



**SECURITIES & EXCHANGE COMMISSION OF PAKISTAN  
NIC BUILDING BLUE AREA, ISLAMABAD**

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**Before the Joint Director (Securities Market Division)**

**In the matter of Show Cause Notice No.SMD/Co.62/4/2004-S dated May 15, 2006 issued to Mr. Imran Younas Malik under Section 18-A of the Securities and Exchange Ordinance, 1969 for submission of more than one application for subscription of shares of Kot Addu Power Company Limited. (“the Company” and/or “KAPCO”) which were offered to the general public on February 21-24, 2005.**

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**Date of hearing:**

**May 19, 2006**

**Present at hearing:**

Representing the applicant:

Mr. Imran Younas Malik

Assisting the Joint Director (SMD):

Mr. Muhammad Saeed Rana,

Assistant Director, CI

## **ORDER**

1. The matter arises from the show cause notices No.SMD/Co.62/4/2004-S dated May 15, 2006 issued by the Securities and Exchange Commission of Pakistan (the Commission) to (i) Mr. Imran Youns Malik s/o Malik Muhammad Youns, NIC No.34101-2419430-7, address: C/o Muhammad Islam Rajput, Freed Town, Gujranwala, who submitted application No.04-0053-752 (Applicant No. 1) and (ii) Mr. Imran Younas Malik s/o Malik Muhammad Younas NIC No.34101-2419430-7, address: 218-B-4, WAPDA Town, Gujranwala, who submitted application No.25-8-1315 (Applicant No. 2).

2. Facts of the case are that Global Securities Pakistan Ltd., Consultant to the Offer, on behalf of the Privatisation Commission (the “Offerer”) vide letter dated April 15, 2005 furnished to the Commission a list of cases of all those applicants which were detected by THK 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. Imran Younas Malik’s name appeared in the aforementioned list of multiple applicants. Two applications bearing No. 04-0053-752 and No.25-8-1315 were submitted through Bank Alfalah Limited, G.T Road Branch, Gujranwala and United Bank Limited, Kutchery Road Branch, Gujranwala, respectively. Both the applications were submitted under the same name with the same NIC number, father’s name and signatures but with different addresses.

3. The Commission called for a written explanation from both applicant No 1 and applicant No.2 vide letters dated April 28, 2005 at the address mentioned in application No.04-0053-752 i.e. C/o Muhammad Islam Rajput, Freed Town, Gujranwala and application No. 25-8-1315 i.e. 218-B-4, WAPDA Town, Gujranwala respectively .
4. A reply dated nil was received on May 10, 2005 from applicant No.2 wherein it was stated that he had submitted only one application through United Bank Limited, Kutchery Road Branch, Gujranwala using account No.0101616-5.
5. The Commission then sent a letter dated December 07, 2005 to the Banker to the offer through which application No. 04-0053-752 was submitted i.e. Bank Alfalah Limited, G.T Road Branch, Gujranwala (the Bank), requesting the Bank to deliver the Commission’s letter dated April 28, 2005 to Mr. Imran Youns Malik, an account holder of the Bank, requiring

him to explain why he had submitted more than one application. However, no reply to the said letter has been received till date.

6. 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 May 19, 2006 at the Companies Registration Office, Lahore. During the course of hearing, Mr. Imran Younas Malik appeared in person stating that he had submitted only one application No.25-8-1315 and that the other application was filed by someone else without his knowledge and consent. He presented his original NIC in support of his arguments. He requested the Commission for refund of his subscription money.
7. I have considered the arguments presented before me by Mr. Imran Younas Malik. 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 Father's Name and signatures but with different addresses. From the facts presented before me, it is evident that application No. 25-8-1315 submitted by Mr. Imran Younas Malik through United Bank Limited, Kutchery Road Branch, Gujranwala is genuine, hence, the Privatisation Commission (the Offerer) is advised to accept the application No.25-8-1315 submitted by Mr. Imran Younas Malik and to refund the subscription money deposited against the same.
8. The identity of applicant no 2 has been established as Mr. Imran Younas Malik appeared in person before me and since no one appeared before me in response to show cause notice No.SMD/Co.62/4/2004-S dated May 15, 2006, claiming Application No. 04-0053-752 also filed in the name of Mr. Imran Youns Malik bearing the address C/o Muhammad Islam Rajput, Freed Town, Gujranwala, 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.04-0053-752 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.

9. Further, the State Bank of Pakistan (SBP) is requested to investigate the opening of account number in the name of Mr. Imran Younas Malik by Bank Alfalah Ltd, G.T Road Branch, Gujranwala 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.

**Jahanara Sajjad Ahmad, ACA**  
Joint Director (Securities Market Division)

***Announced:***  
*August , 2006,*  
**Islamabad.**