



**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 Mr. Shakir Ali Zafar 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. Shakir Ali Zafar

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. Shakir Ali Zafar s/o Ali Zaffar Malik, NIC No.42201-9692587-9, address: House No.J-80, J-Area, Korangi No.5, Karachi (Applicant No 1) and (ii) Mr. Shakir s/o Ali Zafar Malik NIC No.42201-9692587-9, address: B-102, Bed Rock Apartment, Frere Town, 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.”.*

Mr. Shakir Ali Zafar’s name appeared in the aforementioned list of multiple applicants. One application bearing No. 11-042-89 was submitted through Muslim Commercial Bank Limited, West Wharf Road Branch, Karachi and the other application bearing No.09-09-4074 was submitted through Jahangir Siddiqui Investment Bank Limited, Karachi by using account No.938-4 maintained at Bolan Bank Limited, Bhadrur Shah Centre 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.11-042-89 i.e. House No.J-80, J Area, Korangi No.5, Karachi. He replied vide his letter dated September 20, 2004 stating that he had submitted only one application No. 11-042-89 through Muslim Commercial Bank Limited, West Wharf Branch, Karachi using account No.8037-5.
4. The Commission then called for a written explanation from applicant No 2 vide letter dated December 06, 2004 at the address mentioned in the application at B-102, Bed Rock Apartment, Frere Town, Clifton Karachi, but the letter was returned back undelivered. The same letter was then sent through his banker to the offer i.e. Bolan Bank Limited, Bhadrur Shah Centre Branch, Karachi on March 30, 2005. 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. Shakir Ali Zafar appeared in person stating that he had submitted only one application through Muslim Commercial Bank Limited, West Wharf Branch, Karachi. He said that he had lost his NIC while traveling by bus and someone then misused it to submit the other application. He presented his original NIC and a copy of the FIR lodged for the loss of his NIC in support of his arguments. He requested for allotment of shares against his application No.11-042-89.
6. I have considered the arguments presented before me by Mr. Shakir Ali Zafar. 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. 11-042-89 submitted by Mr. Shakir Ali Zafar through Muslim Commercial Bank Limited, West Wharf Branch Karachi is genuine, hence Privatisation Commission (the Offerer) is advised to allot shares against application No.11-042-89 submitted by Mr. Shakir Ali Zafar, as the same was declared successful in ballot and was detected in post ballot scrutiny.
7. The identity of applicant no 1 has been established as Mr. Shakir Ali Zafar 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.09-09-4074 also filed in the name of Mr. Shakir Ali Zafar bearing the address B-102, Bed Rock Apartment, Frere Town, Clifton Karachi, therefore, it is evident that application No. 09-09-4074 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 so confiscated against application No.09-09-4074 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. 938-4, in the name of Mr. Shakir Ali Zafar by Bolan Bank Ltd, Bhadur Shah Centre 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.***