



**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 Nabib Khan 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. Nabib Khan
- ii. M. M. Farooq (Friend of Mr. Nabib Khan)

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. Nabib Khan s/o Abdul Majeed, NIC No.42201-6140617-1, address: N-19, Shah Faisal Colony, Karachi (Applicant No. 1) and (ii) Mr. Nabib Khan s/o Abdul Majeed NIC No.42201-6140617-1, address: 5-1287, Shah Faisal Colony, Karachi (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. Nabib Khan's name appeared in the aforementioned list of multiple applicants. Two applications bearing Nos 08-028-1034 and No.11-12-1566 were submitted through Habib Bank Ltd, Drigh Colony No.1 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 October 06, 2004 at the address mentioned in application No.08-028-1034 i.e. N-19, Shah Faisal Colony, Karachi. But so far no reply has been received from him. The Commission received a letter dated October 12, 2004 in his name but bearing the signatures of “Moeen”, wherein it was stated that he had submitted more than one application and requested to be excused. The Commission then called for a written explanation vide letter dated December 17, 2005 regarding variation in signatures made on both the applications. The applicant vide his letter dated January 24, 2005 replied that the reason for variation in signatures was that at the time he was suffering from fever
4. The Commission then received a letter dated nil on February 02, 2005 from Applicant No 2 wherein it was stated that he is the genuine applicant claiming application No.08-028-1111 and that someone had misused his NIC without his knowledge as the same was provided by him for obtaining a telephone connection.

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. Nabib Khan appeared in person stating that he had submitted only one application No.08-028-1111 and that the other application was filed by the owner of his shop Mr. M. Ashraf with his consent. He further stated that he was not aware of the provisions of Section 18-A of the Securities and Exchange Ordinance, 1969. He presented his original NIC in support of his arguments. He requested the Commission for a sympathetic consideration of his case.
6. I have considered the arguments presented before me by Mr. Nabib Khan. 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. 08-028-1111 submitted by Mr. Nabib Khan Habib Bank Limited, Drigh Colony No.1 Branch, Karachi is genuine, hence, the Privatisation Commission (the Offerer) is advised to accept application No. 08-028-1111 submitted by Mr. Nabib Khan and to refund the subscription money deposited against the same.
7. The identity of applicant no 2 has been established as Mr. Nabib Khan 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. 08-028-1034 also filed in the name of Mr. Nabib Khan bearing the address N-19, Shah Faisal Colony, 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. The Offerer is advised to deposit the subscription money to be confiscated against application No.08-028-1034 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. 26953-6, in the name of Mr. Nabib Khan by Habib Bank Ltd, Drigh Colony No.1 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.***