



**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.62/1/2004-S dated December 06, 2005 issued to Ms. Kiran Piyarali Siaani under Section 18-A of the Securities and Exchange Ordinance, 1969 for submission of more than one application for subscription of shares of Pakistan International Airlines Corporation (“the Company” and/or “PIAC”) which were offered to the general public on June 07-09, 2004.

Date of hearing:

December 13, 2005

Present at hearing:

Representing the applicant:

- i. Mr. Salman Piyarali (Brother of Ms. Kian Piyarali Siaani)

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.62/1/2004-S dated December 06, 2005 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Ms. Kiran d/o Piyarali Siyani, NIC No.42201-1423471-6, address: A-20, Al Moiz Housing Society, Garden West, Karachi (Applicant No 1) and (ii) Ms. Kiran Piyarali Siaani d/o Piyarlai Siani NIC No.42201-1423471-6, address: Flat No.A-20, 4th Floor, Al Moiz Housing, Garden West, Karachi (Applicant No 2).

2. Facts of the case are that KASB Securities Ltd., Consultant to the Offer, on behalf of Pakistan International Airlines Corporation (PIAC) vide letter dated July 13, 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.”

Ms. Kian Piyarali Siyani’s name appeared in the aforementioned list of multiple applicants. One application bearing No. 01-0130-10 was submitted through Allied Bank of Pakistan Limited, Saleh Muhammad Street Branch, Karachi and the other application bearing No.01-112-85 was submitted through Allied Bank of Pakistan Limited, Eidgah 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 of the applicant vide letter dated July 22, 2004 at the address mentioned in application No.01-0130-10 i.e. A-20, Al Moiz Housing Society, Garden West, Karachi She replied vide her letter dated July 27, 2004 stating that she had submitted only one application through Allied Bank of Pakistan Limited, Saleh Muhammad Street Branch, Karachi using account No.11063-1.
4. The Commission then called for a written explanation from applicant No 2 vide letter dated August 24, 2004 at the address mentioned in the application i.e Flat No.A-20, 4th Floor, AL-Moiz Housing Garden, West Karachi however, so far no reply has been received.
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. Salman Piyarali, Ms. Kiran Piyarli’s Brother, appeared on behalf of her stating that his sister had submitted only

one application No. 01-0130-10 through Allied Bank of Pakistan Limited, Saleh Muhammad Street Branch, Karachi. He presented an authority letter duly signed by Ms. Kiran's and the original NIC of Ms Kiran in support of his arguments. He requested for the refund of subscription money against application No. 01-0130-10.

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. 01-0130-10 submitted by Ms. Kiran Piyarli Siyani through Allied Bank of Pakistan Limited, Saleh Muhammad Street Branch, Karachi is genuine, hence, the Privatisation Commission (the Offerer) is advised to accept application No 01-0130-10 submitted by Ms. Kiran Piyarli Siyani through Allied Bank of Pakistan Limited, Saleh Muhammad Street Branch, Karachi and to refund the subscription money deposited against the same.
7. The identity of applicant No 1 has been established as Ms. Kiran Piyarli Siyani's brother Mr. Salman duly authorized by her appeared before me on her behalf and since no one appeared before me in response to show cause notice No.SMD/Co.62/3/2004-S dated December 06, 2005, claiming Application No. 01-112-85 also filed in the name of Ms. Kiran Piyarlai Siyani bearing the address Flat No.A-20, 4th Floor, Al Moiz Housing, Garden West, Karachi, therefore, it is evident that Application No. 01-112-85 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 confiscated against application No. 01-112-85 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 receipted challans to the Commission.
8. Further, the State Bank of Pakistan (SBP) is requested to investigate the opening of account No. 2512-7, in the name of Ms. Kiran Piyarli Siyani in Allied Bank of Pakistan Ltd, Eidgah 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:
Januray 30, 2006,
Islamabad.