



**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. Mohammad Aslam 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. Muhammad Aslam

Assisting the Executive Director (SM):

i. Ms. Jahanara Sajjad Ahmad,

Joint Director, CI

ii. Mr. Muhammad Saeed Rana,

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. Mohammad Aslam s/o Mohammad Iqbal, NIC No.42401-20711023, address: H.No.D-259, Block-4, Metrovil, 1 site, Karachi (Applicant No 1) and (ii) Mr. M. Aslam s/o M. Iqbal NIC No.42401-20711023, address: 50-51, Old Stock Exchange, 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. Mohammad Aslam’s name appeared in the aforementioned list of multiple applicants. One application bearing No. 01-167-12 was submitted through Allied Bank of Pakistan Ltd., Metrovill Branch Karachi and the other application bearing No.08-01-1764 was submitted through Jahangir Siddiqui Investment Bank Limited, 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 on his NIC i.e. House. No.D-259, Block 4, Metrovill, 1 Site, Karachi. He replied vide his letter dated July 19, 2004 that he had submitted only one application through Allied Bank of Pakistan Ltd., Metrovill, S.I.T.E Branch Karachi and requested for refund of subscription money.
4. The Commission then called for a written explanation from applicant No 2 vide Commission’s letter dated September 06, 2004 at the address mentioned on the application i.e. 50-51, Old Stock Exchange Building, Karachi through his Banker to the offer i.e. Jahangir Siddiqui Investment Bank Limited, Karachi. So far no reply received from him.
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. Mohammad Aslam

appeared in person stating that he had submitted only one application through Allied Bank of Pakistan Ltd, Metrovill Branch, Karachi and that he works at Allied Bank Ltd, Karachi. He presented his original NIC and office employee ID card in support of his arguments. He requested for refund of subscription money against his application No 01-167-12.

6. I have considered the argument presented before me by Mr. Mohammad Aslam. 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. 01-167-12 submitted by Mr. Mohammad Aslam through Allied Bank of Pakistan Ltd., Metrovill Branch, Karachi is genuine, hence the Offerer is advised to accept application No. 01-167-12 submitted by Mr. Mohammad Aslam and refund the subscription money deposited against the same.
7. The identity of applicant no 1 has been established as Mr. Munir Ahmed 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. 08-01-1764 also filed in the name of Mr. Mohammad Aslam bearing the address 50-51, Old Stock Exchange Building, Karachi, therefore, it is evident that application No. 08-01-1764 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. 08-01-1764 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 Commission shall conduct an investigation to enquire how Jahangir Siddiqui Investment Bank Limited, Karachi branch code 01 accepted application No 08-01-1764 as the same did not contain the account number of applicant No 2.

Arif Mian
Executive Director (Securities Market Division)

Announced:
January 30, 2006,
Islamabad.