



**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. Munir Ahmed 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. Munir Ahmed

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 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. Munir Ahmed s/o Fazal Karim, NIC No.42501-1584148-9, address: Plot No.10, Noor Housing Project, Khuldabad Landhi, Karachi (Applicant No 1) and (ii) Mr. Munir Ahmed s/o Fazal Karim NIC No.42501-1584148-9, address: Flat No.12-A, Al-Hamed Centre, Bur, 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. Munir Ahmed’s name appeared in the aforementioned list of multiple applicants. One application bearing No. 20-0382-907 was submitted through United Bank Limited, Landhi Industrial Area Branch, Karachi and the other application bearing No.01-104-511 was submitted through Allied Bank of Pakistan Limited, Bombay Bazar 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.20-0382-907 i.e. Plot No.10, Noor Housing Project, Khuldabad Landhi, Karachi. He replied vide his letter dated August 05, 2004 stating that he and his son namely Mr. Tanveer Ahmed (NIC No.42000-0567615-7) had applied for shares of Bank Alfalah Limited through United Bank Limited, Landhi Industrial Area Branch, Karachi by submitting one application each i.e. No.907 & 916 respectively and it could be that due to oversight a copy of his NIC was attached with both the applications. It was further stated by him that he had not submitted more than one application, hence shares be allotted to him.
4. The Commission then, on September 18, 2004, received a letter from applicant No 2 from the address mentioned in application No 01-104-511, wherein it was stated that he had submitted more than one application due to insufficient knowledge about the shares market, hence subscription money against both his applications be refunded.

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. Munir Ahmed appeared in person stating that he submitted only one application No.20-0382-907 and previously he was under the impression that a copy of his NIC was also attached with the application of his son. However, it was upon receipt of the show cause notice dated December 6, 2005 issued by the Commission that he realized that someone else had misused his NIC and filed the other application on his behalf. He presented his original NIC in support of his arguments. He requested the Commission for the refund of subscription money deposited against application No 20-0382-907.
6. I have considered the argument 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. 20-0382-907 submitted by Mr. Munir Ahmed through United Bank Ltd., Industrial Area Branch, Karachi is genuine, hence the Offerer is advised to accept application No.20-0382-907 submitted by Mr. Munir Ahmed and refund of 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.01-04-511 also filed in the name of Mr. Munir Ahmed bearing the address Flat No.12-A, Al-Hamed Centre, Bur, Karachi, therefore, it is evident that application No. 01-04-511 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.01-04-511 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. 5582-1 in the name of Mr. Munir Ahmed in Allied Bank of Pakistan Ltd, Bombay Bazar 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.***