



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

\*\*\*

**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 Ms. Memoona Ejaz 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.**

-----

**Date of hearing:**

**May 19, 2006**

**Present at hearing:**

Representing the applicant:

Ms. Memoona Ejaz

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) Ms. Memoona Ejaz D/o Dil Ejaz, NIC No.34101-2563534-8, address: Gali Munshi Abdul Wahid, Moh. Chah Bawianwala, Gujranwala, who submitted application No.21-09-472 (Applicant No. 1) and (ii) Ms. Memoona Ejaz D/o Muhammad Dil Ejaz NIC No.34101-2563534-8, address: 120-D, Setellite Town, Gujranwala, who submitted application No.4-48-3593 (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.”*

Ms. Memoona Ejaz’s name appeared in the aforementioned list of multiple applicants. Two applications bearing No. 21-09-472 and No.4-48-3593 were submitted through Saudi Pak Commercial Bank Limited, Branch, Gujranwala and Bank Alfalah Limited, Lahore Stock Exchange Branch, Lahore, respectively. Both the applications were submitted under the same name with the same NIC number and father’s name but with different addresses & signatures.

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.21-09-472 i.e. Gali Munshi Abdul Wahid, Moh. Chah Bawianwala, Gujranwala and application No. 4-48-3593 i.e.120-D, Setallite Town, Gujranwala respectively. A reply dated nil was received on May 16, 2005 from Ms. Memoona Ejaz bearing application No. 21-09-472 wherein it was stated that she had submitted only one application through Saudi Pak Commercial Bank Limited, Branch, Gujranwala.
4. The Commission then sent a letter dated December 07, 2005 to the Banker to the offer through which application No. 4-48-3593 was submitted without any account number mentioned therein i.e. Bank Alfalah Limited, Lahore Stock Exchange Branch,

Lahore (the Bank), requesting the Bank to deliver the Commission's letter dated April 28, 2005 to Ms. Memoona Ijaz, an account holder of the Bank, requiring her to explain why she had submitted more than one application. However, no reply to the said letter has been received till date.

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 May 19, 2006 at the Companies Registration Office, Lahore.
6. The Show cause notice No.SMD/Co.62/4/2004-s dated May 15, 2006 issued to applicant No.2, at the address, 120-D, Setellite Town, Gujranwala was returned undelivered to this office with the statement 'no such consignee at the given address' marked on it.
7. During the course of hearing, Ms. Memoona Ejaz appeared in person stating that she had submitted only one application No.21-09-472 and that the other application was filed by someone else without her knowledge and consent. She further stated that she was maintaining only one bank account with Saudi Pak Commercial Bank Limited, Branch, Gujranwala and that she does not maintain a bank account with Bank Alfalah Limited, Lahore Stock Exchange Branch, Lahore. She presented her original NIC in support of her arguments. She requested the Commission for allotment of shares against her application.
8. I have considered the arguments presented before me by Ms. Memoona Ejaz. 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 and signatures. From the facts presented before me, it is evident that application No. 21-09-472 submitted by Ms. Memoona Ejaz through Saudi Pak Commercial Bank Limited, Branch,

Gujranwala is genuine, hence, the Privatisation Commission (the Offerer) is advised to accept the application No.21-09-472 submitted by Ms. Memoona Ejaz and to allot shares against the same.

9. The identity of applicant no 1 has been established as Ms. Memoona Ejaz 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. 4-48-3593 also filed in the name of Ms. Memoona Ejaz bearing the address 120-D, Setellite 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.4-48-3593 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.
10. Further, Bank Alfalah Limited, Lahore Stock Exchange Branch, Lahore is warned to be more careful in future in acting in its capacity as Banker to the issue and to ensure that the relevant columns of the application form are duly filled in prior to accepting the share application form.

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

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