



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

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**Before the Executive Director (Securities Market Division)**

**In the matter of Show Cause Notice No.SMD/Co.62/3/2004-S dated December 06, 2005 issued to Mr. Daulat Ram 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” and/or “PPL”) which were offered to the general public on July 19-22, 2004.**

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**Date of hearing:**

**December 13, 2005**

**Present at hearing:**

Representing the applicant:

- i. Mr. Daulat Ram
- ii. Dr. Bhagwan Das (Friend of Daulat Ram)
- iii. Mr. Dileep Kumar (Neighbor of Daulat Ram)

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 cause notices No.SMD/Co.62/3/2004-S dated December 06, 2005 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Mr. Daulat Ram s/o Topa Mal, NIC No.51503-9496417-7, address: Hindu Mehla Mehmood Abad Road, Hub Chowki, Lasbella (Applicant No 1) and (ii) Mr. Doulat Ram s/o Topa Mal

NIC No.51503-9496417-7, address: C/O Narjan Lal, Dodai House Badah, P.O.Badah, Larkana (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.”*

Mr. Daulat Ram's name appeared in the aforementioned list of multiple applicants. One application bearing No. 11-26-422 was submitted through Muslim Commercial Bank Limited, Hub Chowki Branch, Distt: Lasbella and the other application bearing No.01-0233-132 was submitted through Allied Bank of Pakistan Limited, Larakana Branch, Larkana. 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 October 06, 2004 at the address mentioned in application No.11-26-422 i.e. Hindu Mehla, Mehmood Abad Road, Hub Chowki, Lasbella. The same was returned back undelivered. The applicant No 1 vide his letter dated nil received on November 08, 2004 stated that he had submitted only one application through Muslim Commercial Bank Limited, Hub Chowki Branch, Lasbella and requested for allotment of shares against his application.
4. The Commission then called for a written explanation from applicant No 2 vide letter dated December 02, 2004 sent through the Banker to the Offer i.e. Allied Bank of Pakistan

Limited, Branch Code 0233, Larkana. The Commission received a reply dated nil on December 14, 2004 from applicant No 2 forwarded by the Karachi Stock Exchange (G) Limited, wherein it was stated that he had submitted only one application from Allied Bank Limited, Larkana and had no knowledge of the other application filed through Muslim Commercial Bank Limited.

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 hearing, Mr. Daulat Ram appeared in person stating that it was stated by the applicant that he had submitted only one application No. 11-26-422 through Muslim Commercial Bank Limited, Hub Chowki Branch, Lasbella and that he has never been to Larkana. He said that he is also maintaining another bank account No.10135 at National Bank of Pakistan, Uthal Branch, Lasbella. He presented his original NICs both old & new, Passport, Driving License and a Local Certificate from District Lasbela certifying that the applicant is a resident of Lasbella, in support of his arguments. He requested the Commission for the allotment of shares against his application No.11-26-422.

Subsequent to the time fixed for hearing, Mr. Narjan Lal appeared before me claiming that Mr. Doulat Ram had authorized him to appear before me on his behalf. He said that Mr. Daulat Ram's father was hospitalized hence was not able to attend the hearing in person. Mr. Narjan Lal said that Mr. Daulat Ram had filed only one application bearing No.01-0233-132. However, Mr. Narjan Lal failed to provide the original NIC of Mr. Doulat Ram and any other authentic legal document authorizing him to appear on behalf of Mr. Doulat Ram.

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. 11-26-422 submitted by Mr. Daulat Ram through Muslim Commercial Bank

Limited, Hub Chowki Branch, Lasbella is genuine, hence the Privatisation Commission (the Offerer) is advised to accept application No. 11-26-422 submitted by Mr. Daulat Ram through Muslim Commercial Bank Limited, Hub Chowki Branch, Lasbella and to allot shares against the said application as it was declared successful in ballot and was detected in post ballot scrutiny.

7. The identity of applicant no 1 has been established as Mr. Daulat Ram appeared in person before me and since Mr. Narjan Lal could not support his argument that he is appeared before me on behalf of Mr. Daulat Ram in response to show cause notice No.SMD/Co.62/2/2004-S dated December 06, 2005, claiming Application No. 01-0233-132. also filed in the name of Mr. Daulat Ram bearing the address Dodai House Badah, P.O.Badah, Larkana, therefore, it is evident that application No. 01-0233-132 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. 01-0233-132 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. 10929-3, in the name of Mr. Daulat Ram by Allied Bank of Pakistan Ltd, Larkana Branch (code 0233), Larkana without conducting proper due diligence. Based on the findings of he 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.***