



**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.62/2/2004-S dated December 06, 2005 issued to Mr. Muhammad Imran 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.**

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**Date of hearing:**

**December 13, 2005**

**Present at hearing:**

Representing the applicant:

- i. Mr. M. Imran
- ii. Mr. M. Ali (brother of the applicant)

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.62/2/2004-S dated December 06, 2005 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Mr. Imran s/o A.Razzak, NIC No.42301-1094726-3, address: Room No.12, Hajiani Aisha Manzil, Sulamman Dawood Road, Ramswami, Karachi (Applicant No 1) and (ii) Mr. Muhammad Imran s/o A.Razzak NIC No.42301-1094726-3, address: 502-B, Al-Rehman Height, Oliver Street, Ramswami, 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. Muhammad Imran’s name appeared in the aforementioned list of multiple applicants. One application bearing No. 13-08-68 was submitted through PICIC Commercial Bank Ltd., New Challi Branch Karachi and the other application bearing 10-018-98 was submitted through Metropolitan Bank Ltd, Stock Exchange 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 on application No.13-08-68 i.e. Room No.12, Hajiani Aisha Manzil, Suleman Dawood Road, Ramswami, Karachi. He replied vide his letter dated July 24, 2004 that he had submitted only one application through PICIC Commercial Bank Ltd., New Challi Branch, Karachi and that someone had misused his NIC. He requested for refund of subscription money.
4. The Commission then called for a written explanation from applicant No 2 at the address mentioned in the application i.e. 502-B, Al-Rehman Height, Oliver Street, Ramswami, Karachi but the same was returned back undelivered. Then, the same letter was sent through his Banker to the Offer i.e. Metropolitan Bank Limited, Stock Exchange Branch, Karachi in reply to which the Banker to the offer vide its letter dated September 08, 2004 stated that the said letter was delivered to him on August 20, 2004 and that he was also advised via telephone to reply to the Commission’s letter. But so far no reply has been 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. Muhammad Imran appeared in person stating that he had submitted only one application No.13-08-68 through PICIC Commercial Bank Limited, New Challi Branch, Karachi and that he has no knowledge of the other person who filed the second application on his behalf. He said that he had visited various banks for clearance of cheques from time to time and had provided copies of his NICs on different occasions which could have been misused by someone. He presented a copy of his NIC in support of his arguments. He requested the Commission for the refund of subscription money against his application No.13-08-68.
6. The NIC presented to me by Mr. Muhammad Imran was not original. Mr. Muhammad Imran was given a period of 7 days from the hearing to either provide a copy of his NIC duly attested by NADRA or a letter from NADRA stating that the said NIC was genuine. However, Mr. Muhammad Imran failed to provide either.
7. The Commission then received a letter dated January 21, 2006 from the Chief Manager of PICIC Commercial Bank New Challi Branch Karachi enclosing an attested copy of the NIC of Mr. Muhammad Imran's which was provide by him at the time of opening of his account.
8. I have considered the arguments presented before me. 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. 13-08-68 submitted by Mr. Muhammad Imran through through PICIC Commercial Bank Ltd., New Challi Branch, Karachi is genuine, hence the Offerer is advised to accept application No. 13-08-68 submitted by Mr. Muhammad Imran and refund the subscription money deposited against the same.
9. The identity of applicant no 1 has been established as Mr. Muhammad Imran 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. 10-018-98 also filed in the name of Mr. Muhammad Imran bearing the address 502-B, Al-Rehman Height, Oliver Street, Ramswami, Karachi, hence, the same 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 confiscated against application No.10-018-98 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. 109515, in the name of Mr. Muhammad Imran in Metropolitan Bank Ltd, Stock Exchange 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.***