



**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.62/3/2004-S dated December 06, 2005 issued to Mrs. Najma Kazim Jafri 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.

Date of hearing:

December 13, 2005

Present at hearing:

Representing the applicant:

- i. Mrs. Najma Kazim Jafri
- ii. Mr. Falak Hassan Jafri (brother of Mrs. Najma Kazim Jafri)
- iii. Mrs. Talat Zehra (Cousin of Mrs. Najma Kazim Jafri)

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) Mrs. Najma Kazim Jafri w/o Kazim Raza Jafri, NIC No.42201-0555822-0, address: C-10, Block 7, Gulshan-e-Iqbal, Karachi (Applicant No 1) and (ii) Mrs. Najma Kazim Jafri w/o Kazim Raza

Jafri NIC No.42201-0555822-0, address: D-1101, Mehran Square, Teen Talwar, Clifton, 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.”

Mrs. Najma Kazim Jafri’s name appeared in the aforementioned list of multiple applicants. One application bearing No.03-0009-0356 was submitted through Bank Alfalah Limited, North Karachi, Industrial Area Branch, Karachi and the other application bearing No.03-0018-319 was submitted through Bank Alfalah Limited, Paper Market Branch, Karachi. Both the applications were submitted under the same name with the same NIC number and husband’s 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.03-0009-0356 i.e. C-10, Block 7, Gulshan-e-Iqbal, Karachi. She replied vide her letter dated December 14, 2004 stating that she had filed only one application No. 03-0009-0356 and that someone had misused a copy of her NIC to file the other application for PPL shares. She requested for allotment of shares against her application.
4. The Commission then called for a written explanation from applicant No.2 vide letter dated January 05, 2005 was at the address mentioned in the application at D-1101, Mehran Square,

Near Teen Talwar, Clifton Karachi. The applicant vide letter dated January 12, 2005 replied that she had inadvertently filed two applications and requested for refund of subscription money.

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, Mrs. Najma Kazim Jafri appeared in person stating that she submitted only one application No. 03-0009-0356 through Bank Alfalah Limited, North Karachi, Industrial Area Branch, Karachi. She presented her original NIC in support of her arguments. She requested for the allotment of shares against her application No. 03-0009-0356.
6. I have considered the arguments presented before me by Mrs. Najma Kazim Jafri. 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 Husband's Name but with different addresses & signatures. From the facts presented before me, it is evident that application No. 03-0009-0356 submitted by Mrs. Najma Kazim Jafri through Bank Alfalah Limited, North Karachi, Industrial Area Branch Karachi is genuine, hence the Privatisation Commission (the Offerer) is advised to accept application No. 03-0009-0356 submitted by Mrs. Najma Kazim Jafri and to allot shares against the said application as it was declared successful in the ballot and was detected in post ballot scrutiny.
7. The identity of applicant no 1 has been established as Mrs. Najma Kazim Jafri 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 03-0018-319 also filed in the name of Mrs. Najma Kazim Jafri bearing the address D-1101, Mehran Square, Teen Talwar, Clifton Karachi, therefore, it is evident that application No. 03-0018-319 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.03-0018-319 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. 02000325, in the name of Mrs. Najma Kazim Jafri by Bank Alfalah Ltd, Paper Market 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.