicants. One application bearing No. 02-023-A-187 was submitted through Askari Commercial Bank Ltd., Jodia Bazar Branch Karachi and the other application bearing No.20-382-1303 was submitted through United Bank Limited, Kayani Shaheed Road Branch, Karachi. Both the applications were submitted under the same name with the same NIC number and fathers name but with different signatures.

3. The Commission called for a written explanation from applicant No 1 vide letter dated July 12, 2004 at the address mentioned in application No.02-023-A-187 i.e. Flat No.G-596, Gali No.1, Near Mosque-e-Hira, Manzoor Colony, Karachi. He replied vide his letter dated nil stating that he had submitted only one application through Askari Commercial Bank Limited, Jodia Bazar Branch, Karachi and requested for allotment of shares.
4. The Commission then called for a written explanation from applicant No 2 vide letter dated August 03, 2004 at the address mentioned in the application i.e J.M 716/9/1, 101-A, Fatima Jinnah Colony, Karachi. He replied vide letter dated nil which was received on August 19, 2005 stating that he had submitted only one application and the other application was filed by Mrs. Riffat Zahid and that it could be that by mistake photocopy of his NIC was attached with both the applications.

5. 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 December 13, 2005 at the Companies Registration Office, Karachi. During the course of the hearing, Mr. Aamir Shezad Awan appeared in person stating that he submitted only one application No. 02-023-A-187 through Askari Commercial Bank Limited, Jodia Bazar Branch, Karachi using account No. 2832-0 and that he has no knowledge of the person who filed the other application. He presented his original NIC and a letter from his Banker i.e. Askari Commercial Bank Limited, Jodia Bazar Branch, Karachi in support of his arguments. He requested the Commission for the refund of subscription money deposited against application No. 02-023-A-187.
6. I have considered the arguments presented before me by the applicant. 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. 02-023-A-187 submitted by Mr. Aamir Shezad Awan through Askari Commercial Bank Ltd., Jodia Bazar Branch, Karachi is genuine, hence the Offerer is advised to accept application No. 02-023-A-187 submitted by Mr. Aamir Shezad Awan and refund the subscription money deposited against the same.
7. The identity of applicant no 1 has been established as Mr. Aamir Shezad Awan appeared in person before me and since no one appeared before me in response to show cause notice No.SMD/Co.62/2/2004-S dated December 06, 2005, claiming Application No. 20-382-1303 also filed in the name of Mr. Amir Shehzad Awan bearing the address House No.J.M 716/9/1, 101-A, Fatima Jinnah Colony, Karachi, therefore, it is evident that application No. 20-382-1303 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. Bank Alfalah Limited is advised to deposit the subscription money to be confiscated against application No. 20-382-1303 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.

8. Further, the State Bank of Pakistan (SBP) is requested to investigate the opening of account No. 6774-3, in the name of Mr. Amir Shehzad Awan in United Bank Ltd, Kayani Shaheed Road Branch, Karachi 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.

Arif Mian
Executive Director (Securities Market Division)

Announced:
January 30, 2006
Islamabad.